

**COUNTY OF TEHAMA,  
CALIFORNIA**



**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2020**

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**COUNTY OF TEHAMA**  
**Annual Financial Report**  
**For the Year Ended June 30, 2020**

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## **INTRODUCTORY SECTION**

- **List of Officials**

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**COUNTY OF TEHAMA**  
**List of Officials**  
**For the Year Ended June 30, 2020**

**ELECTED OFFICIALS**

Supervisor, District 1	Steve Chamblin
Supervisor, District 2	Candy Carlson
Supervisor, District 3	Dennis Garton
Supervisor, District 4	Bob Williams
Supervisor, District 5	Burt Bundy
Assessor	Ken Brown
Auditor-Controller	Leroy M. Anderson
Clerk & Recorder/Clerk of the Board/Elections	Jennifer Vise
District Attorney	Matthew D. Rogers
Sheriff/Coroner	Dave Hencratt
Treasurer/Tax Collector	Richard R. DuVarney

**DEPARTMENT DIRECTORS/ADMINISTRATORS**

Chief Administrator	Williams Goodwin
Agricultural Commissioner – Sealer Weights & Measures	Doni Rulofson (Interim)
Air Pollution Control Officer (Interim)	Joseph H. Tona
Building Official	John Stover
Chief Probation Officer	Richard Muench
Child Support Services Director	Tonya Moore
Civil Defense Coordinator	Dave Hencratt
County Library Manager	Todd Deck
County Counsel	Richard Stout
Court Executive Officer - Jury Commissioner	Kevin Harrigan
Director of Environmental Health	Tim Potanovic
Director of Planning	Kristin Maze
Director of Public Works - Road Commissioner	Tim McSorley
Farm Advisor/County Director	Josh Davy
Fire Warden - Chief	Christine Thompson
Health Officer	Vacant
Health Services Agency – Executive Director	Valerie Lucero
Personnel Director	Missi Bullington
Public Guardian – Public Administrator	Melani Rodriguez
Social Services Director/IHSS Public Authority Director	Laura Williams
Solid Waste Management Agency Director	Rachel Ross
Veterans Service Officer	Andrew Norwood

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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 Board of Supervisors and Grand Jury  
County of Tehama  
Red Bluff, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Tehama, California (County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

To the Board of Supervisors and Grand Jury  
County of Tehama  
Red Bluff, California

## **Opinions**

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

## **Emphasis of Matter**

As more fully described in Note 15B to the financial statements, citizens and the economies of the United States and other countries have been significantly impacted by the coronavirus (COVID-19) pandemic. While it is premature to accurately predict how the coronavirus will ultimately affect the County's operations because the disease's severity and duration are uncertain, we expect the 2020 financial results too will be significantly impacted and the implications beyond 2020, while unclear, could also be adversely impacted. Our opinion is not modified with respect to this matter and no pandemic implications are accounted for in these financial statements.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

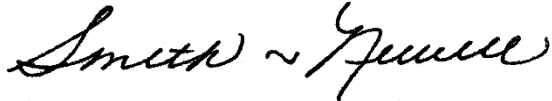
The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the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

To the Board of Supervisors and Grand Jury  
County of Tehama  
Red Bluff, California

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 4, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Smith & Newell", is written in black ink.

Smith & Newell CPAs  
Yuba City, California  
March 4, 2021

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

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**COUNTY OF TEHAMA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

This section of the County of Tehama's (County) annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2020. It should be read in conjunction with the County's basic financial statements following this section.

**I. FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$227,567,343 (net position). Of this amount, \$38,523,715 is restricted by function, \$259,064,929 is net investment in capital assets, and (\$70,021,301) is unrestricted.
- The government's total net position increased by \$3,942,214 during the year.
- As of June 30, 2020, the County's governmental funds combined ending fund balances were \$42,764,929. This is a net decrease of \$2,141,697 from the prior year, and is comprised of \$35,206,878 in non-spendable and/or restricted fund balance and \$7,558,051 as committed, assigned or unassigned.

**II. OVERVIEW OF THE FINANCIAL STATEMENTS**

**A. Financial Reporting Model**

The County of Tehama's financial reporting model is designed to demonstrate government accountability by presenting both a long-term and a near term view of its finances. This model is prescribed by Statement Number 34 of the Government Accounting Standards Board (GASB 34). This model is comprised of three parts: 1) Management's Discussion and Analysis which provides the financial highlights; 2) The County's basic financial statements, which consist of the Government-Wide financial statements, the Fund financial statements and Notes to the financial statements; 3) Required Supplementary Information.

**B. Government-Wide Financial Statements**

The government-wide financial statements provide an overview of the County's finances, in a manner similar to a private sector business that is using the accrual basis of accounting. They demonstrate accountability of Tehama County by showing the extent to which it has met operating objectives efficiently and effectively, using all resources available, and whether it can continue to do so.

The statement of net position presents information on all of the County'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 a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information on expenses and revenues to show how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported as soon as earned and expenses are reported as soon as incurred even though the related cash flows may not have taken place until future fiscal periods (e.g., earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County includes general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation.

**COUNTY OF TEHAMA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

Certain component units such as county service areas are essentially part of County operations and their financial data is blended in with operational funds of the County.

**C. Fund Financial Statements**

The fund financial statements provide evidence of accountability by demonstrating compliance with budgetary decisions made in a public forum. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes stipulated by laws, regulations or policies. The funds of the County are divided into three categories: governmental, proprietary, and fiduciary.

*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 near term inflows and outflows of spending resources, as well as on balances of spending available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The County maintains multiple individual Governmental funds. Governmental fund information is presented separately for the following major funds in the financial statements: General Fund, Public Safety Fund, Public Assistance Fund, Road Fund and the Health Services Fund. Data from other governmental funds including, but not limited to, Child Support, Building & Safety, Fire, Senior Nutrition and Air Pollution are aggregated into a single column and classified as Other Governmental Funds.

*Proprietary funds* are of two types:

*Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Tehama County Sanitation District #1.

*Internal service funds* are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for Risk Management (Worker's Compensation, Liability and Property Insurance), Dental and Vision Insurance programs. Because these services predominantly benefit governmental, rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's programs. The County maintains both agency funds and investment trust funds in the fiduciary fund category.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the information provided in the financial statements.

**D. Required Supplementary Information**

In addition to the basic financial statements, this report presents Required Supplementary Information that includes the County's progress in funding its obligation to provide pension and OPEB benefits to its employees; infrastructure assets reported using the modified approach and budgetary comparisons for the General Fund and other major governmental funds.

**COUNTY OF TEHAMA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**E. Annual Audit Requirements**

A countywide audit is required in order to comply with provisions of the Federal Single Audit Act of 1984 and California Government Code Section 25250. In accordance with these requirements the Tehama County Financial Statements undergo an annual audit by a CPA firm under contract with the County. The audit of the 2019/20 Financial Statements was conducted by the firm Smith & Newell CPAs.

**III. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Condensed Statement of Net Position**  
**For the Year Ended June 30, 2020**

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 66,502,443	\$ 70,525,445	\$ 330,922	\$ 377,370	\$ 66,833,365	\$ 70,902,815
Capital assets	257,302,635	269,317,187	740,745	716,403	258,043,380	270,033,590
Total Assets	323,805,078	339,842,632	1,071,667	1,093,773	324,876,745	340,936,405
Deferred Outflows of Resources	17,164,696	16,259,822	-	-	17,164,696	16,259,822
Current and other liabilities	7,519,490	10,940,462	11,961	8,550	7,531,451	10,949,012
Long term liabilities	107,904,037	116,005,574	314,700	295,200	108,218,737	116,300,774
Total Liabilities	115,423,527	126,946,036	326,661	303,750	115,750,188	127,249,786
Deferred Inflows of Resources	2,677,086	2,379,098	-	-	2,677,086	2,379,098
Net investment in capital assets	245,767,744	258,643,726	426,045	421,203	246,193,789	259,064,929
Restricted	43,522,191	38,523,715	-	-	43,522,191	38,523,715
Unrestricted	(66,409,812)	(70,390,121)	318,961	368,820	(66,090,851)	(70,021,301)
Total Net Position	\$ 222,880,123	\$ 226,777,320	\$ 745,006	\$ 790,023	\$ 223,625,129	\$ 227,567,343

The net investment in capital assets reflects the County's investment in land, structures and improvements, infrastructure and equipment. The County uses the capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A decrease in cash & investments of \$1.1 million, along with an increase in receivables of \$5.1 million and an increase of approximately \$9 million of construction in progress and \$2 million of increased infrastructure, for a total of \$12 million in capital assets, resulted in a net increase in total assets of \$16 million.

Restricted net position of \$38,523,715 represents resources that are subject to external restrictions on how they may be used. The net decrease of \$5 million is due to a cumulative decrease of \$1.6 million in Health and Welfare, \$267,000 in Public Assistance, and \$3.6 million in Public Ways and Facilities, with offsetting increases in General Government, Public Protection, Education and Culture & Recreation.

The total deferred outflows of resources for governmental activities were \$16,259,822 and deferred inflows of resources were \$2,379,098. Both numbers are a result of recording the pension and OPEB liabilities and related adjustments. Deferred outflows of resources decreased by 5.3 percent and deferred inflows of resources decreased by 11.1 %.

**COUNTY OF TEHAMA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Statement of Activities**  
**For the Year Ended June 30, 2020**

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
<b>Program Revenues:</b>						
Charges for services	\$ 32,880,580	\$ 17,422,471	\$ 170,771	\$ 160,904	\$ 33,051,351	\$ 17,583,375
Grants and contributions	85,707,033	92,669,182	95,922	175,816	85,802,955	92,844,998
<b>General Revenues:</b>						
Property taxes	22,483,495	24,373,384	-	-	22,483,495	24,373,384
Other taxes	7,225,032	9,661,825	-	-	7,225,032	9,661,825
Interest and investment earnings	1,433,571	1,510,907	5,465	7,447	1,439,036	1,518,354
Other revenue	2,078,016	1,251,224	25	1,477	2,078,041	1,252,701
Gain (loss) on disposal of capital assets	(2,348,873)	(76,500)	-	-	(2,348,873)	(76,500)
<b>Total Revenues</b>	<b>149,458,854</b>	<b>146,812,493</b>	<b>272,183</b>	<b>345,644</b>	<b>149,731,037</b>	<b>147,158,137</b>
<b>Expenses:</b>						
General government	23,601,657	9,303,708	-	-	23,601,657	9,303,708
Public protection	41,334,209	45,324,906	-	-	41,334,209	45,324,906
Public ways and facilities	8,801,733	9,268,184	-	-	8,801,733	9,268,184
Health and welfare	27,780,805	29,103,367	-	-	27,780,805	29,103,367
Public assistance	44,525,821	47,957,470	-	-	44,525,821	47,957,470
Education	1,040,109	1,099,494	-	-	1,040,109	1,099,494
Culture and recreation	422,414	382,654	-	-	422,414	382,654
Interest and fiscal charges	490,976	475,513	-	-	490,976	475,513
Sanitation District	-	-	196,731	300,627	196,731	300,627
<b>Total Expenses</b>	<b>147,997,724</b>	<b>142,915,296</b>	<b>196,731</b>	<b>300,627</b>	<b>148,194,455</b>	<b>143,215,923</b>
Changes in net position	1,461,130	3,897,197	75,452	45,017	1,536,582	3,942,214
Net position, beginning	183,541,395	222,880,123	669,554	745,006	184,210,949	223,625,129
Prior period adjustment	37,877,598	-	-	-	37,877,598	-
<b>Net position, ending</b>	<b>\$222,880,123</b>	<b>\$226,777,320</b>	<b>\$ 745,006</b>	<b>\$ 790,023</b>	<b>\$223,625,129</b>	<b>\$227,567,343</b>

The following highlights significant factors that affected the governmental and business-type activities and contributed to the change in **Net Position**:

- Governmental Activities had an increase of \$3,897,197 and Business-Type activities had an increase of \$45,017. The result was an overall increase in net position of \$3,942,214.
- There was a rather large increase in revenue from Grants & Contributions, which includes Aid from Other Government Agencies (State & Federal, etc). Other areas that saw increases were Property Taxes, Other Taxes, and Interest & Investment Earnings. Revenue decreased substantially in Charges for Services due to the re-classification of the Medical Insurance revenue of \$13,466,000 to Internal Service.
- The largest change was a substantial decrease in General Government as \$13,442,000 of Medical Insurance expense was re-classified from the General fund to an Internal Service fund. There were other substantial increases in expenditures for Public Protection and Public Assistance and to a lesser degree Public Ways & Facilities, Health & Welfare and Education. Culture & Recreation and Interest and Fiscal Charges saw decreases.

**IV. FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

The County uses fund accounting to ensure and demonstrate compliance with budgetary and legal requirements.

**COUNTY OF TEHAMA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

**Governmental funds.** The general government functions are included in the General, Special Revenue, Debt Service and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and spendable resources. Such information is useful in assessing the County's financing requirements.

At June 30, 2020, the County's governmental funds reported combined ending fund balances of \$42,764,929. This was a decrease of \$2,141,697 from the prior year. Approximately 17.7% of this total amount, or \$7,558,051, constitutes unrestricted fund balance which may be used to meet the County's ongoing general obligation to citizens and creditors.

The General Fund is the main operating fund of the County. At June 30, 2020, combined unrestricted fund balance of the General fund was \$8,532,538, while total combined fund balance reached \$11,330,534. As a measure of the General fund's liquidity, the unrestricted fund balance represents 48% of \$17,862,321 in total fund expenditures (up from 23% last year), and total fund balance is 63% of that same amount (up from 35% last year). Overall fund balance increased by \$574,137.

The following Special Revenue Funds can be viewed a little differently. Here, all restricted fund balances, as defined by GASB-54, are also available for operations. Non-spendable amounts are not available for operations.

The Public Safety Fund is used to account for all revenues and expenditures associated with public protection programs. The combined Public Safety Fund had a total fund balance of \$8,421,241. Of this amount, \$8,331,067 is available and the balance of \$90,174 is non-spendable. The overall fund balance decreased by \$93,379.

The Public Assistance Funds are used to account for all revenues and expenditures associated with the Federal and State mandates of various Health and Welfare Codes. At June 30, 2020, the total combined fund balance of the Public Assistance Funds was \$2,627,116. This represents an available fund balance of \$2,456,364 and an overall decrease in fund balance of \$607,108.

The Health Services Fund is comprised of several sub-funds which are used to account for all revenues and expenditures associated with providing health services to County residents.

At June 30, 2020 the combined Health Services Funds had a deficit unassigned fund balance of (\$8,965,764), restricted fund balance of \$4,504,337 and non-spendable fund balance of \$2,055,415 for a net negative fund balance of (\$2,406,012). This deficit is due to intergovernmental revenues that were not received within the modified accrual period and therefore, recorded as unavailable revenues on the fund financial statements.

The Road Funds are used to account for all revenues and expenditures associated with design, construction and maintenance of County road infrastructure. The Road Fund had a combined fund balance of \$1,136,533. Of this amount \$666,804 is available and the remaining \$469,729 is non-spendable. The overall fund balance decreased by \$3,228,703 due largely to substantial project expense reimbursements for claims submitted in 2019/20 but not received in the accrual period totaling approximately \$3.2 million.

The following tables for revenues by source and expenditures by function differ from the numbers presented in the Statement of Activities for various reasons explained in the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds (page 20 of the Financial Statements). The Revenues by Source table presents the revenues from various sources as well as increases or decreases from the prior year in the governmental funds. The Expenditures by Function table presents

**COUNTY OF TEHAMA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

expenditures by function compared to the prior year amounts in the governmental funds.

**Revenues Classified by Source**  
**Governmental Funds**

<u>Revenue Sources</u>	<u>FY 2019</u>		<u>FY 2020</u>		<u>Change</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
Taxes	\$ 28,609,867	19.4%	\$ 32,803,527	22.7%	\$ 4,193,660	14.7%
Licenses and permits	3,284,464	2.2%	3,646,528	2.5%	362,064	11.0%
Fines and forfeitures	2,225,022	1.5%	1,869,050	1.3%	(355,972)	-16.0%
Use of money and property	1,399,527	0.9%	1,466,829	1.0%	67,302	4.8%
Intergovernmental	81,512,542	55.2%	90,510,793	62.6%	8,998,251	11.0%
Charges for services	28,469,754	19.3%	13,138,575	9.1%	(15,331,179)	-53.9%
Other	2,078,016	1.4%	1,257,275	0.9%	(820,741)	-39.5%
Total Revenues	<u>\$147,579,192</u>	<u>100.0%</u>	<u>\$144,692,577</u>	<u>100.0%</u>	<u>\$(2,886,615)</u>	

Significant changes for major revenue sources are explained below:

- **TAXES** – There were significant increases in Sales Tax Revenues, up \$2.4 million, Secured Property Tax up 1.1 million and, to a lesser degree, the Property Tax in Lieu of VLF up \$500,000 over last year.
- **INTERGOVERNMENTAL** – the largest increases were in the Road fund, up \$3.4 million, and Health Services up \$3.2 million. Public Assistance saw a gain of \$2.6 million with Elections up \$478,000 and ACO \$300,000.
- **CHARGES FOR SERVICES** – the substantial decrease was a result of the impact of reclassifying \$13.5 million of Medical Insurance fund revenue along with a decrease of \$1.5 million in the Mental Health component of Health Services.
- **OTHER** – following a \$1 million Tribal donation in the prior year, a contribution of only \$350,000 contributed largely to the net decrease.

**Expenditures by Function**  
**Governmental Funds**

<u>Expenditures by Function</u>	<u>FY 2019</u>		<u>FY 2020</u>		<u>Change</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
General government	\$ 22,440,709	15.3%	\$ 8,117,873	5.5%	\$ (14,322,836)	-63.8%
Public protection	39,731,959	27.1%	40,375,132	27.5%	643,173	1.6%
Health and welfare	25,766,708	17.6%	26,974,268	18.4%	1,207,560	4.7%
Public assistance	42,235,242	28.8%	45,448,653	31.0%	3,213,411	7.6%
Education	824,591	0.6%	866,931	0.6%	42,340	5.1%
Recreation and cultural services	354,941	0.2%	315,943	0.2%	(38,998)	-11.0%
Public ways and facilities	7,844,639	5.4%	8,201,695	5.6%	357,056	4.6%
Debt Service: Principal	818,598	0.6%	832,110	0.6%	13,512	1.7%
Debt Service: Interest & other	503,989	0.3%	480,674	0.3%	(23,315)	-4.6%
Capital outlay	6,640,631	4.5%	14,997,042	10.2%	8,356,411	125.8%
Total Expenditures	<u>\$147,162,007</u>	<u>100.4%</u>	<u>\$146,610,321</u>	<u>100.0%</u>	<u>\$(551,686)</u>	

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Significant changes for major functions are explained below:

- GENERAL GOVERNMENT – the bulk of this change is the result of reclassifying \$13.4 million of Medical Insurance expense.
- HEALTH & WELFARE – Health Service Fund expenditures increased by \$852,495 for Mental Health programs and \$454,335 for Drug & Alcohol programs with lesser decreases to Public Health, Clinic and other Health related departments.
- PUBLIC ASSISTANCE – significant changes were in Public Assistance, which saw an increase of \$1,969,690, Social Services Administration was up \$858,996, Community Action up \$136,750 and Child support services up \$95,411. Senior Nutrition expense increased by \$138,821. Decreases were seen in Juvenile Court Wards, down \$111,776 and other lesser amounts in other programs.
- PUBLIC WAYS & FACILITIES – increased cost for general operations in the Road Fund account for the bulk of this change.
- CAPITAL OUTLAY – there was a \$3.9 million increase in road & bridge improvements and continued capitalization of prior year projects.

