

**COUNTY OF TEHAMA,
CALIFORNIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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INTRODUCTORY SECTION

- **List of Officials**

**COUNTY OF TEHAMA
LIST OF OFFICIALS
YEAR ENDED JUNE 30, 2021**

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	Dana Hollmer

DEPARTMENT DIRECTORS/ADMINISTRATORS

Chief Administrator	Williams Goodwin
Agricultural Commissioner – Sealer Weights & Measures	Doni Rulofson
Air Pollution Control Officer (Interim)	Joseph H. Tona
Building Official	Vacant
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	James Simon
Farm Advisor/County Director	Josh Davy
Fire Warden – Chief	Christine Thompson
Health Officer	Vacant
Health Services Agency – Executive Director	Valerie Lucero
Personnel Director	Coral Ferrin
Public Guardian – Public Administrator	Melani Rodriguez
Social Services Director/IHSS Public Authority Director	Laura Hawkins
Solid Waste Management Agency Director	Rachel Ross
Veterans Service Officer	Andrew Norwood

FINANCIAL SECTION

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



INDEPENDENT AUDITORS' REPORT

Board of Supervisors
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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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, 2021, 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

Cumulative Effect of Change in Accounting Principle

As disclosed in Note 16 to the financial statements, the County adopted GASB Statement No. 84 *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle. Our opinions are not modified with respect to this matter.

As described in Note 2 to the financial statements beginning net position in the Governmental Activities has been restated for maintenance costs capitalized in a prior year. Our opinions are not modified with respect to this matter.

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.

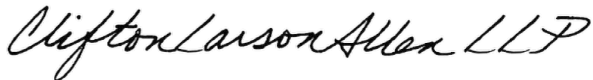
Other Information

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 fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Board of Supervisors
County of Tehama

The combining 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 fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
April 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021. It should be read in conjunction with the County's basic financial statements following this section.

I. FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$274,684,671 (net position). Of this amount, \$75,383,626 is restricted by function for external requirements, \$270,657,533 is net investment in capital assets, and (\$71,356,488) is unrestricted.
- The government's total net position increased by \$33,149,823 during the year.
- As of June 30, 2021, the County's governmental funds combined ending fund balances were \$75,924,690. This is a net increase of \$17,013,112 from the prior year, and is comprised of \$60,648,832 in Nonspendable and/or Restricted fund balance and \$15,275,858 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 and 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 deferred outflows of resources and liabilities and deferred inflows of resources, 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.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

II. OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

B. Government-Wide Financial Statements

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 include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation.

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, Fire, and the Health Services Fund. Data from other nonmajor governmental funds including, but not limited to, Fish and Game, Child Support, Building and Safety, Senior Nutrition, and Air Pollution are aggregated into a single column and classified as Other Governmental Funds.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

II. OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

C. Fund Financial Statements (Continued)

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 Health Center and 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), and Dental, Vision and Medical 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 custodial 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 special revenue funds.

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 2020/21 Financial Statements was conducted by the firm CliftonLarsonAllen LLP.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Condensed Statement of Net Position
June 30, 2021**

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and Other Assets	\$ 70,525,445	\$ 116,012,820	\$ 377,370	\$ 365,183	\$ 70,902,815	\$ 116,378,003
Capital Assets	269,317,187	283,553,545	716,403	673,936	270,033,590	284,227,481
Total Assets	339,842,632	399,566,365	1,093,773	1,039,119	340,936,405	400,605,484
Deferred Outflows of resources	16,259,822	16,263,056	-	-	16,259,822	16,263,056
Current and Other Liabilities	10,940,462	17,668,520	8,550	12,260	10,949,012	17,680,780
Long-Term Liabilities	116,005,574	123,750,200	295,200	275,200	116,300,774	124,025,400
Total Liabilities	126,946,036	141,418,720	303,750	287,460	127,249,786	141,706,180
Deferred Inflows of resources	2,379,098	477,689	-	-	2,379,098	477,689
Net Investment in Capital Assets	258,643,726	270,258,797	421,203	398,736	259,064,929	270,657,533
Restricted	38,523,715	75,383,626	-	-	38,523,715	75,383,626
Unrestricted	(70,390,121)	(71,709,411)	368,820	352,923	(70,021,301)	(71,356,488)
Total Net Position	\$ 226,777,320	\$ 273,933,012	\$ 790,023	\$ 751,659	\$ 227,567,343	\$ 274,684,671

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. The County had an increase in Cash & Investments of \$42.1 million, along with an increase in Receivables of \$3 million. Additionally, there was an increase of approximately \$516 thousand in construction in progress, \$13.3 million of increased infrastructure and a reduction of depreciable assets of \$1.6 million. Total net increase in all Assets for 2020/21 was \$59.6 million.

Restricted net position of \$75,383,626 represents resources that are subject to external restrictions on how they may be used.

The total deferred outflows of resources for governmental activities were \$16,263,533 and deferred inflows of resources were \$477,689. Both numbers are a result of recording deferred outflows, OPEB liability, OPEB adjustments, pension liability and pension adjustments.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

**Statement of Activities
Year Ended June 30, 2021**

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2021	2020	2021	2020	2021
REVENUES						
Program revenues:						
Charges for Services	\$ 17,422,471	\$ 19,528,652	\$ 160,904	\$ 166,131	\$ 17,583,375	\$ 19,694,783
Grants and Contributions	92,669,182	122,528,772	175,816	2,389	92,844,998	122,531,161
General revenues:						
Property Taxes	24,373,384	17,174,159	-	-	24,373,384	17,174,159
Other Taxes	9,661,825	16,368,446	-	-	9,661,825	16,368,446
Interest and Investment						
Earnings	1,510,907	1,786,245	7,447	5,767	1,518,354	1,792,012
Other revenue	1,251,224	1,045,652	1,477	-	1,252,701	1,045,652
Gain (Loss) on Disposal of Capital Assets	(76,500)	-	-	-	(76,500)	-
Total revenues	146,812,493	178,431,926	345,644	174,287	147,158,137	178,606,213
EXPENSES						
General Government	9,303,708	8,694,473	-	-	9,303,708	8,694,473
Public Protection	45,324,906	47,934,775	-	-	45,324,906	47,934,775
Public Ways and Facilities	9,268,184	12,073,075	-	-	9,268,184	12,073,075
Health and Welfare	29,103,367	27,895,280	-	-	29,103,367	27,895,280
Public Assistance	47,957,470	46,830,470	-	-	47,957,470	46,830,470
Education	1,099,494	1,046,541	-	-	1,099,494	1,046,541
Culture and recreation	382,654	342,238	-	-	382,654	342,238
Interest and Fiscal Charges	475,513	426,887	-	-	475,513	426,887
Sanitation District	-	-	300,627	212,651	300,627	212,651
Total Expenses	142,915,296	145,243,739	300,627	212,651	143,215,923	145,456,390
CHANGES IN NET POSITION						
	3,897,197	33,188,187	45,017	(38,364)	3,942,214	33,149,823
Net Position - Beginning of Year as Restated	222,880,123	224,598,176	745,006	790,023	223,625,129	225,388,199
Cumulative effect of change in accounting principle	-	16,146,649	-	-	-	16,146,649
NET POSITION - END OF YEAR	\$ 226,777,320	\$ 273,933,012	\$ 790,023	\$ 751,659	\$ 227,567,343	\$ 274,684,671

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 in net position of \$33,188,187 and Business-Type activities had a decrease of \$38,364. An accounting principal change was also implemented this fiscal year resulting in an increase to government activities net balance by \$16,146,649. The result was an overall increase in net position of \$49,296,472.
- Grants & Contributions, which includes Aid from Other Government Agencies (State & Federal, etc) saw a substantial increase this year largely due to CARES funding, Road Bridge project reimbursements. Cash and Investments and Fines and Forfeitures also increased significantly due to the reclassifications of the Tax Loss Reserve and Tax Resource Funds. Other areas that saw increases were Property Taxes, and Other Revenues. Decreases in License and Permits and Use of Money were insignificant in value.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

IV. FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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, 2021, the County's governmental funds reported combined ending fund balances of \$75,924,690. This was an increase of \$17,013,112 from the prior year. Approximately 23.9% of this total amount, or \$15,275,858, 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, 2021, combined unrestricted fund balance of the General Fund was \$17,157,963, while total combined fund balance reached \$18,650,388. Overall Fund Balance increased by \$7,319,854 largely due to combining the Tax Loss Reserve Fund and Tax Loss Resource Fund with General Fund because of the reclassification of agency activity to governmental activity as a result of the implementation of GASB 84.

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. Nonspendable 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 \$11,664,901. Of this amount, \$11,533,100 is available and the balance of \$131,801 is nonspendable. The overall fund balance increased by \$3,243,660 largely due to COVID funding for the Jail and Intergovernmental revenues from State and Federal Agencies.

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, 2021, the total combined fund balance of the Public Assistance Funds was \$12,123,826. This represents an available fund balance of \$12,033,676 and an overall increase in fund balance of \$9,496,710.

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, 2021 the combined Health Services Funds had a restricted fund balance of \$8,404,440, and nonspendable fund balance of \$8,699 for a total fund balance of \$8,413,139.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

IV. FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (CONTINUED)

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 negative fund balance of (\$755,130). The overall fund balance decreased by \$1,891,663 due largely to substantial project expense reimbursements for claims submitted in 2020/21 but not received in the accrual period totaling approximately \$4.4 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 expenditures by function compared to the prior year amounts in the governmental funds.

	Revenues Classified by Source Governmental Funds					
	FY 2020		FY 2021		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenue Sources:						
Taxes	\$ 32,803,527	22.7%	\$ 33,542,605	19.3%	\$ 739,078	2.3%
Licenses and Permits	3,646,528	2.5%	3,544,737	2.0%	(101,791)	-2.8%
Fines and Forfeitures	1,869,050	1.3%	3,695,586	2.1%	1,826,536	97.7%
Use of Money and Property	1,466,829	1.0%	1,762,023	1.0%	295,194	20.1%
Intergovernmental	90,510,793	62.6%	117,780,549	67.8%	27,269,756	30.1%
Charges for Services	13,138,575	9.1%	11,571,232	6.7%	(1,567,343)	-11.9%
Other	1,257,275	0.9%	1,715,245	1.0%	457,970	36.4%
Total Revenue Sources	<u>\$ 144,692,577</u>	<u>100.0%</u>	<u>\$ 173,611,977</u>	<u>100.0%</u>	<u>\$ 28,919,400</u>	

Significant changes for major revenue sources are explained below:

- **FINES & FORFEITURES** – There was a significant increase in Fines and Forfeitures of \$1,826,526. The General Fund saw an increase of \$340,305 in Fines, and Code Enforcement saw an increase of \$67,638. However, the largest impact to this source of revenue was due to reclassifications with relation to GASB 84 and recognizing the Tax Loss Reserve Fund and Tax Resources Funds.
- **INTERGOVERNMENTAL** – There was a substantial increase to Intergovernmental revenues due to countywide departments receiving CARES funding totaling approximately \$7.5 million. Additionally, the Road Dept saw an increase of over \$9 million in revenue as a result of reimbursements for the Jelly's Ferry Bridge project. Other areas that experienced notable increases were Public Safety Augmentation Fund, Jail State COVID relief, and Social Services Assistance programs.
- **OTHER** – There were increases in Other Revenues due to various insurance settlements as well as the recognition of Tax Collector Excess Proceeds.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