**V. GENERAL FUND BUDGETARY HIGHLIGHTS**

The difference between the original 2019/20 revenue budget and the final budget was \$793,640. The increase to the final revenue budget is net of a \$541,405 increase in anticipated Aid from Other Government Agencies, \$112,246 increase in budgeted Charge for Current Services and other minor adjustments to Taxes, License & Permits and Other Revenue.

The \$530,195 increase in the expenditure budget was the net of an increase in every category except Capital Outlay which decreased by \$67,520, and Culture and Recreation which remained the same. The largest increases were seen in General Government and Public Protection, with changes in the amounts of \$338,733 and \$185,153 respectively.

At year end, in the General Operating Fund (101 only), actual revenues were more than budgetary estimates by \$105,940. Actual expenditures were less than budgetary estimates by \$3,444,066 and transfers were less than budgeted by \$1,253,923. The net of revenue and expense, combined with fund balance available, provided carry over funds of \$3,525,223 which was more than enough to fund the 2020/21 General Fund budget gap of \$2,525,223, providing a \$1,000,000 increase to Obligated Fund Balance Assigned to future funding of PERS.

**VI. CAPITAL ASSETS AND DEBT ADMINISTRATION**

**A. Capital Assets**

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$270,033,590 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, construction-in-progress, and some infrastructure. This was an increase of \$11,990,210 from prior year, largely due to Infrastructure and Construction in Progress adjustments made in the Road Department.

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34. The County has elected to use the modified approach for infrastructure to report its infrastructure, which includes its roads, signs and markings, bridges and

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culverts \$196,941,246. The infrastructure assets reported under the modified approach are not subject to depreciation per GASB Statement No. 34.

The assessment as of June 30, 2020 gives a weighted average of 49% of fair or better for all paved roads, 92% of bridges are listed as fair or better, and 95% of signs pass the sign reflectivity requirements.

More detailed information about the County's Road Infrastructure assets is presented in Note 5 of the basic financial statements and the Required Supplementary Information on pages 71-73 of this report.

**B. Long-Term Debt**

At June 30, 2020, the County had a total long-term debt outstanding of \$15,178,691. The debt consists of \$10,647,096 in Certificates of Participation (COP), capital lease obligations of \$26,364 and bonds payable of \$295,200.

Additional long-term liabilities include:

- Compensated Absences of \$4,210,029
- Other Postemployment Employee Benefits of \$1,778,477  
and Pension Liability of \$99,343,606 (Net of Safety \$31,993,467 & Miscellaneous \$67,350,139)

More detailed information about the County's Long-Term Liabilities and Pension Liabilities are presented in Notes 8 & 9 pages 47-49 and Notes 12 & 13 pages 53-62 of the basic financial statements respectively.

**VII. ECONOMIC FACTOR'S AND NEXT YEAR'S BUDGET**

The County adopted its fiscal year 2020-21 final appropriation budget in the total amount of \$221,589,229 (net of operating transfers totaling \$20,420,892).

Administration made the following assumptions in their Recommended Budget Overview (edited):

Tehama County General Fund and Public Safety departments were directed to submit status quo budgets for the FY 2020-2021 Recommended Budget, and to continue to include the 5% reduction from the FY 2019-2020 Budget Reduction Exercise and the FY 2016-2017 5% cut to Service & Supplies.

The proposed status quo budget presented today has a funding gap in the General Fund of \$4.85 million, higher than the previously projected deficit of \$4 million that gave rise to the County's efforts for a failed sales tax increase to continue funding existing services and support the operating costs for the jail expansion. The current year fund balance carryover, if any, will not be known until sometime in August.

Revenue estimates for this status quo budget have been made without knowing the impacts of COVID-19. The FY 2020-2021 Secured Property Tax Roll is estimated to increase by 2%, an increase of \$210,932 in additional revenue to the County. The Auditor anticipates increases in Property Tax In Lieu of Vehicle License Fees of \$163,837, bringing the total new Tax revenue for FY 2020-2021 to \$374,769.

The Auditor has budgeted FY 2020-2021 Sales & Use Tax (*local sales tax receipts*) the same as the prior year at \$2,015,437. However, the California Department of Tax and Fee Administration recently released projected reductions to taxable sales due to the statewide COVID-19 shutdown. Significant reductions to taxable sales will result in reduced sales tax revenue.



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The other significant county revenue stream that derives from *statewide* sales tax is the 2011 Realignment funding related to the transfer of public safety (AB 109) and other programs from the state to counties. The 2011 Realignment redirected part of the state's sales tax to counties, earmarking the revenues to pay for the realigned criminal justice, mental health, and social services programs. The state allocates the statewide sales tax revenue based on formulas that are intended to reflect each county's programmatic responsibilities. Tehama County programs receiving 2011 Realignment funds include:

- Court Security
- Local Public Safety Programs
- Lower Level Offenders / Parole Violators / Parole
- Existing Juvenile Justice Realigned Programs
- Mental Health – EPSDT and Managed Care
- Substance Use Disorder Programs
- Foster Care / Child Welfare Services
- Adult Protective Services

In FY 2019-2020 Tehama County budgeted 2011 Realignment revenue for these programs totaling more than \$5.3 million. A significant reduction of these revenue dollars will have severe impacts on the programs that rely on this

Recommended expenditure appropriations total \$39,969,488, and recommended revenue appropriations total \$35,109,878 which results in a funding gap of \$4,859,610 in the General Fund, not including requests that are being held to the Adopted Budget. Fund balance carryover will not be known until sometime after the close of the current fiscal year and will be comprised of revenue receipts in excess of projections and actual expenditures lower than budgeted. It is anticipated fund balance carryover will not equal or exceed the amount of the funding gap, therefore programmatic reductions and/or a drawdown of reserves will be required to balance the General Fund budget when the Adopted Budget is presented to the Board in August.

And, with the Adopted Budget, Administration stated the following (edited):

The funding gap of over \$5 million at Recommended has been reduced to approximately \$3.6 million prior to applying the fund balance carryover and other funding solutions

Total anticipated General Fund revenue for FY 2020-21 sums to \$36,869,490, an increase of 5% over prior year budgeted revenue.

The largest source of General Fund revenue is current secured property tax, which was budgeted by the Auditor at \$10,747,110 during the FY 2020-2021 Recommended Budget process, an increase of \$210,932 or 2% over the prior year base budget. Based on trends, the Auditor has proposed an additional increase of \$400,375, for a total of \$11,147,485, an additional 4% increase over the prior year base budget.

Proposed General Fund appropriations total \$40,442,348, an increase in total appropriations of 5.6% from the previous fiscal year.

Fund balance carryover consists of Actual Revenue from the prior year, less Actual Expense, plus fund balance carryover remaining from the previous year. After making the required year-end adjustments, the Auditor's office determined that fund balance carryover from FY 2019-2020 is \$3,525,223.50, which is \$1.5 million greater than calculated in July. Additional receipts were received in late July to meet the fiscal

**COUNTY OF TEHAMA**  
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2019-2020 deadline but were not logged until early August. Some of the unanticipated receipts that contributed to this carryover are a \$487,000 reimbursement to the Elections Department for expenses associated with upgraded voting machines, and multiple reimbursements from grants and restricted funds for eligible expenditures paid in advance from the general fund in FY 2019-2020

**FY 2020-2021 Balanced Budget**

The Budget Ad Hoc committee has reviewed the proposed Adopted Budget and the funding gap of (\$3,572,858), the Fund Balance Carryover, the CARES Act funding, and makes the following recommendations:

1. Use \$1,000,000 of the \$3,525,223.50 Fund Balance Carryover to create a Reserve for Unfunded PERS Liability;
2. Use \$2,472,858 of the Fund Balance Carryover and the first CARES Act Funding \$1,100,000 to eliminate the FY 2020-2021 Adopted Budget Gap of (\$3,572,858); and,
3. Use the remaining \$52,365.50 Fund Balance Carryover to bolster the General Fund Special Contingency. Over the last three years, contingency dollars have been eliminated in an effort to reduce the budget gap, leaving the County with little to fall back on in case of emergencies or unanticipated expenses.

**Three to Five Year Plan for Fiscal Sustainability**

On August 4, 2020, the Board directed staff to initiate a strategic planning process to develop a plan to close the approximately \$3 million annual structural deficit that began in FY 2015/16. On August 10, a telephonic meeting of the Department Heads resulted in a consensus of those that spoke that it would be better to reduce staffing levels down to near historical lows in order to increase compensation, rather than reducing salaries and benefits for all employees. Three areas were agreed upon for further analysis to improve efficiencies while reducing staff levels in order to minimize disruption of service. The department heads committed to participating with Board Ad Hoc committees for each of the areas:

1. Departmental Review
2. County Organization
3. Workforce Development

The total Personnel Allocation List (PAL) in this Adopted budget is 914, including both unfilled and unfunded vacant positions. The total PAL in the Adopted budget for FY 1995/96 was 718, and in FY 2010/11 was 794. The three-year plan may result in a focused reduction in staffing while continuing to provide service to the public through a redesigned workforce and a greater reliance on technology.

The 2020/21 General Fund budget requirements were \$2,243,177 more than the prior year in large part due to a \$2,249,720 increase in contribution to the Public Safety Fund and rising costs for employee benefits. Fund balance carry over from the prior year of \$3,525,223 was more than sufficient to fill the budget gap. Therefore, an increase to obligated fund balance of \$1,000,000 was assigned to future PERS costs.

The Road Fund appropriations budget maintained its elevated level at \$56 million due to a fully budgeted outlay for the major Bridge Project. A Professional Services appropriation for \$42,830,000 includes the remaining Bridge expenditures along with other road & bridge project costs.

The Public Safety Fund appropriations budget grew by \$1,177,890 with increased allocations in nearly every department most notably for Sheriff (Employee Salary & Benefits, Service & Supplies and Fixed

**COUNTY OF TEHAMA**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

Assets) and Jail (Employee Salary & Benefits) and a new budget unit created for Security Services provided at the Department of Social Services.

The Social Service Administration budget increased by \$1,623,138 and Public Assistance budgets increased \$946,913 for a net increase of \$2,570,051.

The Health Service budget has also increased by \$824,015 overall, with the biggest increase in Public Health and Clinic Services, and a decrease in Drug & Alcohol.

The Capital Outlay budget decreased by \$300,000. Projects budgeted this year included Courthouse Annex Restroom ADA and Elevator upgrades, Navigation Center for homeless, Re-Entry/Jail Expansion and Walnut Street parking improvements.

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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**COUNTY OF TEHAMA**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 40,155,130	\$ 377,370	\$ 40,532,500
Cash with fiscal agent	2,525,624	-	2,525,624
Receivables:			
Accounts	8,164,047	-	8,164,047
Intergovernmental	15,095,802	-	15,095,802
Due from agency funds	2,353,228	-	2,353,228
Deposits with others	253,700	-	253,700
Prepaid costs	1,424,234	-	1,424,234
Inventory	469,729	-	469,729
Loans receivable	83,951	-	83,951
Capital assets:			
Non-depreciable	219,673,710	38,047	219,711,757
Depreciable, net	49,643,477	678,356	50,321,833
Total capital assets	<u>269,317,187</u>	<u>716,403</u>	<u>270,033,590</u>
<b>Total Assets</b>	<u>339,842,632</u>	<u>1,093,773</u>	<u>340,936,405</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	16,144,842	-	16,144,842
Deferred OPEB adjustments	114,980	-	114,980
<b>Total Deferred Outflows of Resources</b>	<u>16,259,822</u>	<u>-</u>	<u>16,259,822</u>
<b>LIABILITIES</b>			
Accounts payable	5,288,124	3,770	5,291,894
Salaries and benefits payable	2,048,819	899	2,049,718
Due to other governments	255,760	-	255,760
Accrued interest payable	99,649	3,881	103,530
Deposits payable	193,993	-	193,993
Other liabilities	46	-	46
Unearned revenues	1,609,574	-	1,609,574
Accrued claims liability	1,444,497	-	1,444,497
Long-term liabilities:			
Due within one year	4,681,100	20,000	4,701,100
Due in more than one year	10,202,391	275,200	10,477,591
Net pension liability	99,343,606	-	99,343,606
Net OPEB liability	1,778,477	-	1,778,477
<b>Total Liabilities</b>	<u>126,946,036</u>	<u>303,750</u>	<u>127,249,786</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	2,379,098	-	2,379,098
<b>Total Deferred Inflows of Resources</b>	<u>2,379,098</u>	<u>-</u>	<u>2,379,098</u>

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

Continued (Page 1 of 2)

**COUNTY OF TEHAMA**  
**Statement of Net Position**  
**June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
<b>NET POSITION</b>			
Net investment in capital assets	258,643,726	421,203	259,064,929
Restricted for:			
General government	3,890,086	-	3,890,086
Public protection	18,729,444	-	18,729,444
Health and welfare	8,302,485	-	8,302,485
Public assistance	3,007,793	-	3,007,793
Education	44,380	-	44,380
Culture and recreation	19,842	-	19,842
Public ways and facilities	4,529,685	-	4,529,685
Unrestricted	<u>(70,390,121)</u>	<u>368,820</u>	<u>(70,021,301)</u>
<b>Total Net Position</b>	<u>\$ 226,777,320</u>	<u>\$ 790,023</u>	<u>\$ 227,567,343</u>

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

Continued (Page 2 of 2)



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**COUNTY OF TEHAMA**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

<u>Functions/Programs:</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 9,303,708	\$ 2,582,473	\$ 1,951,577	\$ -
Public protection	45,324,906	5,090,259	13,629,409	-
Health and welfare	29,103,367	7,948,133	17,894,549	-
Public assistance	47,957,470	189,959	42,906,318	-
Education	1,099,494	28,244	-	-
Culture and recreation	382,654	28,347	3,184	-
Public ways and facilities	9,268,184	1,555,056	10,724,366	5,559,779
Interest on long-term debt	475,513	-	-	-
<b>Total Governmental Activities</b>	<b>142,915,296</b>	<b>17,422,471</b>	<b>87,109,403</b>	<b>5,559,779</b>
Business-type activities:				
Tehama County Sanitation District #1	300,627	160,904	175,816	-
<b>Total Business-Type Activities</b>	<b>300,627</b>	<b>160,904</b>	<b>175,816</b>	<b>-</b>
<b>Total</b>	<b>\$ 143,215,923</b>	<b>\$ 17,583,375</b>	<b>\$ 87,285,219</b>	<b>\$ 5,559,779</b>

**General revenues:**

Taxes:

  Property taxes  
  Sales and use taxes  
  Franchise taxes  
  Other taxes  
  Interest and investment earnings  
  Miscellaneous  
  Loss on disposal of capital assets

**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>
\$ (4,769,658)	\$ -	\$ (4,769,658)
(26,605,238)	-	(26,605,238)
(3,260,685)	-	(3,260,685)
(4,861,193)	-	(4,861,193)
(1,071,250)	-	(1,071,250)
(351,123)	-	(351,123)
8,571,017	-	8,571,017
(475,513)	-	(475,513)
(32,823,643)	-	(32,823,643)
-	36,093	36,093
-	36,093	36,093
(32,823,643)	36,093	(32,787,550)
24,373,384	-	24,373,384
7,818,812	-	7,818,812
1,231,682	-	1,231,682
611,331	-	611,331
1,510,907	7,447	1,518,354
1,251,224	1,477	1,252,701
(76,500)	-	(76,500)
36,720,840	8,924	36,729,764
3,897,197	45,017	3,942,214
222,880,123	745,006	223,625,129
\$ 226,777,320	\$ 790,023	\$ 227,567,343

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**COUNTY OF TEHAMA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	<b>General Fund</b>	<b>Road</b>	<b>Public Safety</b>	<b>Public Assistance</b>
<b>ASSETS</b>				
Cash and investments	\$ 2,228,701	\$ 115,471	\$ 8,522,107	\$ 2,411,469
Cash with fiscal agent	-	-	-	-
Receivables:				
Accounts	983,062	4,225,977	685,581	1,481,031
Intergovernmental	1,010,328	3,193,569	538,894	1,132,292
Due from other funds	8,732,738	-	-	-
Deposits with others	-	192,800	-	-
Advances to other funds	1,252,650	-	-	70,930
Prepaid costs	60,810	-	90,174	99,822
Inventory	-	469,729	-	-
Loans receivable	83,951	-	-	-
<b>Total Assets</b>	<b>\$ 14,352,240</b>	<b>\$ 8,197,546</b>	<b>\$ 9,836,756</b>	<b>\$ 5,195,544</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 394,942	\$ 3,022,218	\$ 230,615	\$ 413,291
Salaries and benefits payable	406,515	162,292	592,618	409,781
Due to other governments	242,705	-	2,250	-
Deposits payable	67,366	75,691	50,936	-
Other liabilities	46	-	-	-
Unearned revenues	899,804	-	202	613,064
Due to other funds	-	607,243	-	-
<b>Total Liabilities</b>	<b>2,011,378</b>	<b>3,867,444</b>	<b>876,621</b>	<b>1,436,136</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	1,010,328	3,193,569	538,894	1,132,292
<b>Total Deferred Inflows of Resources</b>	<b>1,010,328</b>	<b>3,193,569</b>	<b>538,894</b>	<b>1,132,292</b>
<b>FUND BALANCES</b>				
Nonspendable	1,397,411	469,729	90,174	170,752
Restricted	1,400,585	666,804	8,331,067	1,798,025
Committed	4,674,731	-	-	-
Assigned	2,639,742	-	-	658,339
Unassigned	1,218,065	-	-	-
<b>Total Fund Balances</b>	<b>11,330,534</b>	<b>1,136,533</b>	<b>8,421,241</b>	<b>2,627,116</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 14,352,240</b>	<b>\$ 8,197,546</b>	<b>\$ 9,836,756</b>	<b>\$ 5,195,544</b>

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



<b>Health Services</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$ 3,856,061	\$ 19,661,896	\$ 36,795,705
-	2,525,624	2,525,624
588,437	199,251	8,163,339
8,263,242	957,477	15,095,802
-	-	8,732,738
-	-	192,800
2,043,073	10,000	3,376,653
12,342	632	263,780
-	-	469,729
-	-	83,951
<u>\$ 14,763,155</u>	<u>\$ 23,354,880</u>	<u>\$ 75,700,121</u>
\$ 590,730	\$ 520,607	\$ 5,172,403
346,275	113,970	2,031,451
-	10,805	255,760
-	-	193,993
-	-	46
-	96,504	1,609,574
<u>7,968,920</u>	<u>-</u>	<u>8,576,163</u>
<u>8,905,925</u>	<u>741,886</u>	<u>17,839,390</u>
<u>8,263,242</u>	<u>957,477</u>	<u>15,095,802</u>
<u>8,263,242</u>	<u>957,477</u>	<u>15,095,802</u>
2,055,415	10,632	4,194,113
4,504,337	14,311,947	31,012,765
-	7,332,938	12,007,669
-	-	3,298,081
<u>(8,965,764)</u>	<u>-</u>	<u>(7,747,699)</u>
<u>(2,406,012)</u>	<u>21,655,517</u>	<u>42,764,929</u>
<u>\$ 14,763,155</u>	<u>\$ 23,354,880</u>	<u>\$ 75,700,121</u>

**COUNTY OF TEHAMA**  
**Reconciliation of the Governmental Funds Balance**  
**Sheet to the Government-Wide Statement of**  
**Net Position - Governmental Activities**  
**June 30, 2020**

<b>Total Fund Balance - Total Governmental Funds</b>	<b>\$ 42,764,929</b>
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.	269,314,745
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	15,095,802
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds.	(99,649)
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	16,141,637
Deferred inflows of resources related to pension are not reported in the governmental funds.	(2,362,790)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Certificates of participation, plus unamortized premium of \$557,096	(10,647,096)
Capital leases payable	(26,364)
Compensated absences	(4,187,817)
Net pension liability	(98,589,280)
Net OPEB liability	(1,767,855)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	1,141,058
<b>Net Position of Governmental Activities</b>	<b>\$ 226,777,320</b>

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

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**COUNTY OF TEHAMA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	<b>General Fund</b>	<b>Road</b>	<b>Public Safety</b>	<b>Public Assistance</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 23,312,069	\$ 865,936	\$ -	\$ -
Licenses and permits	1,754,418	13,010	3,438	-
Fines and forfeitures	1,432,530	-	70,282	(177)
Use of money and property	582,639	54,143	257,197	14,779
Intergovernmental	4,584,498	13,213,249	11,077,306	39,765,190
Charges for services	3,178,579	441,252	1,947,004	159,935
Other revenues	497,906	3,405	287,510	252,755
<b>Total Revenues</b>	<b>35,342,639</b>	<b>14,590,995</b>	<b>13,642,737</b>	<b>40,192,482</b>
<b>EXPENDITURES</b>				
Current:				
General government	7,971,984	-	-	-
Public protection	5,869,174	-	28,166,780	-
Health and welfare	1,111,377	-	-	-
Public assistance	1,340,854	-	-	41,784,070
Education	866,931	-	-	-
Culture and recreation	315,943	-	-	-
Public ways and facilities	-	6,312,547	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	59,442	-	-	-
Capital outlay	326,616	11,539,661	423,267	72,379
<b>Total Expenditures</b>	<b>17,862,321</b>	<b>17,852,208</b>	<b>28,590,047</b>	<b>41,856,449</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>17,480,318</b>	<b>(3,261,213)</b>	<b>(14,947,310)</b>	<b>(1,663,967)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	3,580	14,852,006	1,056,859
Transfers out	(16,651,373)	-	-	-
Proceeds from sale of capital assets	275	16,153	1,925	-
<b>Total Other Financing Sources (Uses)</b>	<b>(16,651,098)</b>	<b>19,733</b>	<b>14,853,931</b>	<b>1,056,859</b>
<b>Net Change in Fund Balances</b>	<b>829,220</b>	<b>(3,241,480)</b>	<b>(93,379)</b>	<b>(607,108)</b>
<b>Fund Balances (Deficits) - Beginning</b>	<b>10,756,397</b>	<b>4,365,236</b>	<b>8,514,620</b>	<b>3,234,224</b>
Prior period adjustment	(255,083)	-	-	-
<b>Fund Balances (Deficits) - Beginning, Restated</b>	<b>10,501,314</b>	<b>4,365,236</b>	<b>8,514,620</b>	<b>3,234,224</b>
Change in inventory on purchases method	-	12,777	-	-
<b>Fund Balances (Deficits) - Ending</b>	<b>\$ 11,330,534</b>	<b>\$ 1,136,533</b>	<b>\$ 8,421,241</b>	<b>\$ 2,627,116</b>

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

<b>Health Services</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$ 2,364,731	\$ 6,260,791	\$32,803,527
-	1,875,662	3,646,528
27,393	339,022	1,869,050
16,005	542,066	1,466,829
18,242,747	3,627,803	90,510,793
6,193,728	1,218,077	13,138,575
117,551	98,148	1,257,275
<u>26,962,155</u>	<u>13,961,569</u>	<u>144,692,577</u>
-	145,889	8,117,873
-	6,339,178	40,375,132
24,696,291	1,166,600	26,974,268
-	2,323,729	45,448,653
-	-	866,931
-	-	315,943
-	1,889,148	8,201,695
12,110	820,000	832,110
1,994	419,238	480,674
99,317	2,535,802	14,997,042
<u>24,809,712</u>	<u>15,639,584</u>	<u>146,610,321</u>
<u>2,152,443</u>	<u>(1,678,015)</u>	<u>(1,917,744)</u>
105,624	999,654	17,017,723
(366,350)	-	(17,017,723)
-	-	18,353
<u>(260,726)</u>	<u>999,654</u>	<u>18,353</u>
<u>1,891,717</u>	<u>(678,361)</u>	<u>(1,899,391)</u>
(4,297,729)	22,333,878	44,906,626
-	-	(255,083)
(4,297,729)	22,333,878	44,651,543
-	-	12,777
<u>\$ (2,406,012)</u>	<u>\$21,655,517</u>	<u>\$42,764,929</u>

**COUNTY OF TEHAMA**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2020**

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,899,391)

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	14,997,042
Less current year depreciation	(2,880,853)
Various adjustments affecting capital assets	(6,051)

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 the capital assets disposed. There were no significant proceeds from the sale of capital assets.

(94,853)

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	832,110
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Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.

Change in unavailable revenues	2,158,389
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The measurement focus adjustment for inventory reported using the purchases method in the governmental funds and reported using the consumption method in the statement of activities.

12,777

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

Change in deferred outflows of resources related to pension	(966,716)
Change in deferred inflows of resources related to pension	284,629
Change in deferred outflows of resources related to OPEB	67,210

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 accrued interest on long-term debt	5,161
Change in compensated absences payable	(606,197)
Amortization of premium	29,321
Change in net pension liability	(8,002,268)
Change in net OPEB liability	(272,335)

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

239,222

**Change in Net Position of Governmental Activities**

\$ 3,897,197

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

**COUNTY OF TEHAMA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<b>Business-Type Activities</b>		<b>Governmental</b>
	<b>Enterprise Funds</b>		<b>Activities</b>
	<b>Other</b>		<b>Internal</b>
	<b>Enterprise</b>		<b>Service</b>
	<b>Funds</b>	<b>Totals</b>	<b>Funds</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 377,370	\$ 377,370	\$ 3,359,425
Receivables:			
Accounts	-	-	708
Deposits with others	-	-	60,900
Prepaid costs	-	-	1,160,454
<b>Total Current Assets</b>	<u>377,370</u>	<u>377,370</u>	<u>4,581,487</u>
Noncurrent Assets:			
Capital assets:			
Non-depreciable	38,047	38,047	-
Depreciable, net	678,356	678,356	2,442
Total capital assets	<u>716,403</u>	<u>716,403</u>	<u>2,442</u>
<b>Total Noncurrent Assets</b>	<u>716,403</u>	<u>716,403</u>	<u>2,442</u>
<b>Total Assets</b>	<u>1,093,773</u>	<u>1,093,773</u>	<u>4,583,929</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	-	-	117,498
Deferred OPEB adjustments	-	-	687
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>	<u>118,185</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	3,770	3,770	115,721
Salaries and benefits payable	899	899	17,368
Accrued interest payable	3,881	3,881	-
Compensated absences payable	-	-	19,992
Bonds payable	20,000	20,000	-
Estimated claims liability	-	-	1,444,497
<b>Total Current Liabilities</b>	<u>28,550</u>	<u>28,550</u>	<u>1,597,578</u>
Noncurrent Liabilities:			
Advances from other funds	-	-	1,180,000
Compensated absences payable	-	-	2,222
Bonds payable	275,200	275,200	-
Net pension liability	-	-	754,326
Net OPEB liability	-	-	10,622
<b>Total Noncurrent Liabilities</b>	<u>275,200</u>	<u>275,200</u>	<u>1,947,170</u>
<b>Total Liabilities</b>	<u>303,750</u>	<u>303,750</u>	<u>3,544,748</u>

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

Continued (Page 1 of 2)

**COUNTY OF TEHAMA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>		<b>Governmental Activities</b>
	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	-	-	16,308
<b>Total Deferred Inflows of Resources</b>	-	-	16,308
<b>NET POSITION</b>			
Net investment in capital assets	421,203	421,203	2,442
Unrestricted	368,820	368,820	1,138,616
<b>Total Net Position</b>	<b>\$ 790,023</b>	<b>\$ 790,023</b>	<b>\$ 1,141,058</b>

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

Continued (Page 2 of 2)



**COUNTY OF TEHAMA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<b>Business-Type Activities Enterprise Funds</b>		<b>Governmental Activities</b>
	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 160,904	\$ 160,904	\$ 18,698,451
Other revenues	1,477	1,477	24,554
<b>Total Operating Revenues</b>	<u>162,381</u>	<u>162,381</u>	<u>18,723,005</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	23,896	23,896	634,245
Services and supplies	218,586	218,586	-
Administration	-	-	83,843
Insurance	-	-	14,059,930
Professional services	4,441	4,441	162,513
Claims and judgments	-	-	3,586,597
Depreciation	40,573	40,573	733
<b>Total Operating Expenses</b>	<u>287,496</u>	<u>287,496</u>	<u>18,527,861</u>
<b>Operating Income (Loss)</b>	<u>(125,115)</u>	<u>(125,115)</u>	<u>195,144</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenue	175,816	175,816	-
Interest income	7,447	7,447	44,078
Interest expense	(13,131)	(13,131)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>170,132</u>	<u>170,132</u>	<u>44,078</u>
<b>Change in Net Position</b>	<u>45,017</u>	<u>45,017</u>	<u>239,222</u>
<b>Total Net Position - Beginning</b>	745,006	745,006	646,753
Prior period adjustment	-	-	255,083
<b>Total Net Position - Beginning, Restated</b>	<u>745,006</u>	<u>745,006</u>	<u>901,836</u>
<b>Total Net Position - Ending</b>	<u>\$ 790,023</u>	<u>\$ 790,023</u>	<u>\$ 1,141,058</u>

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

**COUNTY OF TEHAMA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<b>Business-Type Activities</b>		<b>Governmental</b>
	<b>Enterprise Funds</b>		<b>Activities</b>
	<b>Other</b>		<b>Internal</b>
	<b>Enterprise</b>		<b>Service</b>
	<b>Funds</b>	<b>Totals</b>	<b>Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 162,381	\$ 162,381	\$ 18,722,297
Payments to suppliers	(225,941)	(225,941)	(17,912,748)
Payments to employees	(23,801)	(23,801)	(548,932)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(87,361)</u>	<u>(87,361)</u>	<u>260,617</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental revenue received	175,816	175,816	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>175,816</u>	<u>175,816</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(16,231)	(16,231)	-
Principal paid on capital debt	(19,500)	(19,500)	-
Interest paid on capital debt	(13,723)	(13,723)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(49,454)</u>	<u>(49,454)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	7,447	7,447	44,078
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>7,447</u>	<u>7,447</u>	<u>44,078</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	46,448	46,448	304,695
<b>Balances - Beginning</b>	<u>330,922</u>	<u>330,922</u>	<u>3,054,730</u>
<b>Balances - Ending</b>	<u>\$ 377,370</u>	<u>\$ 377,370</u>	<u>\$ 3,359,425</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (125,115)	\$ (125,115)	\$ 195,144
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	40,573	40,573	733
Decrease (increase) in:			
Accounts receivable	-	-	(708)
Prepaid costs	-	-	(48,710)
Pension adjustments - deferred outflows of resources	-	-	5,779
OPEB adjustments - deferred outflows of resources	-	-	(411)
Increase (decrease) in:			
Accounts payable	(2,914)	(2,914)	49,616
Salaries and benefits payable	95	95	174
Compensated absences payable	-	-	10,164
Estimated claims liability	-	-	(20,771)
Pension adjustments - deferred inflows of resources	-	-	(2,397)
Net pension liability	-	-	70,151
Net OPEB liability	-	-	1,853
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (87,361)</u>	<u>\$ (87,361)</u>	<u>\$ 260,617</u>

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

**COUNTY OF TEHAMA**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

	<b>Investment Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and investments	\$74,192,184	\$29,113,044
Receivables:		
Taxes	-	8,827,313
Advances to other funds	-	7,187
	<u>74,192,184</u>	<u>37,947,544</u>
<b>Total Assets</b>		
<b>LIABILITIES</b>		
Due to other funds	-	156,575
Advances from other funds	-	2,203,840
Agency obligations	-	35,587,129
	<u>-</u>	<u>37,947,544</u>
<b>Total Liabilities</b>		
<b>NET POSITION</b>		
Net position held in trust for investment pool participants	74,192,184	-
	<u>74,192,184</u>	<u>-</u>
<b>Total Net Position</b>	<u>\$74,192,184</u>	<u>\$ -</u>

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

**COUNTY OF TEHAMA**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

	<u>Investment Trust Funds</u>
<b>ADDITIONS</b>	
Contributions to investment pool	<u>\$363,693,220</u>
<b>Total Additions</b>	<u>363,693,220</u>
<b>DEDUCTIONS</b>	
Distributions from investment pool	<u>384,101,464</u>
<b>Total Deductions</b>	<u>384,101,464</u>
<b>Change in Net Position</b>	(20,408,244)
<b>Net Position - Beginning</b>	<u>94,600,428</u>
<b>Net Position - Ending</b>	<u><u>\$ 74,192,184</u></u>

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

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**A. Reporting Entity**

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

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

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

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Tehama, Auditor-Controller's Office, 444 Oak Street - Room J, Red Bluff, CA 96080.

**Blended Component Units**

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

Special Revenue Funds:

Air Pollution – The Air Pollution District was established to provide better air quality to residents.

Los Molinos Lighting – The Los Molinos Lighting District was established to provide lighting to district residents.

Tehama County Flood Control and Tehama County Flood Zone 3 - The Tehama County Flood Control and Tehama County Flood Zone 3 were established to provide for flood control in the County.

Tehama Power Authority - The Tehama Power Authority was established to provide power services for the County.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**A. Reporting Entity (Continued)**

**Blended Component Units (Continued)**

Enterprise Funds:

Health Center - The Tehama County Health Center was established to account for operations involved in providing health services to County residents.

Tehama County Sanitation District # 1 - The Tehama County Sanitation District # 1 was established to provide sanitation services to certain County residents in the Mineral area.

**Discretely Presented Component Units**

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

**Joint Agencies**

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

**B. Basis of Presentation**

**Government-Wide Financial Statements**

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



**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

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

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

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

**Fund Financial Statements**

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

The County reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation services.
- The Road fund is a special revenue fund used to account for revenues and expenditures associated with the public works department. Funding comes primarily from state and federal grant revenues.
- The Public Safety fund is a special revenue fund used to account for revenues and expenditures associated with specific public protection programs. Funding comes primarily from state and federal grant revenues.
- The Public Assistance fund is a special revenue fund used to account for revenues and expenditures associated with the Federal and State mandates of various Health and Welfare Codes. Funding comes primarily from state grant revenues.
- The Health Services fund is a special revenue fund used to account for revenues and expenditures associated with providing health care services to County residents. Funding comes primarily from state and federal grant revenues.

The County reports the following additional fund types:

- Proprietary funds account for the Health Center and the Tehama County Sanitation District.
- Internal Service funds account for the County's risk management and self-insurance programs which provide services to other departments on a cost reimbursement basis.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

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

**Fund Financial Statements (Continued)**

The County reports the following additional fund types: (Continued)

- The Investment Trust funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of two separate funds: Special Districts governed by Local Boards and School Districts. The County is obligated to disburse monies from these funds on demand.
- Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County are presented in one component.

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

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within 30 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.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**C. Basis of Accounting and Measurement Focus (Continued)**

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 and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

**E. Cash and Cash Equivalents**

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

**F. Investments**

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

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

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2020, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**F. Investments (Continued)**

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

**G. Receivables**

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

**H. Other Assets**

**Inventory**

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

**Prepaid Items**

Payments made for services that will benefit periods beyond June 30, 2020 are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**I. Loans Receivable**

The County provided an advance of funds to the 30<sup>th</sup> District Agricultural Association (Association), in the amount of \$165,162 to pay off an existing financial obligation relating to the PVII project, obtain clear title to photovoltaic equipment, and resolve the PNC Equipment Finance, LLC litigation. The advance was made on April 1, 2015 and accrues interest at 2 percent and will be repaid with interest in equal monthly installments over a period of ten (10) years. The balance at June 30, 2020 was \$83,951.

**J. Capital Assets**

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer and similar items) are defined by the County as assets with a cost of more than \$1,500 and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

The County has elected to use the modified approach for reporting its infrastructure capital assets. Under the modified approach depreciation is not reported for these assets and all expenditures, except for betterments and major improvements made to the system, are expensed.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**J. Capital Assets (Continued)**

The County manages its maintained road, bridge and sign subsystems of the road network using the Carte Graph Pavement Management Program and accounts for them using the modified approach. The program establishes scales to determine the conditions of the various subsystems. It is the County’s policy to maintain 75 percent of its road, bridge and sign subsystems at a fair or better condition. Currently, the right of way value provided is a rough valuation based on several estimations and assumptions to establish the valuation parameters. A final detailed valuation will be available in future years.

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, furniture and fixtures	5 years
Structures and improvements	50 years

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

**K. Property Tax**

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

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

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

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

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**K. Property Tax (Continued)**

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

The County is legally required to maintain a minimum balance of 1 percent of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$1,249,203 at June 30, 2020. The County’s management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s Teeter Plan and accounted for in an agency fund.