IV. FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (CONTINUED)

	Expenditures by Function Governmental Funds					
	FY 2020		FY 2021		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General Government	\$ 8,117,873	5.5%	\$ 8,110,340	5.2%	\$ (7,533)	-0.1%
Public Protection	40,375,132	27.5%	44,108,770	28.2%	3,733,638	9.2%
Health and Welfare	26,974,268	18.4%	26,301,911	16.8%	(672,357)	-2.5%
Public Assistance	45,448,653	31.0%	45,017,312	28.7%	(431,341)	-0.9%
Education	866,931	0.6%	849,413	0.5%	(17,518)	-2.0%
Recreation and Cultural Services	315,943	0.2%	282,101	0.2%	(33,842)	-10.7%
Public Ways and Facilities	8,201,695	5.6%	28,206,878	18.0%	20,005,183	243.9%
Debt Service:						
Principal	832,110	0.6%	855,000	0.5%	22,890	2.8%
Interest and Other	480,674	0.3%	426,887	0.3%	(53,787)	-11.2%
Capital Outlay	14,997,042	10.2%	2,440,253	1.6%	(12,556,789)	-83.7%
Total Expenditures by Function	<u>\$ 146,610,321</u>	<u>100.0%</u>	<u>\$ 156,598,865</u>	<u>100.0%</u>	<u>\$ 9,988,544</u>	

Significant changes for major functions are explained below:

- **PUBLIC PROTECTION** – There were no extraordinary influences on the increase in Public Protection. Notable expenses include increases across all budget units for Workers Comp, Liability Insurance and Unfunded PERS, increased Professional Services for contracted expenses, vehicle purchases and contributions to other agencies for emergency services. Reclassifications of funds as a result of GASB 84 also had an impact.
- **RECREATION AND CULTURAL SERVICES** – COVID related closures of recreational facilities and limited activities in Veterans Halls was the key factor in the reduction of expenses for Recreation and Cultural Service.
- **PUBLIC WAYS & FACILITIES** – The Road Dept is working on the Jelly's Ferry Bridge – their largest project to date. Operational expenditures for this project are the driving factor for this substantial increase.
- **CAPITAL OUTLAY** – Although Capital Asset purchases increased by approximately \$450,000 as compared to the prior fiscal year, there was a dramatic reduction overall in capital outlay due to reclassifications and completed projects in the prior year.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original 2020/21 revenue budget and the final budget was \$7,980,660. The increase to the final revenue budget is net of a \$6,204,450 increase in anticipated Aid from Other Government Agencies, \$784,882 increase in budgeted Taxes and Assessments and more minor adjustments to other sources.

The \$2,419,001 increase in the expenditure budget was the net of an increase in every category except Culture and Recreation which remained the same. The largest increases were seen in General Government, Capital Outlay and Public Protection, with changes in the amounts of \$1,237,566, \$478,367 and \$362,724 respectively.

At year end, in the General Operating Fund (101 only), actual revenues were less than budgetary estimates by \$143,565. Actual expenditures were less than budgetary estimates by \$7,725,246 and transfers were less than budgeted by \$4,418,756. The net of revenue and expense, combined with fund balance available, provided carry over funds of \$7,378,074. That carryover, along with \$343,110 of Obligated Fund Balance was more than enough to fund the 2020/21 General Fund budget gap of \$3,620,522, allowing us to add \$4,100,662 to Committed and Assigned Obligated Fund Balances.

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, 2021 amounts to \$284,227,481 (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 \$14,193,891 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 culverts \$210,280,152. The infrastructure assets reported under the modified approach are not subject to depreciation per GASB Statement No. 34.

The assessment as of June 30, 2021 gives a weighted average of 37.6% of fair or better for all paved roads, 91.9% of bridges are listed as fair or better, and 94.88% 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 95-98 of this report.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

B. Long-Term Debt

At June 30, 2021, the County had a total long-term debt outstanding of \$14,202,122. The debt consists of \$9,762,776 in Certificates of Participation (COP), capital lease obligations of \$18,612 and bonds payable of \$275,200.

Additional long-term liabilities include:

- Compensated Absences of \$4,145,534
- Other Postemployment Employee Benefits of \$2,111,016.
- Pension Liability of \$107,712,262 (Net of Safety \$33,678,398 & Miscellaneous \$74,033,864)

More detailed information about the County's Long-Term Liabilities and Pension Liabilities are presented in Notes 8 & 9 pages 64-67 and Notes 12 & 13 pages 70-82 of the basic financial statements respectively.

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

The County adopted its fiscal year 2021-22 final appropriation budget in the total amount of \$214,044,521 (net of operating transfers totaling \$21,208,832).

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 Budget Ad Hoc will focus on the prudent enhancement of the General Fund revenues and consideration of expenses, along with the use of fund balance carryover to present the full Board with a balanced budget on August 24, 2021.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

VII. ECONOMIC FACTOR'S AND NEXT YEAR'S BUDGET (CONTINUED)

From the Adopted Budget Narrative:

The Recommended Budget summarized the base and all known new requests submitted by county departments, along with a conservative estimation of anticipated revenues, and met the statutory requirement of approving a plan by June 30th "... for the purpose of having authority to spend until the budget is adopted..." by resolution not later than October 2nd of each year.

Recognizing that revisions were required, the Budget Ad Hoc committee Supervisors Steve Chamblin and John Leach met multiple times with the fiscal team to discuss short term and long-term opportunities for reducing expenses and increasing revenues. As a result of the committee's efforts, revenue projections were judiciously increased and expenses decreased and, with the use of fund balance carryover and prior year revenues, the proposed budget is balanced. The FY 2021-2022 Adopted Budget does not include any revenues or expenditures related to the American Rescue Plan Act. Those discussions will begin after the budget is adopted on September 21, 2021. It is important to recognize the extraordinary efforts of Auditor LeRoy Anderson and his staff, and the cooperative spirit demonstrated by department heads in this effort.

The funding gap of approximately \$5 million has decreased to \$3.3 million through projected revenue increases prior to applying the fund balance carryover and other funding solutions.

Approximately \$1.7 million of the \$2.6 million in new revenue is ongoing. These funds were utilized by the Board to offset the cost of recent salary increases.

Total appropriations for FY 2021-2022 for all funds sum to \$211,964,539. Operating transfers from the General Fund to other funds total \$20,842,482, and the net total appropriations sum to \$190,755,707. This represents a decrease of -6.2% from FY 2020-2021, where net total appropriations totaled \$203,355,444.

BASIC FINANCIAL STATEMENTS

- **Government-Wide Financial Statements**

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 82,204,630	\$ 365,183	\$ 82,569,813
Cash with Fiscal Agent	2,672,420	-	2,672,420
Receivables:			
Accounts	4,085,089	-	4,085,089
Intergovernmental	19,948,097	-	19,948,097
Tax	4,898,493	-	4,898,493
Deposits with Others	193,139	-	193,139
Prepaid Costs	1,382,685	-	1,382,685
Inventory	559,621	-	559,621
Loans Receivable	68,646	-	68,646
Capital Assets:			
Nondepreciable	233,528,612	38,047	233,566,659
Depreciable, Net	50,024,933	635,889	50,660,822
Total Capital Assets	<u>283,553,545</u>	<u>673,936</u>	<u>284,227,481</u>
 Total Assets	 399,566,365	 1,039,119	 400,605,484
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Adjustments	16,010,553	-	16,010,553
Deferred OPEB Adjustments	252,503	-	252,503
Total Deferred Outflows of Resources	<u>16,263,056</u>	<u>-</u>	<u>16,263,056</u>
LIABILITIES			
Accounts Payable	6,614,321	7,944	6,622,265
Salaries and Benefits Payable	1,426,329	743	1,427,072
Due to Other Governments	339,526	-	339,526
Accrued Interest Payable	99,649	3,573	103,222
Deposits Payable	178,709	-	178,709
Other Liabilities	12,206	-	12,206
Unearned Revenue	7,526,367	-	7,526,367
Accrued Claims Liability	1,471,413	-	1,471,413
Long-Term Liabilities:			
Due within One Year	4,632,466	20,500	4,652,966
Due in More Than One Year	9,294,456	254,700	9,549,156
Net Pension Liability	107,712,262	-	107,712,262
Total OPEB Liability	2,111,016	-	2,111,016
Total Liabilities	<u>141,418,720</u>	<u>287,460</u>	<u>141,706,180</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Adjustments	477,689	-	477,689
Total Deferred Inflows of Resources	<u>477,689</u>	<u>-</u>	<u>477,689</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2021**

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
NET POSITION			
Net Investment in Capital Assets	\$ 270,258,797	\$ 398,736	\$ 270,657,533
Restricted for:			
General Government	2,237,660	-	2,237,660
Public Protection	26,339,188	-	26,339,188
Public Ways and Facilities	3,696,048	-	3,696,048
Health and Welfare	20,777,075	-	20,777,075
Public Assistance	12,212,707	-	12,212,707
Capital Outlay	8,805,680	-	8,805,680
Debt Service	1,315,268	-	1,315,268
Unrestricted	<u>(71,709,411)</u>	<u>352,923</u>	<u>(71,356,488)</u>
 Total Net Position	 <u>\$ 273,933,012</u>	 <u>\$ 751,659</u>	 <u>\$ 274,684,671</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 8,694,473	\$ 7,106,668	\$ 6,367,007	\$ -
Public Protection	47,934,775	6,172,780	19,607,971	-
Health and Welfare	27,895,280	5,266,711	27,298,377	-
Public Assistance	46,830,470	131,122	43,638,634	-
Education	1,046,541	-	-	-
Culture and Recreation	342,238	-	-	-
Public Ways and Facilities	12,073,075	851,371	12,683,532	12,933,251
Interest on Long-Term Debt	426,887	-	-	-
Total Governmental Activities	<u>145,243,739</u>	<u>19,528,652</u>	<u>109,595,521</u>	<u>12,933,251</u>
BUSINESS-TYPE ACTIVITIES				
Tehama County Sanitation District #1	212,651	166,131	2,389	-
Total Business-Type Activities	<u>212,651</u>	<u>166,131</u>	<u>2,389</u>	<u>-</u>
Total	<u>\$ 145,456,390</u>	<u>\$ 19,694,783</u>	<u>\$ 109,597,910</u>	<u>\$ 12,933,251</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ 4,779,202	\$ -	\$ 4,779,202
Public Protection	(22,154,024)	-	(22,154,024)
Health and Welfare	4,669,808	-	4,669,808
Public Assistance	(3,060,714)	-	(3,060,714)
Education	(1,046,541)	-	(1,046,541)
Culture and Recreation	(342,238)	-	(342,238)
Public Ways and Facilities	14,395,079	-	14,395,079
Interest on Long-Term Debt	(426,887)	-	(426,887)
Total Governmental Activities	<u>(3,186,315)</u>	-	<u>(3,186,315)</u>
BUSINESS-TYPE ACTIVITIES			
Tehama County Sanitation District #1	-	(44,131)	(44,131)
Total Business-Type Activities	<u>-</u>	<u>(44,131)</u>	<u>(44,131)</u>
Total	(3,186,315)	(44,131)	(3,230,446)
GENERAL REVENUE			
Taxes:			
Property Taxes	17,174,159	-	17,174,159
Sales and Use Taxes	6,768,548	-	6,768,548
Other Taxes	9,599,898	-	9,599,898
Interest and Investment Earnings	1,786,245	5,767	1,792,012
Miscellaneous	1,045,652	-	1,045,652
Total General Revenues	<u>36,374,502</u>	<u>5,767</u>	<u>36,380,269</u>
CHANGE IN NET POSITION	33,188,187	(38,364)	33,149,823
Net Position - Beginning of Year as Restated	224,598,176	790,023	225,388,199
Cumulative Effect of Change in Accounting Principle	<u>16,146,649</u>	-	<u>16,146,649</u>
NET POSITION - END OF YEAR	<u>\$ 273,933,012</u>	<u>\$ 751,659</u>	<u>\$ 274,684,671</u>

See accompanying Notes to Basic Financial Statements.