**L. Interfund Transactions**

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

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

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

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

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

**M. Unearned Revenue**

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

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**N. Compensated Absences**

The County's policy regarding vacation and other leave obligations is to permit employees to accumulate earned but unused vacation and other leave obligations. 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 County includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

**O. 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 County's California Public Employees' Retirement system (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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

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

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	July 1, 2018
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items 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.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**Q. Deferred Outflows/Inflows of Resources (Continued)**

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

**R. Estimates**

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

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

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

**Statement No. 95**, Postponement of the Effective Dates of Certain Authoritative Guidance. This Statement extends the effective dates of certain accounting and financial reporting provisions in the Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The requirements of this Statement apply to the financial statements of all state and local governments. The GASB Statements effected by this statement include Statement No. 84 - Fiduciary Activities, Statement No. 87 – Leases, Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period, Statement No. 90 - Majority Equity Interests, Statement No. 91 – Conduit Debt Obligations, Statement No. 92 – Omnibus 2020, and Statement No. 93 – Replacement of Interbank Offered Rates.

**T. Future Accounting Pronouncements**

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

Statement No. 84 “Fiduciary Activities”	The requirements of this statement are effective for periods beginning after December 15, 2019. (FY 20/21)
Statement No. 87 “Leases”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period”	The requirements of this statement are effective for periods beginning after December 15, 2020. (FY 21/22)



**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**T. Future Accounting Pronouncements (Continued)**

Statement No. 90 “Majority Equity Interests”	The requirements of this statement are effective for periods beginning after December 15, 2019. (FY 20/21)
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. 92 “Omnibus 2020”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
Statement No. 93 “Replacement of Interbank Offered Rates”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
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. Restatement of Net Position/Fund Balance**

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning net position/fund balance. During the current year, an adjustment was required to reclassify a General fund as an Internal Service fund.

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

	General Fund	Internal Service Funds
Fund Balance/Net Position, June 30, 2019, as previously reported	\$ 10,756,397	\$ 646,753
Adjustment associated with:		
Reclassification of funds	( 255,083)	255,083
Total Adjustment	( 255,083)	255,083
Fund Balance/Net Position, July 1, 2019, as previously restated	\$ 10,501,314	\$ 901,836

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**B. Deficit Fund Balance/Net Position**

The following major special revenue fund had a deficit fund balance:

- The Health Services fund had a fund balance deficit of \$2,406,012, which is expected to be reduced in future years from State reimbursements.

**C. Rebatable Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. At June 30, 2020, the County does not expect to incur a liability.

**NOTE 3: CASH AND INVESTMENTS**

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

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

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Funds which do not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The investments of involuntary participation in the investment pool totaled \$74,192,184 at June 30, 2020.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**A. Financial Statement Presentation**

As of June 30, 2020, the County's cash and investments are reported in the financial statements as follows:

Primary government	\$ 43,058,124
Investment trust funds	74,192,184
Agency funds	<u>29,113,044</u>
Total Cash and Investments	<u>\$ 146,363,352</u>

As of June 30, 2020, the County's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 36,270
Deposits (less outstanding checks)	<u>2,649,838</u>
Total Cash in County Pool	2,686,108
Deposits with fiscal agents	<u>2,525,624</u>
Total Cash	<u>5,211,732</u>
Investments:	
In Treasurer's Pool	<u>141,151,620</u>
Total Investments	<u>141,151,620</u>
Total Cash and Investments	<u>\$ 146,363,352</u>

**B. Cash**

At year end, the carrying amount of the County's cash deposits (including amounts in checking accounts, money market accounts, and deposits with fiscal agents) was \$5,175,462 and the bank balance was \$7,933,061. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition the County had cash on hand of \$36,270.

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

**C. Investments**

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

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**C. Investments (Continued)**

State Treasurer's Local Agency Investment Fund (LAIF)  
Sweep Accounts  
Bank Deposits  
California Asset Management Program (CAMP)  
U. S. Treasury Notes or other indebtedness secured by the full faith and credit of the federal government  
Securities Issued by U.S. Government Agencies and Government-Sponsored Enterprises  
Bankers' Acceptances  
Commercial Paper  
Negotiable CD's  
Medium Term Notes  
Money Market Mutual Funds  
Obligations of the State of California  
Registered treasury notes or bonds of any of the other 49 states in addition to California  
Mortgage Pass-Through Securities/Asset-Backed Securities  
Guaranteed Investment Contracts  
Repurchase Agreements  
Supranational Debt

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

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

The County'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 County's investments in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2020, the County 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>
<b>Investments by Fair Value Level</b>				
U.S. Treasury Notes	\$ 5,059,407	\$ 5,059,407	\$ -	\$ -
Government Agencies	61,395,869	61,395,869	-	-
Medium Term Notes	32,617,768	32,617,768	-	-
Asset-Backed Securities	2,952,576	2,952,576	-	-
Negotiable CD's	<u>21,026,000</u>	<u>-</u>	<u>-</u>	<u>21,026,000</u>
Total Investments Measured at Fair Value	123,051,620	<u>\$102,025,620</u>	<u>\$ -</u>	<u>\$ 21,026,000</u>
<b>Investments in External Investment Pools</b>				
LAIF	18,000,000			
CAMP	<u>100,000</u>			
Total Investments	<u>\$ 141,151,620</u>			

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**C. Investments (Continued)**

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

As of June 30, 2020, the County 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		
U.S. Treasury Notes	1.625-1.875%	\$ 1,000,424	\$ 4,058,983	\$ 5,059,407	2.32
Government Agencies	0.875-3.625%	11,026,497	50,369,372	61,395,869	2.31
Medium Term Notes	5.750%	3,094,580	29,523,188	32,617,768	2.93
Asset-Backed Securities	2.570-3.360%	112,390	2,840,186	2,952,576	0.24
Negotiable CD's	1.150-3.150%	6,081,000	14,945,000	21,026,000	1.93
LAIF	Variable	18,000,000	-	18,000,000	-
CAMP	Variable	100,000	-	100,000	-
Total Investments		<u>\$ 39,414,891</u>	<u>\$ 101,736,729</u>	<u>\$ 141,151,620</u>	<u>2.06</u>

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

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**C. Investments (Continued)**

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
U.S. Treasury Notes	-	-	-	3.58%
Federal Farm Credit Bank	-	-	-	12.08%
Federal Home Loan Mortgage Corporation	-	-	-	3.55%
Federal Home Loan Bank	-	-	-	17.94%
Federal National Mortgage Association	-	-	-	9.93%
Medium Term Notes	A	AAA	AAA	0.61%
Medium Term Notes	A	AA	AA2	0.36%
Medium Term Notes	A	AA-	A1	2.21%
Medium Term Notes	A	AA-	A2	0.35%
Medium Term Notes	A	AA-	AA3	0.57%
Medium Term Notes	A	A+	A1	3.43%
Medium Term Notes	A	A+	A3	0.52%
Medium Term Notes	A	A	A1	0.13%
Medium Term Notes	A	A	A2	3.14%
Medium Term Notes	A	A	A3	1.01%
Medium Term Notes	A	A-	A2	2.88%
Medium Term Notes	A	A-	A3	2.33%
Medium Term Notes	A	A-	BAA1	0.67%
Medium Term Notes	A	BBB+	BAA1	1.19%
Medium Term Notes	A	BBB+	A3	3.38%
Medium Term Notes	A	BBB	BAA2	0.34%
Asset-Backed Securities	A	AAA	AAA	2.09%
Negotiable CD's	N/A	Unrated	Unrated	14.90%
LAIF	N/A	Unrated	Unrated	12.74%
CAMP	N/A	Unrated	Unrated	<u>0.07%</u>
Total				<u>100.00%</u>

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the County requires that all of its managed investments 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 County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2020, that represent 5 percent or more of total County investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	\$ 17,053,107	12.08%
Federal Home Loan Bank	25,316,336	17.94%
Federal National Mortgage Association	14,017,413	9.93%

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**D. Investment in External Investment Pool**

The County of Tehama 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, 2020, the County's investment in LAIF valued at amortized cost was \$18,000,000 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 \$100.9 billion. Of that amount, 96.63 percent is invested in non-derivative financial products and 3.37 percent in structured notes and asset-backed securities.

**E. County Investment Pool Condensed Financial Information**

The following are condensed statements of net position and changes in net position for the Treasurer's Pool at June 30, 2020:

	Internal Participants	External Participants	Total Pool
<b>Statement of Net Position</b>			
Cash on hand	\$ 36,270	\$ -	\$ 36,270
Deposits (less outstanding checks)	2,649,838	-	2,649,838
Investments	66,959,436	74,192,184	141,151,620
Net Position at June 30, 2020	\$ 69,645,544	\$ 74,192,184	\$ 143,837,728
<b>Statement of Changes in Net Position</b>			
Net position at July 1, 2019	\$ 73,997,122	\$ 94,600,428	\$ 168,597,550
Net changes in investments by pool participants	( 4,351,578)	( 20,408,244)	( 24,759,822)
Net Position at June 30, 2020	\$ 69,645,544	\$ 74,192,184	\$ 143,837,728

**NOTE 4: ROAD RECEIVABLES**

Receivables in the Road fund are 64 percent due from the State of California Department of Transportation (CalDOT). Following an audit by the CalDOT, the County was issued a Corrective Action Plan (CAP) in August of 2017. As a result of the CAP, multiple projects had the federal funding reimbursement suspended until certain tasks were completed. These projects were labeled "Advance Construction" (AC). Any work done on these projects had to be funded out of the County's very limited budget, and was not billable to Caltrans during that time. The County has since complied with the CAP, and Jelly's Ferry was recently (partially) converted out of AC and can now be billed and reimbursed for the last three years of work completed.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 5: CAPITAL ASSETS**

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

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ Adjustments</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,014,926	\$ -	\$ -	\$ -	\$ 2,014,926
Infrastructure	194,380,719	2,564,811	( 722)	( 3,562)	196,941,246
Construction in progress	<u>11,757,930</u>	<u>9,056,378</u>	<u>( 73,314)</u>	<u>( 23,456)</u>	<u>20,717,538</u>
Total Capital Assets, Not Being Depreciated	<u>208,153,575</u>	<u>11,621,189</u>	<u>( 74,036)</u>	<u>( 27,018)</u>	<u>219,673,710</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	67,815,205	1,722,616	-	20,967	69,558,788
Equipment	29,637,832	1,407,946	( 287,171)	( 14,300)	30,744,307
Software	<u>1,534,191</u>	<u>245,291</u>	<u>-</u>	<u>14,300</u>	<u>1,793,782</u>
Total Capital Assets, Being Depreciated	<u>98,987,228</u>	<u>3,375,853</u>	<u>( 287,171)</u>	<u>20,967</u>	<u>102,096,877</u>
Less Accumulated Depreciation For:					
Buildings and improvements	( 22,464,364)	( 1,292,860)	-	-	( 23,757,224)
Equipment	( 26,050,498)	( 1,405,602)	266,354	-	( 27,189,746)
Software	<u>( 1,323,306)</u>	<u>( 183,124)</u>	<u>-</u>	<u>-</u>	<u>( 1,506,430)</u>
Total Accumulated Depreciation	<u>( 49,838,168)</u>	<u>( 2,881,586)</u>	<u>266,354</u>	<u>-</u>	<u>( 52,453,400)</u>
Total Capital Assets, Being Depreciated, Net	<u>49,149,060</u>	<u>494,267</u>	<u>( 20,817)</u>	<u>20,967</u>	<u>49,643,477</u>
Governmental Activities Capital Assets, Net	<u>\$ 257,302,635</u>	<u>\$12,115,456</u>	<u>(\$ 94,853)</u>	<u>(\$ 6,051)</u>	<u>\$269,317,187</u>
	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>	
<b>Business-Type Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 38,047	\$ -	\$ -	\$ 38,047	
Total Capital Assets, Not Being Depreciated	<u>38,047</u>	<u>-</u>	<u>-</u>	<u>38,047</u>	
Capital Assets, Being Depreciated:					
Buildings and improvements	1,688,486	-	-	1,688,486	
Equipment	<u>1,696</u>	<u>16,231</u>	<u>-</u>	<u>17,927</u>	
Total Capital Assets, Being Depreciated	<u>1,690,182</u>	<u>16,231</u>	<u>-</u>	<u>1,706,413</u>	
Less Accumulated Depreciation For:					
Buildings and improvements	( 985,788)	( 39,220)	-	( 1,025,008)	
Equipment	<u>( 1,696)</u>	<u>( 1,353)</u>	<u>-</u>	<u>( 3,049)</u>	
Total Accumulated Depreciation	<u>( 987,484)</u>	<u>( 40,573)</u>	<u>-</u>	<u>( 1,028,057)</u>	
Total Capital Assets, Being Depreciated, Net	<u>702,698</u>	<u>( 24,342)</u>	<u>-</u>	<u>678,356</u>	
Business-Type Activities Capital Assets, Net	<u>\$ 740,745</u>	<u>(\$ 24,342)</u>	<u>\$ -</u>	<u>\$ 716,403</u>	



**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

**Depreciation**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 365,037
Public protection	1,350,459
Health and welfare	307,211
Public assistance	296,319
Education	147,995
Culture and recreation	66,108
Public ways and facilities	<u>347,724</u>
Subtotal Governmental Funds	2,880,853
Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	<u>733</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 2,881,586</u>

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

Tehama County Sanitation District #1	<u>\$ 40,573</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 40,573</u>

**Construction in Progress**

Construction in progress for governmental activities at June 30, 2020 relates to work performed on various County projects relating to buildings, bridges, roads and infrastructure.

**NOTE 6: INTERFUND TRANSACTIONS**

**Due To/From Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2020:

	Due From Other Funds	Due To Other Funds
General fund	\$ 8,732,738	\$ -
Road	-	607,243
Health Services	-	7,968,920
Agency funds	<u>-</u>	<u>156,575</u>
Total	<u>\$ 8,732,738</u>	<u>\$ 8,732,738</u>

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 6: INTERFUND TRANSACTIONS (CONTINUED)**

**Advances To/From Other Funds**

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2020:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General fund	\$ 1,252,650	\$ 1,180,000
Public Assistance	70,930	-
Health Services	2,043,073	-
Nonmajor Governmental funds	10,000	-
Agency funds	<u>7,187</u>	<u>2,203,840</u>
Total	<u>\$ 3,383,840</u>	<u>\$ 3,383,840</u>

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ -	\$ 16,651,373
Road	3,580	-
Public Safety	14,852,006	-
Public Assistance	1,056,859	-
Health Services	105,624	366,350
Nonmajor Governmental funds	<u>999,654</u>	<u>-</u>
Total	<u>\$ 17,017,723</u>	<u>\$ 17,017,723</u>

**NOTE 7: UNEARNED REVENUE**

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

	<u>Unearned</u>
General fund	
2019/2020 payment in lieu of taxes revenue received in advance	\$ 825,130
Other revenues received but not earned	74,674
Public Safety	
Other revenues received but not earned	202
Public Assistance	
Social services revenues received but not earned	613,064
Nonmajor Governmental funds	
Building and safety revenues received but not earned	11,278
Air pollution revenues received but not earned	<u>85,226</u>
Total	<u>\$ 1,609,574</u>

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 8: LONG-TERM LIABILITIES**

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

<u>Type of Indebtedness</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Certificates of Participation	\$ 10,910,000	\$ -	(\$ 820,000)	\$ 10,090,000	\$ 855,000
Unamortized Premium	<u>586,417</u>	<u>-</u>	<u>( 29,321)</u>	<u>557,096</u>	<u>29,321</u>
Certificates of Participation, Net	11,496,417	-	( 849,321)	10,647,096	884,321
Capital Leases	38,474	-	( 12,110)	26,364	7,753
Compensated Absences	<u>3,593,670</u>	<u>3,356,414</u>	<u>( 2,740,053)</u>	<u>4,210,029</u>	<u>3,789,026</u>
Total Governmental Activities	<u>\$ 15,128,561</u>	<u>\$ 3,356,414</u>	<u>(\$ 3,601,484)</u>	<u>\$ 14,883,491</u>	<u>\$ 4,681,100</u>
<b>Business-Type Activities</b>					
Bonds	\$ 314,700	\$ -	(\$ 19,500)	\$ 295,200	\$ 20,000
Total Business-Type Activities	<u>\$ 314,700</u>	<u>\$ -</u>	<u>(\$ 19,500)</u>	<u>\$ 295,200</u>	<u>\$ 20,000</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred, which is primarily the General fund.

For business-type activities, all debt is accounted for in the proprietary fund where the liability occurred.

Individual issues of debt payable outstanding at June 30, 2020, are as follows:

**Governmental Activities**

Certificates of Participation:

2014 Certificates of Participation, issued May 13, 2014, in the amount of \$14,660,000, payable in annual installments of \$300,000 to \$965,000, with an interest rate of 2.0% to 5.0% and maturity on September 15, 2038. The certificates of participation are secured by the County of Tehama Courthouse Annex and the Juvenile Detention Facility. The certificates were used to refund the 1998 and 2002 certificates of participation which were used to finance capital projects and to finance additional capital improvements.

\$ 10,090,000

Total Certificates of Participation

10,090,000

Total Governmental Activities

\$ 10,090,000

**Business-Type Activities**

Bonds:

1997 Sanitation District #1 Bonds, issued November 13, 1996, in the amount of \$824,465, payable in annual installments of \$8,000 to \$35,000 with an interest rate of 4.50% and maturity on September 2, 2031. The bonds are secured by direct charge assessments placed on the secured property tax roll. The bonds were used to finance construction and upgrade of the sanitation system.

\$ 295,200

Total Bonds

295,200

Total Business-Type Activities

\$ 295,200

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 8: LONG-TERM LIABILITIES (CONTINUED)**

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities and capital leases which are reported in Note 9.