BASIC FINANCIAL STATEMENTS

- **Fund Financial Statements**

**COUNTY OF TEHAMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Road	Public Safety	Public Assistance
ASSETS				
Cash and Investments	\$ 7,306,044	\$ 2,146,642	\$ 11,047,981	\$ 12,322,691
Cash With Fiscal Agent	-	-	238,282	-
Receivables:				
Accounts	777,036	502,490	795,277	1,123,560
Intergovernmental	1,080,186	4,371,359	748,177	-
Tax	4,898,493	-	-	-
Due From Other Funds	12,457,457	-	-	-
Deposits With Others	-	193,139	-	-
Advances to Other Funds	1,252,650	-	-	70,004
Prepaid Costs	52,786	190	131,801	90,149
Inventory	-	559,621	-	-
Loans Receivable	68,646	-	-	-
	<u>\$ 27,893,298</u>	<u>\$ 7,773,441</u>	<u>\$ 12,961,518</u>	<u>\$ 13,606,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	236,128	3,614,577	314,272	136,859
Salaries and Benefits Payable	278,479	117,512	440,641	282,470
Due to Other Governments	329,185	-	2,250	-
Deposits Payable	73,967	71,791	32,951	-
Other Liabilities	-	-	-	-
Unearned Revenues	6,385,288	-	178	1,063,249
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>7,303,047</u>	<u>3,803,880</u>	<u>790,292</u>	<u>1,482,578</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,939,863	4,724,691	506,325	-
FUND BALANCES				
Nonspendable	52,785	559,811	131,801	90,150
Restricted	1,492,425	-	11,533,100	12,033,676
Committed	4,741,729	-	-	-
Assigned	2,902,030	-	-	-
Unassigned	9,461,419	(1,314,941)	-	-
Total Fund Balances	<u>18,650,388</u>	<u>(755,130)</u>	<u>11,664,901</u>	<u>12,123,826</u>
	<u>\$ 27,893,298</u>	<u>\$ 7,773,441</u>	<u>\$ 12,961,518</u>	<u>\$ 13,606,404</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 27,893,298</u>	<u>\$ 7,773,441</u>	<u>\$ 12,961,518</u>	<u>\$ 13,606,404</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Health Services	Fire	Other Governmental Funds	Totals
ASSETS				
Cash and Investments	\$ 21,564,006	\$ 10,498,631	\$ 13,742,064	\$ 78,628,059
Cash With Fiscal Agent	-	-	2,373,238	2,611,520
Receivables:				
Accounts	233,351	23,666	629,224	4,084,604
Intergovernmental	12,777,840	-	644,270	19,621,832
Intergovernmental	-	-	-	4,898,493
Due From Other Funds	-	-	-	12,457,457
Deposits With Others	-	-	-	193,139
Advances to Other Funds	17,036	-	410,000	1,749,690
Prepaid Costs	8,699	-	632	284,257
Inventory	-	-	-	559,621
Loans Receivable	-	-	-	68,646
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 34,600,932</u>	<u>\$ 10,522,297</u>	<u>\$ 17,799,428</u>	<u>\$ 125,157,318</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	994,789	820,099	425,227	\$ 6,541,951
Salaries and Benefits Payable	231,211	7,573	56,700	1,414,586
Due to Other Governments	3	-	8,088	339,526
Deposits Payable	-	-	-	178,709
Other Liabilities	-	-	12,206	12,206
Unearned Revenues	-	-	77,652	7,526,367
Due to Other Funds	12,183,950	-	116,932	12,300,882
Advances from Other Funds	-	-	400,000	400,000
Total Liabilities	<u>13,409,953</u>	<u>827,672</u>	<u>1,096,805</u>	<u>28,714,227</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	12,777,840	-	569,682	20,518,401
FUND BALANCES				
Nonspendable	8,699	-	632	843,878
Restricted	8,404,440	9,694,625	16,646,688	59,804,954
Committed	-	-	-	4,741,729
Assigned	-	-	-	2,902,030
Unassigned	-	-	(514,379)	7,632,099
Total Fund Balances	<u>8,413,139</u>	<u>9,694,625</u>	<u>16,132,941</u>	<u>75,924,690</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 34,600,932</u>	<u>\$ 10,522,297</u>	<u>\$ 17,799,428</u>	<u>\$ 125,157,318</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE GOVERNMENT-WIDE STATEMENT OF
NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

Total Fund Balance - Total Governmental Funds	\$ 75,924,690
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.	283,553,545
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.	20,518,401
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 in pension and OPEB are not reported in the governmental funds.	16,179,008
Deferred inflows of resources related to pension are not reported in the governmental funds.	(477,396)
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 \$527,775	(9,762,775)
Capital Leases Payable	(18,612)
Compensated Absences	(4,121,913)
Net Pension Liability	(107,151,430)
Total OPEB Liability	(2,098,408)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, 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.	1,487,551
Net Position of Governmental Activities	\$ 273,933,012