**Governmental Activities**

Year Ended June 30	Certificates of Participation		
	Principal	Interest	Total
2021	\$ 855,000	\$ 381,463	\$ 1,236,463
2022	895,000	337,713	1,232,713
2023	935,000	301,313	1,236,313
2024	965,000	263,163	1,228,163
2025	635,000	229,512	864,512
2026-2030	2,340,000	875,831	3,215,831
2031-2035	1,765,000	540,650	2,305,650
2036-2039	1,700,000	147,862	1,847,862
Total	\$ 10,090,000	\$ 3,077,507	\$ 13,167,507

**Business-Type Activities**

Year Ended June 30	Bonds		
	Principal	Interest	Total
2021	\$ 20,000	\$ 13,298	\$ 33,298
2022	20,500	12,386	32,886
2023	21,500	11,441	32,941
2024	22,500	10,451	32,951
2025	24,000	9,405	33,405
2026-2030	135,000	29,587	164,587
2031-2032	51,700	3,225	54,925
Total	\$ 295,200	\$ 89,793	\$ 384,993

**NOTE 9: LEASES**

**Operation Leases**

The County has signed several operating leases primarily for office buildings. Terms of the leases are month to month or contain early termination clauses. Because of this, the County does not have a definite noncancellable commitment from these various leases.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 9: LEASES (CONTINUED)**

**Capital Leases**

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

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2020
Governmental Activities	5.25-5.45%	\$ 26,365
Total		\$ 26,365

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

	Governmental Activities
Equipment	\$ 39,558
Less: accumulated depreciation	( 13,186)
Net Value	\$ 26,372

As of June 30, 2020, capital lease annual amortization was as follows:

Year Ended June 30	Governmental Activities
2021	\$ 9,227
2022	9,227
2023	9,227
2024	1,538
Total Requirements	29,219
Less: interest	( 2,854)
Present Value of Remaining Payments	\$ 26,365

**NOTE 10: NET POSITION**

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

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
  
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 10: NET POSITION (CONTINUED)**

- **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 \$38,523,715 of restricted net position, of which \$1,879,252 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 11: FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balance for the governmental funds is 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 with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision making authority for the County that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be established by the Board of Supervisors or official or body to whom the Board has delegated its authority.
- **Unassigned fund balance** - the residual classification for the County’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 11: FUND BALANCES (CONTINUED)**

The fund balances for all major and nonmajor governmental funds as of June 30, 2020, were distributed as follows:

	General Fund	Road	Public Safety	Public Assistance	Health Services	Other Governmental Funds	Totals
<b>Nonspendable:</b>							
Advances to other funds	\$ 1,252,650	\$ -	\$ -	\$ 70,930	\$ 2,043,073	\$ 10,000	\$ 3,376,653
Prepaid costs	60,810	-	90,174	99,822	12,342	632	263,780
Inventory	-	469,729	-	-	-	-	469,729
Loan receivables	83,951	-	-	-	-	-	83,951
Subtotal	1,397,411	469,729	90,174	170,752	2,055,415	10,632	4,194,113
<b>Restricted for:</b>							
AVA County of Tehama	14,629	-	-	-	-	-	14,629
APSA Act AB 1130 Grant	1,300	-	-	-	-	-	1,300
Vital & Health Stats	116,661	-	-	-	-	-	116,661
Recorder Micrographics	56,743	-	-	-	-	-	56,743
Recorder Truncation	68,753	-	-	-	-	-	68,753
SB2 Housing Fees	5,879	-	-	-	-	-	5,879
PC 1463.9 Litter Control	9,605	-	-	-	-	-	9,605
Fair Booth Trust	979	-	-	-	-	-	979
Recorder Electronic Filing Fee	86,082	-	-	-	-	-	86,082
Recorder Automation	385,816	-	-	-	-	-	385,816
VC27360 Child Restraints	16,218	-	-	-	-	-	16,218
Safe Drinking Water	282,464	-	-	-	-	-	282,464
Domestic Violence Program	10,489	-	-	-	-	-	10,489
HS25299 Underground Tank	118,502	-	-	-	-	-	118,502
Local Innovation	203,193	-	-	-	-	-	203,193
Housing Ass't Payment	23,272	-	-	-	-	-	23,272
Road Services	-	666,804	-	-	-	-	666,804
Public Safety	-	-	8,331,067	-	-	-	8,331,067
Public Assistance	-	-	-	1,798,025	-	-	1,798,025
Health Services	-	-	-	-	4,504,337	-	4,504,337
Fish and Game	-	-	-	-	-	141,838	141,838
Fire	-	-	-	-	-	7,644,854	7,644,854
Child Support	-	-	-	-	-	137,392	137,392
Building Safety	-	-	-	-	-	989,972	989,972
Senior Nutrition	-	-	-	-	-	81,113	81,113
Transportation Operations	-	-	-	-	-	600,827	600,827
Air Pollution Services	-	-	-	-	-	1,914,410	1,914,410
Los Mollinos Lighting	-	-	-	-	-	94,602	94,602
Flood Control and Water Conservation	-	-	-	-	-	1,012,546	1,012,546
Tehama Power Authority	-	-	-	-	-	5,724	5,724
AB 923	-	-	-	-	-	470,551	470,551
Small Claim Fees	-	-	-	-	-	18,565	18,565
Community Block Grant	-	-	-	-	-	63,192	63,192
Impact Fees	-	-	-	-	-	1,136,361	1,136,361
Subtotal	1,400,585	666,804	8,331,067	1,798,025	4,504,337	14,311,947	31,012,765
<b>Committed:</b>							
Sun City Development	5,502	-	-	-	-	-	5,502
Unfunded PERS Liability	1,000,000	-	-	-	-	-	1,000,000

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 11: FUND BALANCES (CONTINUED)**

The fund balances for all major and nonmajor governmental funds as of June 30, 2020, were distributed as follows: (Continued)

	<b>General Fund</b>	<b>Road</b>	<b>Public Safety</b>	<b>Public Assistance</b>	<b>Health Services</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
Economic Uncertainty	3,669,229	-	-	-	-	-	3,669,229
Capital Projects	-	-	-	-	-	5,922,560	5,922,560
Debt Service	-	-	-	-	-	1,410,378	1,410,378
Subtotal	4,674,731	-	-	-	-	7,332,938	12,007,669
<b>Assigned:</b>							
Uniform Allowance	72,500	-	-	-	-	-	72,500
Camp Tehama OPS	27,982	-	-	-	-	-	27,982
Departments	152,584	-	-	-	-	-	152,584
Veterans Halls	159,357	-	-	-	-	-	159,357
Capital Assets	1,263,998	-	-	-	-	-	1,263,998
Nuisance Abate	140,111	-	-	-	-	-	140,111
Sick Leave & Vacation Buy-out	58,477	-	-	-	-	-	58,477
Park	42,542	-	-	-	-	-	42,542
Corning Court	145,584	-	-	-	-	-	145,584
Animal Donations	22,502	-	-	-	-	-	22,502
Library Donations	1,118	-	-	-	-	-	1,118
2019 OES PSPS	342,710	-	-	-	-	-	342,710
Encumbrances	210,277	-	-	-	-	-	210,277
Public assistance	-	-	-	658,339	-	-	658,339
Subtotal	2,639,742	-	-	658,339	-	-	3,298,081
<b>Unassigned</b>	1,218,065	-	-	-	( 8,965,764)	-	( 7,747,699)
<b>Total</b>	<b>\$ 11,330,534</b>	<b>\$ 1,136,533</b>	<b>\$ 8,421,241</b>	<b>\$ 2,627,116</b>	<b>(\$ 2,406,012)</b>	<b>\$ 21,655,517</b>	<b>\$ 42,764,929</b>

**Fund Balance Flow Assumption**

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

**Fund Balance Policy**

The Board of Supervisors has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for the County to establish and maintain a minimum committed fund balance in the General fund equal to 8.33 percent of adopted (final) budgeted General fund appropriations for economic uncertainty.



**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 12: PENSION PLAN**

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

**Plan Description**

All qualified permanent and probationary employees of Tehama County, Tehama Court, Tehama County Landfill, Tehama County Public Authority, Tehama County Law Library, Tehama County Transportation Commission, and Tehama First Five are eligible to participate in the County's Safety and Miscellaneous agent multiple-employer defined benefit pension plan (Plan), administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the County added retirement tiers for both 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 County's retirement costs.

**Summary of Rate of Tiers and Eligible Participants**

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Safety PEPRA	Safety employees hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous employees hired before January 1, 2013
Safety	Safety employees 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, 2103) 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 the plan are applied as specified by the Public Employees' Retirement Law.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 12: PENSION PLAN (CONTINUED)**

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

**Benefits Provided (Continued)**

Each Rate Tier's specific provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 55	50-55	1.426% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52-62	1.000% to 2.500%
Safety	3.0% @ 55	50-55	2.400% to 3.000%
Safety PEPRA	2.7% @ 57	50-57	2.000% to 2.700%

**Employees Covered**

At June 30, 2020, the following employees were covered by the benefit terms for the Plan including independent entities (Court and First Five):

	<u>Inactive Employees Or Beneficiaries Currently Receiving Benefits</u>	<u>Inactive Employees Entitled to But Not Yet Receiving Benefits</u>	<u>Active Employees</u>
Miscellaneous	831	747	665
Safety	162	94	141

**Contributions**

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	9.127%	7.000%	0.000%*
Miscellaneous PEPRA	9.127%	6.250%	0.000%
Safety	17.925%	9.000%	0.000%*
Safety PEPRA	17.925%	11.250%	0.000%

\*The County pays 100 percent of the employee's contribution for elected officials and 3 percent of the employee's contribution for police officers and probation.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 12: PENSION PLAN (CONTINUED)**

**B. Net Pension Liability**

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

**Actuarial Assumptions**

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

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90 percent of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 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.

**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.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 12: PENSION PLAN (CONTINUED)**

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

**Long-Term Rate of Return (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (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

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 12: PENSION PLAN (CONTINUED)**

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

As of June 30, 2020, the changes in the net pension liability of the agent multiple-employer defined benefit pension plan, including independent entities (Courts), is as follows:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous:			
Balances at June 30, 2019	\$ 250,509,405	\$ 183,824,743	\$ 66,684,662
Changes for the year:			
Service cost	5,377,346	-	5,377,346
Interest on total pension liability	17,963,362	-	17,963,362
Differences between expected and actual experience	4,774,560	-	4,774,560
Contributions – employer	-	6,794,734	( 6,794,734)
Contributions – employee	-	2,278,146	( 2,278,146)
Net investment income	-	12,077,725	( 12,077,725)
Benefit payments, including refunds of employee contributions	( 13,473,581)	( 13,473,581)	-
Administrative expense	-	( 131,181)	131,181
Other miscellaneous income/(expense)	-	427	( 427)
Net Changes	14,641,687	7,546,270	7,095,417
Balances at June 30, 2020	\$ 265,151,092	\$ 191,371,013	\$ 73,780,079
Less:			
Amount allocated to independent entities			( 6,429,940)
Balance at June 30, 2020			\$ 67,350,139

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Safety:			
Balances at June 30, 2019	\$ 90,371,908	\$ 60,177,790	\$ 30,194,118
Changes for the year:			
Service cost	2,386,413	-	2,386,413
Interest on total pension liability	6,448,526	-	6,448,526
Differences between expected and actual experience	704,907	-	704,907
Contributions – employer	-	2,938,957	( 2,938,957)
Contributions – employee	-	856,346	( 856,346)
Net investment income	-	3,987,999	( 3,987,999)
Benefit payments, including refunds of employee contributions	( 4,161,674)	( 4,161,674)	-
Administrative expense	-	( 42,944)	42,944
Other miscellaneous income/(expense)	-	139	( 139)
Net Changes	5,378,172	3,578,823	1,799,349
Balances at June 30, 2020	\$ 95,750,080	\$ 63,756,613	\$ 31,993,467

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 12: PENSION PLAN (CONTINUED)**

**C. Changes in the Net Pension Liability (Continued)**

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

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

	<u>1% Decrease</u> 6.15%	<u>Discount Rate</u> 7.15%	<u>1% Increase</u> 8.15%
Miscellaneous	\$ 106,626,971	\$ 73,780,079	\$ 46,387,629
Safety	45,109,901	31,993,467	21,192,900

**Pension Plan Fiduciary Net Position**

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

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

For the year ended June 30, 2020, the County recognized pension expense of \$20,671,535. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Pension contributions subsequent to the measurement date	\$ 11,131,632	\$ -
Changes of assumptions	2,193,105	( 455,023)
Difference between expected and actual experience	3,821,671	( 685,391)
Difference between projected and actual earnings on plan investments	<u>-</u>	<u>( 1,377,693)</u>
Total	17,146,408	( 2,518,107)
Less: amount allocated to independent entities	<u>( 1,001,566)</u>	<u>139,009</u>
Total	<u>\$ 16,144,842</u>	<u>(\$ 2,379,098)</u>

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 12: PENSION PLAN (CONTINUED)**

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

\$11,131,632 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Fiscal Year Ended <u>June 30</u>	
2021	\$ 3,550,418
2022	( 10,662)
2023	( 310,942)
2024	267,855
Thereafter	<u>-</u>
Total	<u>\$ 3,496,669</u>

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

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

**Plan Description**

The County’s defined benefit OPEB plan (the Plan) provides OPEB for all permanent full-time general and public safety employees of the County. The Plan is an agent single-employer defined benefit plan administered by Alliant Insurance Services. The Board of Supervisors 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 County.

**Benefits Provided**

The County offers medical, dental, vision, and life benefits to its employees, retirees, and their dependents. The medical plans consist of an Anthem Blue Cross PPO and an Anthem Blue Cross EPO (low option).

Employees of all bargaining units who have a minimum of five (5) years of County service and who go directly from active employment to retirement under the Public Employees’ Retirement System, may continue to participate in the County’s health insurance programs at the employee’s option and expense.

**Contributions**

While the County does not directly contribute towards the cost of premiums for retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit to the retirees, called an “implicit subsidy” under GASB 75. The inclusion of the retirees increases the County’s overall health insurance rates; it is, in part, the purpose of this valuation to determine the amount of the subsidy. Dental and vision benefits are not subsidized and have not been included in the valuation. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

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

**Employees Covered By Benefit Terms**

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

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	<u>794</u>
	<u>803</u>

**B. Net OPEB Liability**

The County’s net OPEB liability of \$1,778,477, was measured as of June 30, 2020, and was determined by the actuarial valuation as of July 1, 2018.

**Actuarial Assumptions and Other Inputs**

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

Valuation Date	July 1, 2018
Funding Method	Entry Age, level of percent of pay
Discount Rate	2.45%
Salary Increase	3.00%
Inflation Rate	3.00%
Healthcare cost trend rate	5.25% for 2020, 5.00% for 2021 and later years.

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

**Discount Rate**

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.



**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

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

**Discount Rate (Continued)**

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the County's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Fidelity GO AA 20 Years Municipal Index	Discount Rate
June 30, 2019	June 30, 2019	4.00%	3.13%	3.13%
June 30, 2020	June 30, 2020	4.00%	2.45%	2.45%

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

Changes in the total OPEB liability, the plan fiduciary net position (i.e., fair value of the Plan assets), and the net OPEB liability is as follows:

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at Fiscal Year Ending June 30, 2019	\$ 1,504,289	\$ -	\$ 1,504,259
Changes for the year:			
Service cost	184,538	-	184,538
Interest	52,088	-	52,058
Changes in assumptions	87,320	-	87,320
Contributions - employer	-	49,758	( 49,758)
Benefit payments	( 49,758)	( 49,758)	-
Net Changes	274,188	-	274,188
Balances at Fiscal Year Ending June 30, 2020	\$ 1,778,477	\$ -	\$ 1,778,477

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

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

	1% Decrease 1.45%	Current Rate 2.45%	1% Increase 3.45%
Net OPEB liability	\$ 1,915,294	\$ 1,778,477	\$ 1,651,688

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

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

**C. Changes in the Net OPEB Liability (Continued)**

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

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

	1% Decrease (4.25% decreasing to 4.00%)	Trend Rate (5.25% decreasing to 5.00%)	1% Increase (6.25% decreasing to 6.00%)
Net OPEB Liability	\$ 1,557,543	\$ 1,778,477	\$ 2,040,228

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$256,325. At June 30, 2020, the County reported deferred outflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 114,980	\$ -
Total	\$ 114,980	\$ -

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 June 30	
2021	\$ 19,699
2022	19,699
2023	19,699
2024	19,699
2025	19,699
Thereafter	16,485
Total	\$ 114,980

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 14: RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (Internal Service Funds) to finance its insured and uninsured risks of loss. The County's uninsured risk of loss is as follows: General liability \$100,000. The County is a member of the California State Association of Counties Excess Insurance Authority (CSACEIA), a public entity risk pool currently operating as a common risk management and insurance program for counties. Should actual loss among participants be greater than anticipated, the County will be assessed its pro rata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. Actual claims unpaid as of June 30, 2020, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2020, was as follows:

General Liability	\$ 1,353,000
Dental Insurance	81,207
Vision Insurance	<u>10,290</u>
Total	<u>\$ 1,444,497</u>

All funds of the County participate in the program and make payments to the Risk Management funds based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$1,465,268 reported in the funds at June 30, 2020, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably determined.

Changes in the County's claims liability amount for the fiscal years June 30, 2018, 2019 and 2020 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimated</u>	<u>Claims Payments</u>	<u>Balance at End of Fiscal Year</u>
June 30, 2018	\$ 922,365	\$ 3,149,574	\$ 3,128,357	\$ 943,582
June 30, 2019	943,583	3,886,966	3,365,281	1,465,268
June 30, 2020	1,465,268	3,586,597	3,607,368	1,444,497

The ultimate settlement of claims against the County cannot presently be determined and no provision for any other liability that may result has been made in the financial statements.

**NOTE 15: OTHER INFORMATION**

**A. Commitments and Contingencies**

The County had active construction projects as of June 30, 2020. The estimated costs to be incurred for these projects is \$841,090.

**COUNTY OF TEHAMA**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2020**

**NOTE 15: OTHER INFORMATION (CONTINUED)**

**A. Commitments and Contingencies (Continued)**

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

The County is involved in several lawsuits. Due to the nature of the cases, County Counsel is unable to estimate at this time the probability of favorable or unfavorable outcomes. Therefore, no provision has been made in the financial statements for a loss contingency.

The County had the following encumbrances at June 30, 2020, General fund \$210,277, Road \$1,362,845, Public Safety \$357,787, Health Services \$101,967, and nonmajor governmental funds \$1,195,049.

**B. Subsequent Events**

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the County could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The County has not included any contingencies in the financial statements specific to this issue.

Management has evaluated events subsequent to June 30, 2020 through March 4, 2021, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**County Pension Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2020**  
**Last 10 Years\***

Measurement Date	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
<b>Miscellaneous</b>			
<b>Total Pension Liability</b>			
Service cost	\$ 4,751,684	\$ 4,685,705	\$ 4,599,406
Interest	14,778,711	15,360,205	15,987,281
Change in assumptions	-	(3,523,041)	-
Difference between expected and actual experience	-	(2,080,052)	(991,661)
Benefit payments, including refunds of employee contributions	<u>(9,743,748)</u>	<u>(10,569,848)</u>	<u>(11,058,235)</u>
<b>Net Change in Total Pension Liability</b>	9,786,647	3,872,969	8,536,791
<b>Total Pension Liability - Beginning</b>	<u>199,545,519</u>	<u>209,332,166</u>	<u>213,205,135</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 209,332,166</u>	<u>\$ 213,205,135</u>	<u>\$ 221,741,926</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 4,300,260	\$ 4,557,693	\$ 4,982,192
Contributions - employee	2,250,188	2,171,594	2,211,464
Net investment income	24,639,923	3,676,095	870,103
Benefit payments, including refunds of employee contributions	(9,743,748)	(10,569,848)	(11,058,235)
Plan to plan resource movement	-	(71,138)	(10,813)
Administrative expense	-	(186,719)	(99,838)
Other miscellaneous expense	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	21,446,623	(422,323)	(3,105,127)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>142,792,821</u>	<u>164,239,444</u>	<u>163,817,121</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 164,239,444</u>	<u>\$ 163,817,121</u>	<u>\$ 160,711,994</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 45,092,722</u>	<u>\$ 49,388,014</u>	<u>\$ 61,029,932</u>
Plan fiduciary net position as a percentage of the total pension liability	78.46%	76.84%	72.48%
Covered payroll	\$ 30,757,227	\$ 31,825,748	\$ 31,761,661
Net pension liability as a percentage of covered payroll	146.61%	155.18%	192.15%

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



<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>
\$ 5,171,753	\$ 5,260,697	\$ 5,377,346
16,352,617	16,955,993	17,963,362
12,803,697	(1,282,339)	-
(2,599,651)	199,923	4,774,560
<u>(11,647,820)</u>	<u>(12,447,391)</u>	<u>(13,473,581)</u>
20,080,596	8,686,883	14,641,687
<u>221,741,926</u>	<u>241,822,522</u>	<u>250,509,405</u>
<u>\$ 241,822,522</u>	<u>\$ 250,509,405</u>	<u>\$ 265,151,092</u>
\$ 5,383,166	\$ 5,951,937	\$ 6,794,734
2,181,169	2,233,073	2,278,146
17,797,827	14,676,525	12,077,725
(11,647,820)	(12,447,391)	(13,473,581)
8,903	(427)	-
(237,280)	(271,448)	(131,181)
<u>-</u>	<u>(515,485)</u>	<u>427</u>
13,485,965	9,626,784	7,546,270
<u>160,711,994</u>	<u>174,197,959</u>	<u>183,824,743</u>
<u>\$ 174,197,959</u>	<u>\$ 183,824,743</u>	<u>\$ 191,371,013</u>
<u>\$ 67,624,563</u>	<u>\$ 66,684,662</u>	<u>\$ 73,780,079</u>
72.04%	73.38%	72.17%
\$ 32,461,415	\$ 33,123,640	\$ 33,849,590
208.32%	201.32%	217.96%

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**County Pension Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2020**  
**Last 10 Years\***

Measurement Date	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
<b>Safety</b>			
<b>Total Pension Liability</b>			
Service cost	\$ 1,722,487	\$ 1,721,662	\$ 1,852,609
Interest	4,994,614	5,270,117	5,567,657
Change in assumptions	-	(1,316,679)	-
Difference between expected and actual experience	-	141,736	275,562
Benefit payments, including refunds of employee contributions	<u>(3,087,719)</u>	<u>(3,404,624)</u>	<u>(3,482,186)</u>
<b>Net Change in Total Pension Liability</b>	3,629,382	2,412,212	4,213,642
<b>Total Pension Liability - Beginning</b>	<u>67,277,459</u>	<u>70,906,841</u>	<u>73,319,053</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 70,906,841</u>	<u>\$ 73,319,053</u>	<u>\$ 77,532,695</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 1,812,375	\$ 1,974,637	\$ 2,091,533
Contributions - employee	611,172	662,280	697,072
Net investment income	7,625,451	1,108,588	273,694
Benefit payments, including refunds of employee contributions	(3,087,719)	(3,404,624)	(3,482,186)
Plan to plan resource movement	-	-	-
Administrative expense	-	(57,661)	(31,226)
Other miscellaneous expense	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	6,961,279	283,220	(451,113)
<b>Plan Fiduciary Net Position - Beginning</b>	<u>43,992,102</u>	<u>50,953,381</u>	<u>51,236,601</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 50,953,381</u>	<u>\$ 51,236,601</u>	<u>\$ 50,785,488</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 19,953,460</u>	<u>\$ 22,082,452</u>	<u>\$ 26,747,207</u>
Plan fiduciary net position as a percentage of the total pension liability	71.86%	69.88%	65.50%
Covered payroll	\$ 6,963,761	\$ 7,167,321	\$ 7,771,989
Net pension liability as a percentage of covered payroll	286.53%	308.10%	344.15%

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

<u>2016/2017</u>	<u>2017/2018</u>	<u>2018/2019</u>
\$ 2,150,880	\$ 2,391,084	\$ 2,386,413
5,807,772	6,077,081	6,448,526
4,944,935	233,130	-
(465,016)	(790,006)	704,907
<u>(3,720,945)</u>	<u>(3,789,702)</u>	<u>(4,161,674)</u>
8,717,626	4,121,587	5,378,172
<u>77,532,695</u>	<u>86,250,321</u>	<u>90,371,908</u>
<u>\$ 86,250,321</u>	<u>\$ 90,371,908</u>	<u>\$ 95,750,080</u>
\$ 2,542,771	\$ 2,654,860	\$ 2,938,957
793,978	857,150	856,346
5,644,790	4,746,231	3,987,999
(3,720,945)	(3,789,702)	(4,161,674)
(8,903)	(139)	-
(74,981)	(87,205)	(42,944)
<u>-</u>	<u>(165,603)</u>	<u>139</u>
5,176,710	4,215,592	3,578,823
<u>50,785,488</u>	<u>55,962,198</u>	<u>60,177,790</u>
<u>\$ 55,962,198</u>	<u>\$ 60,177,790</u>	<u>\$ 63,756,613</u>
<u>\$ 30,288,123</u>	<u>\$ 30,194,118</u>	<u>\$ 31,993,467</u>
64.88%	66.59%	66.59%
\$ 8,159,327	\$ 8,736,149	\$ 8,640,163
371.21%	345.62%	370.29%

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**County Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2020**  
**Last 10 Years\***

<b>Fiscal Year</b>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
<b>Miscellaneous</b>			
Contractually required contributions (actuarially determined)	\$ 4,557,693	\$ 4,982,192	\$ 5,383,166
Contributions in relation to the actuarially determined contributions	<u>(4,557,693)</u>	<u>(4,982,192)</u>	<u>(5,383,166)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 31,825,748	\$ 31,761,661	\$ 32,461,415
Contributions as a percentage of covered payroll	14.32%	15.69%	16.58%
<b>Safety</b>			
Contractually required contributions (actuarially determined)	\$ 1,974,637	\$ 2,091,533	\$ 2,542,771
Contributions in relation to the actuarially determined contributions	<u>(1,974,637)</u>	<u>(2,091,533)</u>	<u>(2,542,771)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,167,321	\$ 7,771,989	\$ 8,159,327
Contributions as a percentage of covered payroll	27.55%	26.91%	31.16%

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

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
\$ 5,951,937 (5,951,937)	\$ 6,794,734 (6,794,734)	\$ 7,736,447 (7,736,447)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 33,123,640 17.97%	\$ 33,849,590 20.07%	\$ 34,047,918 22.72%
\$ 2,654,860 (2,654,860)	\$ 2,938,957 (2,938,957)	\$ 3,334,698 (3,334,698)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,736,149 30.39%	\$ 8,640,163 34.02%	\$ 8,057,508 41.39%

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**County Pension Plan**  
**Notes to County Pension Plan**  
**For the Year Ended June 30, 2020**

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

**Benefits Change**

The figures do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

**Changes of Assumptions**

None in 1019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

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

Valuation Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method / Period	For details, see June 30, 2016 Funding Valuation Report
Asset Valuation Method	Fair value of assets
Inflation	2.75%
Salary Increases	Varies by entry age and service
Retirement Age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.
Investment Rate of Return	7.375%, net of pension plan investment and administrative expenses, includes inflation.
Payroll Growth	3.00%

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**County OPEB Plan**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2020**  
**Last 10 Years\***

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
<b>Net OPEB Liability</b>			
Service cost	\$ 169,470	\$ 174,553	\$ 184,538
Interest	38,623	44,944	52,088
Change in assumptions	-	54,759	87,320
Benefit payments	<u>(43,991)</u>	<u>(22,812)</u>	<u>(49,758)</u>
<b>Net Change in Net OPEB Liability</b>	164,102	251,444	274,188
<b>Net OPEB Liability - Beginning</b>	<u>1,088,743</u>	<u>1,252,845</u>	<u>1,504,289</u>
<b>Net OPEB Liability - Ending</b>	<u>\$ 1,252,845</u>	<u>\$ 1,504,289</u>	<u>\$ 1,778,477</u>
Covered-employee payroll	\$ 42,612,781	\$ 43,122,849	\$ 41,868,737
Net OPEB liability as a percentage of covered-employee payroll	2.94%	3.49%	4.25%

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

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**County OPEB Plan**  
**Note to County OPEB Plan**  
**For the Year Ended June 30, 2020**

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

**Change of Assumptions**

The discount rate was changed from 3.13 percent as of the June 30, 2019 measurement date to 2.45 percent as of the June 30, 2020 measurement date.



**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Infrastructure Assets Reported Using the Modified Approach**  
**For the Year Ended June 30, 2020**

**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH**

The assessed conditions report for the fiscal year ending June 30, 2020 was completed on November 16, 2020.

**A. Roads**

The County of Tehama manages its maintained road network using the StreetSaver Management Program and accounts for it using the modified approach as set forth in GASB 34. The software, in compliance with ASTM D6433 “Standard practice for Roads and Parking Lots Pavement Condition Index Surveys”, establishes scales from zero to one hundred (0-100) for roads maintained by the Department of Public Works. ASTM D6433 considers a road indexed below 55 to be in poor quality and meet the requirements for reconstruction. Roads fall into categories ranging from Good to Poor, with numerical rankings as follows:

Good	70 to 100
Fair	55 to 69
Poor	0 to 54

The scales have been modified from previous years to combine roads in Excellent condition with roads in Good condition, and unpaved roads have been separated from paved roads. Paved roads are given a Pavement Condition Index (PCI) and unpaved roads are given an Overall Condition Index (OCI).

The County’s Department of Public Works recommends that seventy-five (75) percent of the County’s maintained road system be maintained at a rating of Fair or better. Conditional assessments (ratings) are conducted on three-year cycles with detailed inspection occurring on an ongoing basis.

As of June 30, 2020, the condition of the County’s paved maintained road system was rated Fair or better for 49 percent of Arterial and Collector roads and 31.5 percent of Local roads, a combined 37.6 percent for all paved roads. 100 percent of the County’s 260 miles of unpaved roads are currently rated in Fair condition. The detail of paved and unpaved road conditions is shown in the below tables:

Paved Roads	Arterial & Collectors		Local		Combined Totals	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Good	70.460	24.6%	62.100	11.4%	132.560	16.0%
Fair	69.883	24.4%	108.795	20.1%	178.678	21.6%
Poor	145.950	51.0%	371.042	68.5%	516.992	62.4%
<b>Total</b>	<b>286.293</b>	<b>100.0%</b>	<b>541.937</b>	<b>100.0%</b>	<b>828.230</b>	<b>100.0%</b>

Unpaved Gravel/ Unsurfaced Roads	Arterial & Collector		Local		Combined Totals	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Good	0.00	0.0%	0.00	0.0%	0.00	0.0%
Fair	30.99	100.0%	229.01	100.0%	260.0	100.0%
Poor	0.00	0.0%	0.00	0.0%	0.00	0.0%
<b>Total</b>	<b>30.99</b>	<b>100.0%</b>	<b>229.01</b>	<b>100.0%</b>	<b>260.0</b>	<b>100.0%</b>

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Infrastructure Assets Reported Using the Modified Approach**  
**For the Year Ended June 30, 2020**

**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH  
(CONTINUED)**

**A. Roads (Continued)**

The County also maintains records of 0.96 miles of unconstructed/unrated right of way. During fiscal year 2019/2020, a section of Tuscan Springs Road was vacated totaling 0.69 miles. At June 30, 2020, the recorded number of miles maintained by the County is 1,088.23.

The majority of roads falling below the established rating of Fair (PCI<55) are in the Local road category and were generally acquired by the County with inadequate or no structural section. Many of these roads are in rural settings and support minimal traffic, and it would require large expenditures and many years to increase the PCI rating.

**B. Bridges**

The County of Tehama manages its maintained bridge system using Microsoft Excel as a Bridge Database and accounts for it using the modified approach. The County combines several factors to establish a scale from 0 to 100. The scale places each bridge structure in a category ranging from Excellent to Poor, as follows:

Excellent	90 to 100
Good	80 to 89
Fair	50 to 79
Poor	0 to 49

The County's Department of Public Works recommends that the majority of its bridge structures be maintained at a rating of Fair or better. The County has categorized the bridges by structure type based on nomenclature, material, and sub type. The following table illustrates current structural conditions:

	<b>Total</b>	<b>Exc.</b>	<b>%</b>	<b>Good</b>	<b>%</b>	<b>Fair</b>	<b>%</b>	<b>Poor</b>	<b>%</b>
Concrete Bridges	147	31	21.1%	24	16.3%	74	50.3%	18	12.3%
Box Girder	17	10	58.8%	4	23.5%	3	17.6%	0	0.0%
Tee Beam	15	1	6.7%	3	20.0%	7	46.7%	4	26.7%
Pony Truss	18	0	0.0%	0	0.0%	7	38.9%	11	61.1%
Thru Truss	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
Wood	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
Grid Deck	37	1	2.7%	1	2.7%	34	91.9%	1	2.7%
Steel Deck w/ St Girder	58	2	3.4%	6	10.3%	41	70.7%	9	15.5%
Conc Deck w/ St Girder	33	0	0.0%	3	9.1%	23	69.7%	7	21.2%
Wood Deck w/ St Girder	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
Concrete Box Culverts	162	22	13.6%	72	44.4%	68	42.0%	0	0.0%
Precast Con Boxes	20	0	0.0%	2	10.0%	18	90.0%	0	0.0%
Pipes (3 Ft & Larger)	148	7	4.7%	40	27.0%	101	68.2%	0	0.0%
Bailey Bridges	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Multiplate	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
Shipyard Trailers	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
Concrete Slabs	38	0	0.0%	1	3.3%	29	96.7%	0	0.0%
<b>TOTAL</b>	<b>695</b>	<b>75</b>	<b>10.8%</b>	<b>159</b>	<b>22.4%</b>	<b>408</b>	<b>58.7%</b>	<b>56</b>	<b>8.1%</b>

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Infrastructure Assets Reported Using the Modified Approach**  
**For the Year Ended June 30, 2020**

**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH  
(CONTINUED)**

**C. Signs**

The County of Tehama manages its maintained traffic sign system using the StreetSaver Sign Management Program. The State and Federal Manual of Uniform Traffic Control Devices (MUTCD) identifies sign reflectivity requirements as a crucial rating factor and has established standards for Minimum Retroreflectivity. County sign reflectivity is inspected by County Personnel using a Retroreflectometer, which provides a basis for non-subjective “Pass or Fail” ratings.

The Public Works staff have a functional geo-referenced database integrated Google Maps. This allows staff to easily locate and view sign locations, including their “Pass or Fail” status, from any computer or handheld mobile device.

Additionally, the County maintains a significant number of miles of road centerline and edgeline striping, pavement markings, and object marker signs. These assets are visually inspected during routine operations and are maintained or replaced as needed to maintain maximum visibility.

	<b>No. St Name Signs</b>	<b>No. Traffic Signs</b>	<b>Total</b>	<b>Percent Pass/Fail</b>
Pass	3457	4239	7696	94.88%
Fail	0	415	415	5.12%
Total	3457	4654	8111	100.00%

**D. Cost of Maintenance**

The estimated annual cost to maintain 75 percent of the roads, bridges, and signs in a Fair or better, or “Pass” condition, rating stands at \$12.2 million for the 20/21 fiscal year. The average annual expenditures for each of the last five years was \$9.4 million. The below totals reflect high dollar value bridge replacements and some major collector road projects that tend to skew the expenditure vs. rating analysis. The funds expended have helped to slow the facility degradation, however, the overall ratings continue to decline, albeit at a slow place. The funds expended for all of the above noted facilities over the past five fiscal years are as follows:

	<u>Actual</u>
Fiscal Year 2019/2020	\$ 15,269,718
Fiscal Year 2018/2019	7,983,653
Fiscal Year 2017/2018	6,214,876
Fiscal Year 2016/2017	9,359,628
Fiscal Year 2015/2016	8,283,095

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2020**

	<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	\$22,697,473	\$22,757,893	\$23,312,069	\$ 554,176
Licenses and permits	1,518,435	1,530,256	1,754,418	224,162
Fines and forfeitures	1,773,589	1,773,589	1,432,530	(341,059)
Use of money and property	494,309	494,309	582,639	88,330
Intergovernmental	3,500,508	4,041,913	4,584,498	542,585
Charges for services	4,090,065	4,202,311	3,906,879	(295,432)
Other revenues	873,401	941,149	497,906	(443,243)
<b>Total Revenues</b>	<b>34,947,780</b>	<b>35,741,420</b>	<b>36,070,939</b>	<b>329,519</b>
<b>EXPENDITURES</b>				
Current:				
General government	8,553,437	8,892,170	8,019,710	872,460
Public protection	6,407,485	6,592,638	5,963,692	628,946
Health and welfare	1,137,155	1,148,976	1,514,686	(365,710)
Public assistance	1,557,581	1,601,079	1,403,545	197,534
Education	862,960	872,028	866,931	5,097
Culture and recreation	353,454	353,454	315,943	37,511
Public ways and facilities	-	-	120,056	(120,056)
Debt service				
Interest and other charges	50,000	59,442	59,442	-
Capital outlay	540,317	472,797	326,616	146,181
<b>Total Expenditures</b>	<b>19,462,389</b>	<b>19,992,584</b>	<b>18,590,621</b>	<b>1,401,963</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>15,485,391</b>	<b>15,748,836</b>	<b>17,480,318</b>	<b>1,731,482</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(18,138,095)	(18,056,858)	(16,651,373)	1,405,485
<b>Total Other Financing Sources (Uses)</b>	<b>(18,138,095)</b>	<b>(18,056,858)</b>	<b>(16,651,373)</b>	<b>1,405,485</b>
<b>Net Change in Fund Balances</b>	<b>(2,652,704)</b>	<b>(2,308,022)</b>	<b>828,945</b>	<b>3,136,967</b>
<b>Fund Balances - Beginning</b>	<b>10,756,397</b>	<b>10,756,397</b>	<b>10,756,397</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 8,103,693</b>	<b>\$ 8,448,375</b>	<b>\$11,585,342</b>	<b>\$ 3,136,967</b>

Continued (Page 1 of 2)

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2020**

**Reconciliation of Net Change in Fund Balance - Budgetary to GAAP Basis:**

<b>Net Change in Fund Balance - Budgetary Basis</b>	<b>\$ 828,945</b>
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The amount reported in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance was different because:

OMB A-87 interfund charges are included as charges for services for budgetary purposes, but are a reduction of expenditures for financial reporting purposes.