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Road	Public Safety	Public Assistance
REVENUES				
Taxes and Assessments	\$ 24,997,104	\$ 563,433	\$ -	\$ -
Licenses and Permits	1,939,233	8,757	4,384	-
Fines and Forfeitures	3,235,809	-	84,533	-
Use of Money and Property	744,930	7,497	372,567	125,462
Intergovernmental	8,714,522	22,890,615	15,561,885	44,832,785
Charges for Services	3,374,970	402,622	1,647,466	131,122
Other Revenues	802,535	91,000	211,042	336,794
Total Revenues	<u>43,809,103</u>	<u>23,963,924</u>	<u>17,881,877</u>	<u>45,426,163</u>
EXPENDITURES				
Current:				
General Government	7,784,842	-	-	-
Public Protection	6,221,901	-	28,793,849	-
Public Ways and Facilities	-	24,820,065	-	-
Health and Welfare	1,075,685	-	-	-
Public Assistance	1,691,876	-	-	41,508,209
Education	849,413	-	-	-
Culture and Recreation	282,101	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	45,425	-	-	-
Capital Outlay	243,512	1,039,102	774,716	23,000
Total Expenditures	<u>18,194,755</u>	<u>25,859,167</u>	<u>29,568,565</u>	<u>41,531,209</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,614,348	(1,895,243)	(11,686,688)	3,894,954
OTHER FINANCING SOURCES (USES)				
Transfers In	-	3,580	14,123,287	785,982
Transfers Out	<u>(18,753,747)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(18,753,747)</u>	<u>3,580</u>	<u>14,123,287</u>	<u>785,982</u>
NET CHANGE IN FUND BALANCES	6,860,601	(1,891,663)	2,436,599	4,680,936
Fund Balances - Beginning of Year	11,330,534	1,136,533	8,421,241	2,627,116
Cumulative effect of change in accounting principle	<u>459,253</u>	<u>-</u>	<u>807,061</u>	<u>4,815,774</u>
FUND BALANCES - END OF YEAR	<u>\$ 18,650,388</u>	<u>\$ (755,130)</u>	<u>\$ 11,664,901</u>	<u>\$ 12,123,826</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Health Services	Fire	Other Governmental Funds	Totals
REVENUES				
Taxes and Assessments	\$ 2,453,216	\$ 4,005,277	\$ 1,523,575	\$ 33,542,605
Licenses and Permits	-	-	1,592,363	3,544,737
Fines and Forfeitures	33,926	-	341,318	3,695,586
Use of Money and Property	23,592	248,952	239,023	1,762,023
Intergovernmental	19,285,319	127,382	6,368,041	117,780,549
Charges for Services	3,848,568	1,721,695	444,789	11,571,232
Other Revenues	82,685	55,987	135,202	1,715,245
Total Revenues	<u>25,727,306</u>	<u>6,159,293</u>	<u>10,644,311</u>	<u>173,611,977</u>
EXPENDITURES				
Current:				
General Government	-	-	325,498	8,110,340
Public Protection	-	4,109,522	4,983,498	44,108,770
Public Ways and Facilities	-	-	3,386,813	28,206,878
Health and Welfare	24,714,649	-	511,577	26,301,911
Public Assistance	-	-	1,817,227	45,017,312
Education	-	-	-	849,413
Culture and Recreation	-	-	-	282,101
Debt Service:				
Principal	-	-	855,000	855,000
Interest and Other Charges	-	-	381,462	426,887
Capital Outlay	-	-	359,923	2,440,253
Total Expenditures	<u>24,714,649</u>	<u>4,109,522</u>	<u>12,620,998</u>	<u>156,598,865</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,012,657	2,049,771	(1,976,687)	17,013,112
OTHER FINANCING SOURCES (USES)				
Transfers In	109,408	-	4,098,965	19,121,222
Transfers Out	(367,475)	-	-	(19,121,222)
Total Other Financing Sources (Uses)	<u>(258,067)</u>	<u>-</u>	<u>4,098,965</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	754,590	2,049,771	2,122,278	17,013,112
Fund Balances - Beginning of Year, Restated	(2,406,012)	7,644,854	14,010,663	42,764,929
Cumulative effect of change in accounting principle	10,064,561	-	-	16,146,649
FUND BALANCES - END OF YEAR	<u>\$ 8,413,139</u>	<u>\$ 9,694,625</u>	<u>\$ 16,132,941</u>	<u>\$ 75,924,690</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net Change to Fund Balance - Total Governmental Funds	\$ 17,013,112
 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	19,994,496
Less Current Year Depreciation	(2,906,959)
Various Adjustments Affecting Capital Assets	-
 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.	
	(669,593)
 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	855,000
 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	5,422,599
 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in Compensated Absences Payable	102,977
Change in Net Pension Liability	(6,776,087)
Change in Total OPEB Liability	(193,851)
 Internal service funds are used by management to charge the cost of certain activities, such as insurance, equipment maintenance, and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	
	346,493
Change in Net Position of Governmental Activities	\$ 33,188,187

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 365,183	\$ 3,576,571
Cash with Fiscal Agent	-	60,900
Receivables:		
Accounts	-	485
Prepaid Costs	-	1,098,428
Total Current Assets	365,183	4,736,384
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	38,047	-
Depreciable, Net	635,889	-
Total Noncurrent Assets	673,936	-
Total Assets	1,039,119	4,736,384
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Adjustments	-	82,540
Deferred OPEB Adjustments	-	1,508
Total Deferred Outflows of Resources	-	84,048
LIABILITIES		
Current Liabilities:		
Accounts Payable	7,944	72,370
Salaries and Benefits Payable	743	11,743
Accrued Interest Payable	3,573	-
Bonds Payable	20,500	-
Estimated Claims Liability	-	1,471,413
Total Current Liabilities	32,760	1,555,526
Noncurrent Liabilities:		
Advances from Other Funds	-	1,180,000
Bonds Payable	254,700	-
Compensated Absences	-	23,622
Net Pension Liability	-	560,832
Total OPEB Liability	-	12,608
Total Noncurrent Liabilities	254,700	1,777,062
Total Liabilities	287,460	3,332,588