Charges for services	(737,224)
General government expenditures	<u>737,224</u>

<b>Net Change in Fund Balance - Statement of Revenues, Expenditures and Changes in Fund Balance</b>	<b><u><u>\$ 828,945</u></u></b>
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**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Road - Major Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 462,526	\$ 462,526	\$ 865,936	\$ 403,410
Licenses and permits	9,532	9,532	13,010	3,478
Use of money and property	(56,000)	(56,000)	54,143	110,143
Intergovernmental	49,712,767	49,712,767	13,213,249	(36,499,518)
Charges for services	239,227	39,227	441,252	402,025
Other revenues	9,701	9,701	3,405	(6,296)
<b>Total Revenues</b>	<u>50,377,753</u>	<u>50,177,753</u>	<u>14,590,995</u>	<u>(35,586,758)</u>
<b>EXPENDITURES</b>				
Current:				
Public ways and facilities	54,053,839	54,009,279	6,312,547	47,696,732
Capital outlay	1,199,800	1,297,525	11,539,661	(10,242,136)
<b>Total Expenditures</b>	<u>55,253,639</u>	<u>55,306,804</u>	<u>17,852,208</u>	<u>37,454,596</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(4,875,886)</u>	<u>(5,129,051)</u>	<u>(3,261,213)</u>	<u>1,867,838</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,580	3,580	3,580	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,580</u>	<u>3,580</u>	<u>3,580</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(4,872,306)	(5,125,471)	(3,257,633)	1,867,838
<b>Fund Balances - Beginning</b>	4,365,236	4,365,236	4,365,236	-
Change in inventory on purchases method	12,777	12,777	12,777	-
<b>Fund Balances - Ending</b>	<u>\$ (494,293)</u>	<u>\$ (747,458)</u>	<u>\$ 1,120,380</u>	<u>\$ 1,867,838</u>

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Public Safety - Major Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Licenses and permits	\$ 1,250	\$ 1,250	\$ 3,438	\$ 2,188
Fines and forfeitures	18,500	18,500	70,282	51,782
Use of money and property	-	-	257,197	257,197
Intergovernmental	11,730,911	12,303,189	11,077,306	(1,225,883)
Charges for services	2,184,566	2,190,392	1,947,004	(243,388)
Other revenues	136,038	315,340	287,510	(27,830)
<b>Total Revenues</b>	<u>14,071,265</u>	<u>14,828,671</u>	<u>13,642,737</u>	<u>(1,185,934)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	30,947,582	31,216,621	28,166,780	3,049,841
Capital outlay	196,800	531,004	423,267	107,737
<b>Total Expenditures</b>	<u>31,144,382</u>	<u>31,747,625</u>	<u>28,590,047</u>	<u>3,157,578</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(17,073,117)</u>	<u>(16,918,954)</u>	<u>(14,947,310)</u>	<u>1,971,644</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	17,122,080	17,122,080	14,852,006	(2,270,074)
<b>Total Other Financing Sources (Uses)</b>	<u>17,122,080</u>	<u>17,122,080</u>	<u>14,852,006</u>	<u>(2,270,074)</u>
<b>Net Change in Fund Balances</b>	48,963	203,126	(95,304)	(298,430)
<b>Fund Balances - Beginning</b>	<u>8,514,620</u>	<u>8,514,620</u>	<u>8,514,620</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 8,563,583</u>	<u>\$ 8,717,746</u>	<u>\$ 8,419,316</u>	<u>\$ (298,430)</u>

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Public Assistance - Major Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ (177)	\$ (177)
Use of money and property	14,154	14,154	14,779	625
Intergovernmental	44,027,041	44,552,041	39,765,190	(4,786,851)
Charges for services	130,360	130,360	159,935	29,575
Other revenues	254,474	254,474	252,755	(1,719)
<b>Total Revenues</b>	<u>44,426,029</u>	<u>44,951,029</u>	<u>40,192,482</u>	<u>(4,758,547)</u>
<b>EXPENDITURES</b>				
Current:				
Public assistance	45,599,110	45,942,498	41,784,070	4,158,428
Capital outlay	113,200	294,812	72,379	222,433
<b>Total Expenditures</b>	<u>45,712,310</u>	<u>46,237,310</u>	<u>41,856,449</u>	<u>4,380,861</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,286,281)</u>	<u>(1,286,281)</u>	<u>(1,663,967)</u>	<u>(377,686)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,056,859	1,056,859	1,056,859	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,056,859</u>	<u>1,056,859</u>	<u>1,056,859</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(229,422)	(229,422)	(607,108)	(377,686)
<b>Fund Balances - Beginning</b>	<u>3,234,224</u>	<u>3,234,224</u>	<u>3,234,224</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 3,004,802</u>	<u>\$ 3,004,802</u>	<u>\$ 2,627,116</u>	<u>\$ (377,686)</u>



**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Health Services - Major Special Revenue Fund**  
**For the Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ 2,364,731	\$ 2,364,731
Fines and forfeitures	-	-	27,393	27,393
Use of money and property	-	-	16,005	16,005
Intergovernmental	18,584,295	18,709,295	18,242,747	(466,548)
Charges for services	9,193,733	9,588,733	6,193,728	(3,395,005)
Other revenues	213,039	213,039	117,551	(95,488)
<b>Total Revenues</b>	<u>27,991,067</u>	<u>28,511,067</u>	<u>26,962,155</u>	<u>(1,548,912)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	27,025,134	27,546,754	24,696,291	2,850,463
Debt service				
Principal	12,109	12,109	12,110	(1)
Interest and other charges	1,994	1,994	1,994	-
Capital outlay	622,744	633,881	99,317	534,564
<b>Total Expenditures</b>	<u>27,661,981</u>	<u>28,194,738</u>	<u>24,809,712</u>	<u>3,385,026</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>329,086</u>	<u>316,329</u>	<u>2,152,443</u>	<u>1,836,114</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	126,272	126,272	105,624	(20,648)
Transfers out	(366,350)	(366,350)	(366,350)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(240,078)</u>	<u>(240,078)</u>	<u>(260,726)</u>	<u>(20,648)</u>
<b>Net Change in Fund Balances</b>	89,008	76,251	1,891,717	1,815,466
<b>Fund Balances (Deficits) - Beginning</b>	<u>(4,297,729)</u>	<u>(4,297,729)</u>	<u>(4,297,729)</u>	<u>-</u>
<b>Fund Balances (Deficits) - Ending</b>	<u>\$ (4,208,721)</u>	<u>\$ (4,221,478)</u>	<u>\$ (2,406,012)</u>	<u>\$ 1,815,466</u>

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2020**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

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

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

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

- (1) The County Administrative Officer submits to the Board of Supervisors 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 Board of Supervisors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to August 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrative Officer may authorize transfers from one object or purpose to another within the same department.
- (5) An operating budget is adopted each fiscal year for all governmental funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Administrator's office and must be approved by the Board of Supervisors. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgeted amounts in the budgetary schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

**COUNTY OF TEHAMA**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2020**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING (CONTINUED)**

The County uses an encumbrance system as an extension of normal budgetary accounting for the General, special revenue, and debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year end are recorded as restricted, committed, or assigned fund balance since they do not constitute expenditures or liabilities. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward in the ensuing year's budget.

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**Combining Nonmajor Fund Financial Statements**

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**Nonmajor Governmental Funds**

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**COUNTY OF TEHAMA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	<b>Special Revenue Funds</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and investments	\$ 14,823,752	\$ 4,523,100	\$ 315,044	\$ 19,661,896
Cash with fiscal agent	-	1,430,290	1,095,334	2,525,624
Receivables:				
Accounts	199,207	44	-	199,251
Intergovernmental	957,477	-	-	957,477
Advances to other funds	10,000	-	-	10,000
Prepaid costs	632	-	-	632
<b>Total Assets</b>	<b>\$ 15,991,068</b>	<b>\$ 5,953,434</b>	<b>\$ 1,410,378</b>	<b>\$ 23,354,880</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 492,942	\$ 27,665	\$ -	\$ 520,607
Salaries and benefits payable	110,761	3,209	-	113,970
Due to other governments	10,805	-	-	10,805
Unearned revenues	96,504	-	-	96,504
<b>Total Liabilities</b>	<b>711,012</b>	<b>30,874</b>	<b>-</b>	<b>741,886</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	957,477	-	-	957,477
<b>Total Deferred Inflows of Resources</b>	<b>957,477</b>	<b>-</b>	<b>-</b>	<b>957,477</b>
<b>FUND BALANCES</b>				
Nonspendable	10,632	-	-	10,632
Restricted	14,311,947	-	-	14,311,947
Committed	-	5,922,560	1,410,378	7,332,938
<b>Total Fund Balances</b>	<b>14,322,579</b>	<b>5,922,560</b>	<b>1,410,378</b>	<b>21,655,517</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 15,991,068</b>	<b>\$ 5,953,434</b>	<b>\$ 1,410,378</b>	<b>\$ 23,354,880</b>

**COUNTY OF TEHAMA**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	<b>Special Revenue Funds</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Totals</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 6,257,531	\$ 3,260	\$ -	\$ 6,260,791
Licenses and permits	1,875,662	-	-	1,875,662
Fines and forfeitures	39,161	89,694	210,167	339,022
Use of money and property	342,170	114,575	85,321	542,066
Intergovernmental	3,574,131	53,672	-	3,627,803
Charges for services	1,218,077	-	-	1,218,077
Other revenues	98,148	-	-	98,148
<b>Total Revenues</b>	<b>13,404,880</b>	<b>261,201</b>	<b>295,488</b>	<b>13,961,569</b>
<b>EXPENDITURES</b>				
Current:				
General government	44,646	99,050	2,193	145,889
Public protection	6,339,178	-	-	6,339,178
Health and welfare	1,166,600	-	-	1,166,600
Public assistance	2,323,729	-	-	2,323,729
Public ways and facilities	1,889,148	-	-	1,889,148
Debt service:				
Principal	-	-	820,000	820,000
Interest and other charges	-	-	419,238	419,238
Capital outlay	1,854,290	681,512	-	2,535,802
<b>Total Expenditures</b>	<b>13,617,591</b>	<b>780,562</b>	<b>1,241,431</b>	<b>15,639,584</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(212,711)</b>	<b>(519,361)</b>	<b>(945,943)</b>	<b>(1,678,015)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	35,000	-	964,654	999,654
<b>Total Other Financing Sources (Uses)</b>	<b>35,000</b>	<b>-</b>	<b>964,654</b>	<b>999,654</b>
<b>Net Change in Fund Balances</b>	<b>(177,711)</b>	<b>(519,361)</b>	<b>18,711</b>	<b>(678,361)</b>
<b>Fund Balances - Beginning</b>	<b>14,500,290</b>	<b>6,441,921</b>	<b>1,391,667</b>	<b>22,333,878</b>
<b>Fund Balances - Ending</b>	<b>\$ 14,322,579</b>	<b>\$ 5,922,560</b>	<b>\$ 1,410,378</b>	<b>\$ 21,655,517</b>

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## **Nonmajor Governmental Funds**

- **Special Revenue Funds**

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**COUNTY OF TEHAMA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**

	<b>Underground Storage Tank</b>	<b>Fish and Game</b>	<b>Fire</b>	<b>Child Support</b>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 138,647	\$ 7,597,394	\$ 206,645
Receivables:				
Accounts	-	3,191	82,292	-
Intergovernmental	-	-	53,682	61,859
Advances to other funds	-	-	-	10,000
Prepaid costs	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 141,838</b>	<b>\$ 7,733,368</b>	<b>\$ 278,504</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 22,000	\$ 1,229
Salaries and benefits payable	-	-	12,832	68,024
Due to other governments	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>34,832</b>	<b>69,253</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	53,682	61,859
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>53,682</b>	<b>61,859</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	10,000
Restricted	-	141,838	7,644,854	137,392
<b>Total Fund Balances</b>	<b>-</b>	<b>141,838</b>	<b>7,644,854</b>	<b>147,392</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ -</b>	<b>\$ 141,838</b>	<b>\$ 7,733,368</b>	<b>\$ 278,504</b>

<u>Building and Safety</u>	<u>Senior Nutrition</u>	<u>Transportation Operations</u>	<u>Air Pollution</u>	<u>Los Molinos Lighting</u>	<u>Tehama County Flood Control</u>	<u>Tehama County Flood Zone 3</u>	<u>Tehama Power Authority</u>
\$ 1,065,148	\$ 14,550	\$ 840,485	\$ 2,040,435	\$ 94,602	\$ 89,451	\$ 1,051,394	\$ 5,724
-	68,944	4,833	18,783	-	-	11,772	-
-	-	719,307	-	-	32,372	90,257	-
-	-	-	-	-	-	-	-
632	-	-	-	-	-	-	-
<u>\$ 1,065,780</u>	<u>\$ 83,494</u>	<u>\$ 1,564,625</u>	<u>\$ 2,059,218</u>	<u>\$ 94,602</u>	<u>\$ 121,823</u>	<u>\$ 1,153,423</u>	<u>\$ 5,724</u>
\$ 42,641	\$ 240	\$ 244,491	\$ 46,095	\$ -	\$ 59,584	\$ 76,662	\$ -
10,452	2,141	-	13,487	-	3,825	-	-
10,805	-	-	-	-	-	-	-
11,278	-	-	85,226	-	-	-	-
<u>75,176</u>	<u>2,381</u>	<u>244,491</u>	<u>144,808</u>	<u>-</u>	<u>63,409</u>	<u>76,662</u>	<u>-</u>
-	-	719,307	-	-	32,372	90,257	-
-	-	719,307	-	-	32,372	90,257	-
632	-	-	-	-	-	-	-
989,972	81,113	600,827	1,914,410	94,602	26,042	986,504	5,724
990,604	81,113	600,827	1,914,410	94,602	26,042	986,504	5,724
<u>\$ 1,065,780</u>	<u>\$ 83,494</u>	<u>\$ 1,564,625</u>	<u>\$ 2,059,218</u>	<u>\$ 94,602</u>	<u>\$ 121,823</u>	<u>\$ 1,153,423</u>	<u>\$ 5,724</u>

**COUNTY OF TEHAMA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**

	<u>AB 923</u>	<u>Small Claim Fees</u>	<u>Community Block Grant</u>	<u>Impact Fees</u>
<b>ASSETS</b>				
Cash and investments	\$ 461,159	\$ 18,565	\$ 63,192	\$ 1,136,361
Receivables:				
Accounts	9,392	-	-	-
Intergovernmental	-	-	-	-
Advances to other funds	-	-	-	-
Prepaid costs	-	-	-	-
<b>Total Assets</b>	<u>\$ 470,551</u>	<u>\$ 18,565</u>	<u>\$ 63,192</u>	<u>\$ 1,136,361</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-
Due to other governments	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	470,551	18,565	63,192	1,136,361
<b>Total Fund Balances</b>	<u>470,551</u>	<u>18,565</u>	<u>63,192</u>	<u>1,136,361</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 470,551</u>	<u>\$ 18,565</u>	<u>\$ 63,192</u>	<u>\$ 1,136,361</u>



**Totals**

\$ 14,823,752

199,207

957,477

10,000

632

\$ 15,991,068

\$ 492,942

110,761

10,805

96,504

711,012

957,477

957,477

10,632

14,311,947

14,322,579

\$ 15,991,068

**COUNTY OF TEHAMA**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

	<b>Underground Storage Tank</b>	<b>Fish and Game</b>	<b>Fire</b>	<b>Child Support</b>
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ 3,767,901	\$ -
License and permits	-	-	-	-
Fines and forfeitures	-	1,155	-	-
Use of money and property	-	2,953	165,715	6,652
Intergovernmental	-	-	138,000	1,965,033
Charges for services	-	-	713,804	-
Other revenues	-	5,430	9,820	3,237
<b>Total Revenues</b>	<b>-</b>	<b>9,538</b>	<b>4,795,240</b>	<b>1,974,922</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public protection	-	9,178	4,450,158	-
Health and welfare	148	-	-	-
Public assistance	-	-	-	1,944,814
Public ways and facilities	-	-	-	-
Capital outlay	-	-	68,560	33,208
<b>Total Expenditures</b>	<b>148</b>	<b>9,178</b>	<b>4,518,718</b>	<b>1,978,022</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(148)</b>	<b>360</b>	<b>276,522</b>	<b>(3,100)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(148)</b>	<b>360</b>	<b>276,522</b>	<b>(3,100)</b>
<b>Fund Balances - Beginning</b>	<b>148</b>	<b>141,478</b>	<b>7,368,332</b>	<b>150,492</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ 141,838</b>	<b>\$ 7,644,854</b>	<b>\$ 147,392</b>

<b>Building and Safety</b>	<b>Senior Nutrition</b>	<b>Transportation Operations</b>	<b>Air Pollution</b>	<b>Los Molinos Lighting</b>	<b>Tehama County Flood Control</b>	<b>Tehama County Flood Zone 3</b>	<b>Tehama Power Authority</b>
\$ -	\$ -	\$ 2,195,267	\$ -	\$ 14,779	\$ 166,257	\$ 113,327	\$ -
913,645	-	-	877,556	-	-	-	-
23,695	-	-	14,311	-	-	-	-
19,120	2,359	44,099	41,573	1,890	4,276	23,239	118
-	205,376	175,445	346,973	202	31,899	639,811	-
48,752	30,201	109,048	-	-	-	-	-
167	29,967	1,650	16,276	-	31,601	-	-
<u>1,005,379</u>	<u>267,903</u>	<u>2,525,509</u>	<u>1,296,689</u>	<u>16,871</u>	<u>234,033</u>	<u>776,377</u>	<u>118</u>
-	-	-	14,942	-	-	-	-
767,765	-	-	-	9,448	391,812	710,817	-
-	-	-	1,103,728	-	-	-	-
-	378,915	-	-	-	-	-	-
-	-	1,889,148	-	-	-	-	-
1,760	-	1,702,733	20,802	-	27,227	-	-
<u>769,525</u>	<u>378,915</u>	<u>3,591,881</u>	<u>1,139,472</u>	<u>9,448</u>	<u>419,039</u>	<u>710,817</u>	<u>-</u>
<u>235,854</u>	<u>(111,012)</u>	<u>(1,066,372)</u>	<u>157,217</u>	<u>7,423</u>	<u>(185,006)</u>	<u>65,560</u>	<u>118</u>
-	35,000	-	-	-	-	-	-
-	35,000	-	-	-	-	-	-
235,854	(76,012)	(1,066,372)	157,217	7,423	(185,006)	65,560	118
754,750	157,125	1,667,199	1,757,193	87,179	211,048	920,944	5,606
<u>\$ 990,604</u>	<u>\$ 81,113</u>	<u>\$ 600,827</u>	<u>\$ 1,914,410</u>	<u>\$ 94,602</u>	<u>\$ 26,042</u>	<u>\$ 986,504</u>	<u>\$ 5,724</u>

**COUNTY OF TEHAMA**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

	AB 923	Small Claim Fees	Community Block Grant	Impact Fees
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
License and permits	84,461	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	10,196	384	766	18,830
Intergovernmental	-	-	71,392	-
Charges for services	-	-	-	316,272
Other revenues	-	-	-	-
<b>Total Revenues</b>	<u>94,657</u>	<u>384</u>	<u>72,158</u>	<u>335,102</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	29,704	-
Public protection	-	-	-	-
Health and welfare	62,724	-	-	-
Public assistance	-	-	-	-
Public ways and facilities	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>62,724</u>	<u>-</u>	<u>29,704</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>31,933</u>	<u>384</u>	<u>42,454</u>	<u>335,102</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	31,933	384	42,454	335,102
<b>Fund Balances - Beginning</b>	<u>438,618</u>	<u>18,181</u>	<u>20,738</u>	<u>801,259</u>
<b>Fund Balances - Ending</b>	<u>\$ 470,551</u>	<u>\$ 18,565</u>	<u>\$ 63,192</u>	<u>\$ 1,136,361</u>