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2021**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Adjustments	\$ -	\$ 293
NET POSITION		
Net Investment in Capital Assets	398,736	-
Unrestricted	352,923	1,487,551
Total Net Position	\$ 751,659	\$ 1,487,551

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 166,131	\$ 19,756,089
Total Operating Revenues	166,131	19,756,089
OPERATING EXPENSES		
Salaries and Benefits	21,024	353,256
Services and Supplies	117,181	362,683
Insurance	14,790	14,732,275
Self-Insurance Claims	-	4,025,883
Professional Services	4,663	-
Claims and Judgments	-	-
Depreciation	42,467	2,442
Total Operating Expenses	200,125	19,476,539
OPERATING INCOME (LOSS)	(33,994)	279,550
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental Revenue	2,389	42,721
Interest Income	5,767	24,222
Interest Expense	(12,526)	-
Total Nonoperating Revenues (Expenses)	(4,370)	66,943
CHANGE IN NET POSITION	(38,364)	346,493
Net Position - Beginning of Year	790,023	1,141,058
NET POSITION - END OF YEAR	\$ 751,659	\$ 1,487,551

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers	\$ 166,131	\$ 19,755,604
Payments to Suppliers	(132,768)	(19,013,642)
Payments to Employees	(21,180)	(530,859)
Net Cash Provided by Operating Activities	12,183	211,103
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Grants	2,389	42,721
Net Cash Provided by Noncapital Financing Activities	2,389	42,721
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Capital Debt	(20,000)	-
Interest Paid on Capital Debt	(12,526)	-
Net Cash Used by Capital and Related Financing Activities	(32,526)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	5,767	24,222
Net Cash Provided by Investing Activities	5,767	24,222
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,187)	278,046
Cash and Cash Equivalents - Beginning of Year	377,370	3,359,425
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 365,183	\$ 3,637,471

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (33,994)	\$ 279,550
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	42,467	2,442
Decrease (Increase) in:		
Accounts Receivable	-	(309)
Prepaid Costs	-	61,850
Deferred Pension Adjustments - Deferred Outflows of Resources	-	34,958
Deferred OPEB Adjustments - Deferred Outflows of Resources	-	(821)
Increase (Decrease) in:		
Accounts Payable	4,174	(43,351)
Salaries and Benefits Payable	(156)	(5,625)
Deposits with Others	-	61,608
Accrued Interest	(308)	-
Compensated Absences Payable	-	1,408
Estimated Claims Liability	-	26,916
Deferred Inflows of Resources	-	(16,015)
Net Pension Liability	-	(193,494)
Total OPEB Liability	-	1,986
	<u>\$ 12,183</u>	<u>\$ 211,103</u>
Net Cash Provided by Operating Activities	<u>\$ 12,183</u>	<u>\$ 211,103</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	Investment Trust Funds	Custodial Funds
ASSETS		
Cash and Investments	\$ 89,405,822	\$ 18,493,756
Receivables:		
Taxes	-	2,678,551
Total Assets	89,405,822	21,172,307
LIABILITIES		
Due to Other Funds	-	156,575
Advances from Other Funds	-	169,690
Total Liabilities	-	326,265
NET POSITION		
Net Position Held in Trust for Investment Pool		
Participants	89,405,822	-
Net Position Held for Individuals, Organization and Other Governments	-	20,846,042
Total Net Position	\$ 89,405,822	\$ 20,846,042

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2021**

	Investment Trust Funds	Custodial Funds
ADDITIONS		
Contributions to Investment Pool	\$ 381,534,115	\$ 176,940,640
Property Tax Collections	-	112,185,424
Interest	1,400,163	176,703
Total Additions	382,934,278	289,302,767
 DEDUCTIONS		
Distributions From Investment Pool	367,720,640	-
Other Distributions	-	285,456,980
Total Deductions	367,720,640	285,456,980
 CHANGE IN NET POSITION	15,213,638	3,845,787
Net Position - Beginning of Year	74,192,184	-
Cumulative Effect of Change in Accounting Principle	-	17,000,255
 NET POSITION - END OF YEAR	\$ 89,405,822	\$ 20,846,042

See accompanying Notes to Basic Financial Statements.

BASIC FINANCIAL STATEMENTS

- **Notes to Basic Financial Statements**

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.

Accounting principles generally accepted in the United States of America 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, California 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 funds in the County's financial statements as follows:

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

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.

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 50-member counties. Complete audited financial statements can be obtained from CSACEIA's office at 75 Iron Point Circle, Suite 200, Folsom, California 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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 two major categories: governmental and fiduciary. The emphasis is placed on major funds within the governmental category; 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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- 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 Fire fund is a special revenue fund used to account for revenues and expenditures associated with providing fire protection 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.
- 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.
- Custodial 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 custodial funds maintained by the County are aggregated for presentation in one component.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 nonoperating revenues and expenses.

Fiduciary funds include investment trust funds and custodial funds. All investment trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial funds are reported using the accrual basis of accounting to recognize fiduciary net position.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Noncurrent Governmental Assets and Liabilities

Noncurrent 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. All other investments are reported at fair value. 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, 2021, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

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 custodial funds where there are no interest earnings requirements are assigned to the general fund per County Policy. Income from nonpooled investments is recorded based on the specific investments held by the fund.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

Receivables for governmental activities consist mainly of accounts, taxes and intergovernmental revenue. 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 are essentially prepaid costs for materials and supplies held for repairs and maintenance of 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, 2021, 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 30th 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% and will be repaid with interest in equal monthly installments over a period of 10 years. The balance at June 30, 2021, was \$68,646.