**Totals**

\$ 6,257,531  
1,875,662  
39,161  
342,170  
3,574,131  
1,218,077  
98,148

13,404,880

44,646  
6,339,178  
1,166,600  
2,323,729  
1,889,148  
1,854,290

13,617,591

(212,711)

35,000

35,000

(177,711)

14,500,290

\$14,322,579

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## **Nonmajor Governmental Funds**

- **Capital Projects Fund**

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**COUNTY OF TEHAMA  
Combining Balance Sheet  
Nonmajor Capital Projects Fund  
June 30, 2020**

	<b>Capital Projects</b>	<b>Totals</b>
<b>ASSETS</b>		
Cash and investments	\$ 4,523,100	\$ 4,523,100
Cash with fiscal agent	1,430,290	1,430,290
Receivables:		
Accounts	44	44
<b>Total Assets</b>	<b>\$ 5,953,434</b>	<b>\$ 5,953,434</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 27,665	\$ 27,665
Salaries and benefits payable	3,209	3,209
<b>Total Liabilities</b>	30,874	30,874
<b>FUND BALANCE</b>		
Committed	5,922,560	5,922,560
<b>Total Fund Balance</b>	5,922,560	5,922,560
<b>Total Liabilities and Fund Balance</b>	<b>\$ 5,953,434</b>	<b>\$ 5,953,434</b>

**COUNTY OF TEHAMA**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Nonmajor Capital Projects Fund**  
**For the Year Ended June 30, 2020**

	<b>Capital Projects</b>	<b>Totals</b>
<b>REVENUES</b>		
Taxes and assessments	\$ 3,260	\$ 3,260
Fines and forfeitures	89,694	89,694
Use of money and property	114,575	114,575
Intergovernmental revenue	53,672	53,672
<b>Total Revenues</b>	261,201	261,201
<b>EXPENDITURES</b>		
Current:		
General government	99,050	99,050
Capital outlay	681,512	681,512
<b>Total Expenditures</b>	780,562	780,562
<b>Net Change in Fund Balance</b>	(519,361)	(519,361)
<b>Fund Balance - Beginning</b>	6,441,921	6,441,921
<b>Fund Balance - Ending</b>	\$ 5,922,560	\$ 5,922,560

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## **Nonmajor Governmental Funds**

- **Debt Service Fund**

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**COUNTY OF TEHAMA  
Combining Balance Sheet  
Nonmajor Debt Service Fund  
June 30, 2020**

	<b>Debt Service</b>	<b>Totals</b>
<b>ASSETS</b>		
Cash and investments	\$ 315,044	\$ 315,044
Cash with fiscal agent	1,095,334	1,095,334
<b>Total Assets</b>	<b>\$ 1,410,378</b>	<b>\$ 1,410,378</b>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ -
<b>Total Liabilities</b>	-	-
<b>FUND BALANCE</b>		
Committed	1,410,378	1,410,378
<b>Total Fund Balance</b>	1,410,378	1,410,378
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,410,378</b>	<b>\$ 1,410,378</b>

**COUNTY OF TEHAMA**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Nonmajor Debt Service Fund**  
**For the Year Ended June 30, 2020**

	<b>Debt Service</b>	<b>Total</b>
<b>REVENUES</b>		
Fines and forfeitures	\$ 210,167	\$ 210,167
Use of money and property	85,321	85,321
<b>Total Revenues</b>	295,488	295,488
<b>EXPENDITURES</b>		
Current:		
General government	2,193	2,193
Debt service:		
Principal	820,000	820,000
Interest and other charges	419,238	419,238
<b>Total Expenditures</b>	1,241,431	1,241,431
<b>Excess of Revenues Over (Under) Expenditures</b>	(945,943)	(945,943)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	964,654	964,654
<b>Total Other Financing Sources (Uses)</b>	964,654	964,654
<b>Net Change in Fund Balance</b>	18,711	18,711
<b>Fund Balance - Beginning</b>	1,391,667	1,391,667
<b>Fund Balance - Ending</b>	\$ 1,410,378	\$ 1,410,378

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## **Nonmajor Proprietary Fund**

- **Enterprise Funds**

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**COUNTY OF TEHAMA**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2020**

	<b>Health Center</b>	<b>Tehama County Sanitation District #1</b>	<b>Totals</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 1,284	\$ 376,086	\$ 377,370
<b>Total Current Assets</b>	<u>1,284</u>	<u>376,086</u>	<u>377,370</u>
Noncurrent Assets:			
Capital assets:			
Non-depreciable	-	38,047	38,047
Depreciable, net	-	678,356	678,356
Total capital assets	<u>-</u>	<u>716,403</u>	<u>716,403</u>
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>716,403</u>	<u>716,403</u>
<b>Total Assets</b>	<u>1,284</u>	<u>1,092,489</u>	<u>1,093,773</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	-	3,770	3,770
Salaries and benefits payable	-	899	899
Accrued interest payable	-	3,881	3,881
Bonds payable	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>Total Current Liabilities</b>	<u>-</u>	<u>28,550</u>	<u>28,550</u>
Noncurrent Liabilities:			
Bonds payable	<u>-</u>	<u>275,200</u>	<u>275,200</u>
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>275,200</u>	<u>275,200</u>
<b>Total Liabilities</b>	<u>-</u>	<u>303,750</u>	<u>303,750</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	421,203	421,203
Unrestricted	<u>1,284</u>	<u>367,536</u>	<u>368,820</u>
<b>Total Net Position</b>	<u>\$ 1,284</u>	<u>\$ 788,739</u>	<u>\$ 790,023</u>

**COUNTY OF TEHAMA**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2020**

	<b>Health Center</b>	<b>Tehama County Sanitation District #1</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 160,904	\$ 160,904
Other revenues	-	1,477	1,477
<b>Total Operating Revenues</b>	<b>-</b>	<b>162,381</b>	<b>162,381</b>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	-	23,896	23,896
Services and supplies	-	218,586	218,586
Professional services	-	4,441	4,441
Depreciation	-	40,573	40,573
<b>Total Operating Expenses</b>	<b>-</b>	<b>287,496</b>	<b>287,496</b>
<b>Operating Income (Loss)</b>	<b>-</b>	<b>(125,115)</b>	<b>(125,115)</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Intergovernmental revenue	-	175,816	175,816
Interest income	27	7,420	7,447
Interest expense	-	(13,131)	(13,131)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>27</b>	<b>170,105</b>	<b>170,132</b>
<b>Change in Net Position</b>	<b>27</b>	<b>44,990</b>	<b>45,017</b>
<b>Total Net Position - Beginning</b>	<b>1,257</b>	<b>743,749</b>	<b>745,006</b>
<b>Total Net Position - Ending</b>	<b>\$ 1,284</b>	<b>\$ 788,739</b>	<b>\$ 790,023</b>

**COUNTY OF TEHAMA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2019**

	<b>Health Center</b>	<b>Tehama County Sanitation District #1</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ -	\$ 162,381	\$ 162,381
Payments to suppliers	-	(225,941)	(225,941)
Payments to employees	-	(23,801)	(23,801)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>-</b>	<b>(87,361)</b>	<b>(87,361)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental revenue received	-	175,816	175,816
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>175,816</b>	<b>175,816</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	(16,231)	(16,231)
Principal paid on capital debt	-	(19,500)	(19,500)
Interest paid on capital debt	-	(13,723)	(13,723)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(49,454)</b>	<b>(49,454)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	27	7,420	7,447
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>27</b>	<b>7,420</b>	<b>7,447</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>27</b>	<b>46,421</b>	<b>46,448</b>
<b>Balances - Beginning</b>	<b>1,257</b>	<b>329,665</b>	<b>330,922</b>
<b>Balances - Ending</b>	<b>\$ 1,284</b>	<b>\$ 376,086</b>	<b>\$ 377,370</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ -	\$ (125,115)	\$ (125,115)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	40,573	40,573
Increase (decrease) in:			
Accounts payable	-	(2,914)	(2,914)
Salaries and benefits payable	-	95	95
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ -</b>	<b>\$ (87,361)</b>	<b>\$ (87,361)</b>

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## **Internal Service Funds**

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**COUNTY OF TEHAMA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2020**

	<u>Risk Management</u>	<u>Dental Insurance</u>	<u>Medical Insurance</u>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 2,285,472	\$ 735,020	\$ 299,631
Receivables:			
Accounts	-	-	708
Deposits with others	-	60,900	-
Prepaid costs	48	1,704	1,158,448
<b>Total Current Assets</b>	<u>2,285,520</u>	<u>797,624</u>	<u>1,458,787</u>
Noncurrent Assets:			
Capital assets:			
Depreciable, net	2,442	-	-
<b>Total Noncurrent Assets</b>	<u>2,442</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>2,287,962</u>	<u>797,624</u>	<u>1,458,787</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	117,498	-	-
Deferred OPEB adjustments	687	-	-
<b>Total Deferred Outflows of Resources</b>	<u>118,185</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	40,905	64,461	-
Salaries and benefits payable	17,368	-	-
Compensated absences payable	19,992	-	-
Estimated claims liability	1,353,000	81,207	-
<b>Total Current Liabilities</b>	<u>1,431,265</u>	<u>145,668</u>	<u>-</u>
Noncurrent Liabilities:			
Advances from other funds	-	-	1,180,000
Compensated absences payable	2,222	-	-
Net pension liability	754,326	-	-
Net OPEB liability	10,622	-	-
<b>Total Noncurrent Liabilities</b>	<u>767,170</u>	<u>-</u>	<u>1,180,000</u>
<b>Total Liabilities</b>	<u>2,198,435</u>	<u>145,668</u>	<u>1,180,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	16,308	-	-
<b>Total Deferred Inflows of Resources</b>	<u>16,308</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Investment in capital assets	2,442	-	-
Unrestricted	188,962	651,956	278,787
<b>Total Net Position</b>	<u>\$ 191,404</u>	<u>\$ 651,956</u>	<u>\$ 278,787</u>



<u>Vision Insurance</u>	<u>Totals</u>
\$ 39,302	\$ 3,359,425
-	708
-	60,900
<u>254</u>	<u>1,160,454</u>
<u>39,556</u>	<u>4,581,487</u>
<u>-</u>	<u>2,442</u>
<u>-</u>	<u>2,442</u>
<u>39,556</u>	<u>4,583,929</u>
<u>-</u>	<u>117,498</u>
<u>-</u>	<u>687</u>
<u>-</u>	<u>118,185</u>
10,355	115,721
-	17,368
-	19,992
<u>10,290</u>	<u>1,444,497</u>
<u>20,645</u>	<u>1,597,578</u>
-	1,180,000
-	2,222
-	754,326
<u>-</u>	<u>10,622</u>
<u>-</u>	<u>1,947,170</u>
<u>20,645</u>	<u>3,544,748</u>
<u>-</u>	<u>16,308</u>
<u>-</u>	<u>16,308</u>
-	2,442
<u>18,911</u>	<u>1,138,616</u>
<u>\$ 18,911</u>	<u>\$ 1,141,058</u>

**COUNTY OF TEHAMA**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	<u>Risk Management</u>	<u>Dental Insurance</u>	<u>Medical Insurance</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 4,570,760	\$ 545,010	\$13,463,869
Other revenues	22,400	-	2,154
<b>Total Operating Revenues</b>	<u>4,593,160</u>	<u>545,010</u>	<u>13,466,023</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	634,245	-	-
Administration	83,843	-	-
Insurance	3,292	547,376	13,438,020
Professional services	104,796	49,078	4,299
Claims and judgments	3,586,597	-	-
Depreciation	733	-	-
<b>Total Operating Expenses</b>	<u>4,413,506</u>	<u>596,454</u>	<u>13,442,319</u>
<b>Operating Income (Loss)</b>	<u>179,654</u>	<u>(51,444)</u>	<u>23,704</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Interest income	27,318	16,449	-
<b>Total Non-Operating Revenue (Expenses)</b>	<u>27,318</u>	<u>16,449</u>	<u>-</u>
<b>Change in Net Position</b>	<u>206,972</u>	<u>(34,995)</u>	<u>23,704</u>
<b>Total Net Position - Beginning</b>	(15,568)	686,951	-
Prior period adjustment	-	-	255,083
<b>Total Net Position - Beginning, Restated</b>	<u>(15,568)</u>	<u>686,951</u>	<u>255,083</u>
<b>Total Net Position - Ending</b>	<u>\$ 191,404</u>	<u>\$ 651,956</u>	<u>\$ 278,787</u>

<u>Vision Insurance</u>	<u>Totals</u>
\$ 118,812	\$ 18,698,451
-	24,554
118,812	18,723,005
-	634,245
-	83,843
71,242	14,059,930
4,340	162,513
-	3,586,597
-	733
75,582	18,527,861
43,230	195,144
311	44,078
311	44,078
43,541	239,222
(24,630)	646,753
-	255,083
(24,630)	901,836
\$ 18,911	\$ 1,141,058

**COUNTY OF TEHAMA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2020**

	<u>Risk Management</u>	<u>Dental Insurance</u>	<u>Medical Insurance</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 4,593,160	\$ 545,010	\$13,465,315
Payments to suppliers	(3,742,417)	(599,138)	(13,490,953)
Payments to employees	(548,932)	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>301,811</u>	<u>(54,128)</u>	<u>(25,638)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	27,318	16,449	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>27,318</u>	<u>16,449</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	329,129	(37,679)	(25,638)
<b>Balances - Beginning</b>	<u>1,956,343</u>	<u>772,699</u>	<u>325,269</u>
<b>Balances - Ending</b>	<u>\$ 2,285,472</u>	<u>\$ 735,020</u>	<u>\$ 299,631</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 179,654	\$ (51,444)	\$ 23,704
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	733	-	-
Decrease (increase) in:			
Accounts receivable	-	-	(708)
Prepaid costs	(48)	(24)	(48,634)
Deferred pension adjustments - deferred outflows of resources	5,779	-	-
Deferred OPEB adjustments - deferred outflows of resources	(411)	-	-
Increase (decrease) in:			
Accounts payable	36,159	12,106	-
Salaries and benefits payable	174	-	-
Compensated absences payable	10,164	-	-
Estimated claims liability	-	(14,766)	-
Deferred pension adjustments - deferred inflows of resources	(2,397)	-	-
Net pension liability	70,151	-	-
Net OPEB liability	1,853	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 301,811</u>	<u>\$ (54,128)</u>	<u>\$ (25,638)</u>

<u>Vision</u> <u>Insurance</u>	<u>Totals</u>
\$ 118,812	\$ 18,722,297
(80,240)	(17,912,748)
-	(548,932)
38,572	260,617
311	44,078
311	44,078
38,883	304,695
419	3,054,730
\$ 39,302	\$ 3,359,425

\$ 43,230    \$ 195,144

-            733

-            (708)

(4)        (48,710)

-            5,779

-            (411)

1,351      49,616

-            174

-            10,164

(6,005)    (20,771)

-            (2,397)

-            70,151

-            1,853

\$ 38,572    \$ 260,617

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## **Fiduciary Funds**

- **Trust and Agency Funds**

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**COUNTY OF TEHAMA**  
**Combining Statement of Fiduciary Net Position**  
**Investment Trust Funds**  
**June 30, 2020**

	<u>Special Districts Governed by Local Boards</u>	<u>School Districts</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 5,293,240	\$ 68,898,944	\$ 74,192,184
<b>Total Assets</b>	<u>\$ 5,293,240</u>	<u>\$ 68,898,944</u>	<u>\$ 74,192,184</u>
<b>NET POSITION</b>			
Net position held in trust for pool participants	<u>5,293,240</u>	<u>68,898,944</u>	<u>74,192,184</u>
<b>Total Net Position</b>	<u>\$ 5,293,240</u>	<u>\$ 68,898,944</u>	<u>\$ 74,192,184</u>

**COUNTY OF TEHAMA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Investment Trust Funds**  
**For the Year Ended June 30, 2020**

	<b>Special Districts Governed by Local Boards</b>	<b>School Districts</b>	<b>Totals</b>
<b>ADDITIONS</b>			
Contributions to investment pool	\$ 8,874,370	\$ 354,818,850	\$ 363,693,220
<b>Total Additions</b>	<u>8,874,370</u>	<u>354,818,850</u>	<u>363,693,220</u>
<b>DEDUCTIONS</b>			
Distributions from investment pool	<u>8,147,415</u>	<u>375,954,049</u>	<u>384,101,464</u>
<b>Total Deductions</b>	<u>8,147,415</u>	<u>375,954,049</u>	<u>384,101,464</u>
<b>Change in Net Position</b>	726,955	(21,135,199)	(20,408,244)
<b>Net Position - Beginning</b>	<u>4,566,285</u>	<u>90,034,143</u>	<u>94,600,428</u>
<b>Net Position - Ending</b>	<u><u>\$ 5,293,240</u></u>	<u><u>\$ 68,898,944</u></u>	<u><u>\$ 74,192,184</u></u>

**COUNTY OF TEHAMA**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2020**

	<u>County Departmental Agency Funds</u>	<u>Totals</u>
<b>ASSETS</b>		
Cash and investments	\$29,113,044	\$29,113,044
Taxes receivable	8,827,313	8,827,313
Advances to other funds	7,187	7,187
<b>Total Assets</b>	<u>\$37,947,544</u>	<u>\$37,947,544</u>
<b>LIABILITIES</b>		
Due to other funds	\$ 156,575	\$ 156,575
Advances from other funds	2,203,840	2,203,840
Agency obligations	35,587,129	35,587,129
<b>Total Liabilities</b>	<u>\$37,947,544</u>	<u>\$37,947,544</u>

**COUNTY OF TEHAMA**  
**Combining Statement of Changes in**  
**Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2020**

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>COUNTY DEPARTMENTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 32,365,137	\$ 380,456,584	\$ 383,708,677	\$ 29,113,044
Taxes receivable	7,598,488	8,827,313	7,598,488	8,827,313
Due from other funds	37,249	-	37,249	-
Advances to other funds	7,187	-	-	7,187
	<u>7,187</u>	<u>-</u>	<u>-</u>	<u>7,187</u>
<b>Total Assets</b>	<u>\$ 40,008,061</u>	<u>\$ 389,283,897</u>	<u>\$ 391,344,414</u>	<u>\$ 37,947,544</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 73,908	\$ 156,575	\$ 73,908	\$ 156,575
Advances from other funds	2,583,181	2,203,840	2,583,181	2,203,840
Agency obligations	37,350,972	386,923,482	388,687,325	35,587,129
	<u>37,350,972</u>	<u>386,923,482</u>	<u>388,687,325</u>	<u>35,587,129</u>
<b>Total Liabilities</b>	<u>\$ 40,008,061</u>	<u>\$ 389,283,897</u>	<u>\$ 391,344,414</u>	<u>\$ 37,947,544</u>