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
JUNE 30, 2021

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% 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 Assets</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% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per fiscal year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% 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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax (Continued)

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

	Secured	Unsecured
Valuation/Lien Dates	January 1	January 1
Due Dates	November 1 (1st Installment) February 1 (2nd Installment)	July 1
Delinquent Dates	December 10 (1st Installment) April 10 (2nd Installment)	August 31

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% 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) included in the General Fund. 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% of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$2,649,309 at June 30, 2021. 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 held for the participants in the County's Teeter Plan and accounted for in the General 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" or "advances to/from other funds" 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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Transactions (Continued)

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are eliminated to be 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. Revenue is earned when services are provided or eligibility requirements are met. 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.

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 and proprietary funds 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. 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 and 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 and 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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pension (Continued)

Accounting principles generally accepted in the United States of America 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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and 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 and 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.

Accounting principles generally accepted in the United States of America 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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

Q. Deferred Outflows and 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 at the government-wide and proprietary fund level.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Deferred Outflows and 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 County's availability period of 30 days. 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 at the government-wide and proprietary fund level.

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.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County implemented this statement as of July 1, 2020. See note 15 to the basic financial statements for additional detail.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position and 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 and 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 and net position of the fund financial statements as previously reported is presented below.

GASB Statement No. 84

During the fiscal year ended June 30, 2021, the County implemented GASB Statement No. 84, *Fiduciary Activities*, to improve accounting and financial reporting by state and local governments. The County recorded this change as a cumulative effect of a change in accounting principle as shown in the following table.

	Government- wide Statements	Governmental Fund Statements				Fiduciary Fund Statements
	Governmental Activities	General Fund	Health Services	Public Safety	Public Assistance	Custodial Funds
Net position as of June 30, 2020, as previously reported	\$ 226,777,320	\$ 11,330,534	\$ (2,406,012)	\$ 8,421,241	\$ 2,627,116	\$ -
<u>Cumulative Effect of Change in Accounting Principle</u>						
Beginning net position of the governmental activities' were adjusted to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".	16,146,649	459,253	10,064,561	807,061	4,815,774	17,000,255
<u>Restatements</u>						
Restate infrastructure balance at the beginning of the year for maintenance capitalized in prior years.	(2,179,144)	-	-	-	-	-
Total prior period adjustments	13,967,505	459,253	10,064,561	807,061	4,815,774	17,000,255
Net position as of July 1, 2020	\$ 240,744,825	\$ 11,789,787	\$ 7,658,549	\$ 9,228,302	\$ 7,442,890	\$ 17,000,255

B. Deficit Fund Balance and Net Position

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

- The road fund had a fund balance deficit of \$755,130, which is expected to be reduced in future years.
- The senior nutrition fund had a fund balance deficit of \$86,243, which is expected to be reduced in future years.
- The transportation operations fund had a fund balance deficit of \$89,915, which is expected to be reduced in future years.
- The Tehama County flood fund had a fund balance deficit of \$338,221, which is expected to be reduced in future.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

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 IRS at least every five years. At June 30, 2021, 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 \$89,405,822 at June 30, 2021.

A. Financial Statement Presentation

As of June 30, 2021, the County's cash and investments are reported in the financial statements as follows:

Primary Government	\$ 85,242,233
Investment Trust Funds	89,405,822
Custodial Funds	18,493,756
Total Cash and Investments	<u>\$ 193,141,811</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

A. Financial Statement Presentation (Continued)

As of June 30, 2021, the County's cash and investments consisted of the following:

Cash:	
Cash on Hand	\$ 7,180
Deposits (Less Outstanding Checks)	<u>3,383,483</u>
Total Cash in County Pool	3,390,663
Deposits With Fiscal Agents	<u>2,672,420</u>
Total Cash	6,063,083
Investments:	
In Treasurer's Pool	<u>187,078,728</u>
Total Cash and Investments	<u><u>\$ 193,141,811</u></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 \$3,383,482 and the bank balance was \$5,547,466. In addition, the County had cash on hand of \$7,180.

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% to 150% 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
JUNE 30, 2021

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 and 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 accounting principles generally accepted in the United States of America. 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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2021, the County had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Treasury Notes	\$ 11,067,830	\$ 11,067,830	\$ -	\$ -
Government Agencies	64,349,162	-	64,349,162	-
Medium-Term Notes	39,272,956	39,272,956	-	-
Asset-Backed Securities	1,118,780	1,118,780	-	-
Negotiable CD's	16,170,000	16,170,000	-	-
Total Investments Measured at Fair Value	131,978,728	<u>\$ 67,629,566</u>	<u>\$ 64,349,162</u>	<u>\$ -</u>

Interest Rate Risk – Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses 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, 2021, the County had the following investments, all of which had a maturity of five years or less:

Investment Type	Interest Rates	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury Notes	0.250-2.500%	\$ 11,067,830	3.44
Government Agencies	0.380-3.380%	64,349,162	2.28
Corporate Notes	0.350-4.200%	39,272,956	2.72
Asset-Backed Securities	0.330-3.130%	1,118,780	2.38
Negotiable CD's	0.400-3.550%	16,170,000	1.64
LAIF	Variable	55,000,000	-
CAMP	Variable	100,000	-
Total Investments		<u>\$ 187,078,728</u>	<u>12.46</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. 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.

Investment Type	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Certificates of Deposit	NR/FDIC	NR/FDIC	8.6%
Corporate Notes	BAA2 - AAA	BBB - AAA	21.0%
US Agency	AAA	AA+	34.4%
US Treasury	AAA	AA+	5.9%
Asset Backed Security	AAA	AAA	0.6%
Capital Asset Management Program (CAMP)	AAA	AAA	0.1%
Local Agency Investment Fund (LAIF)	AAA	AAA	29.4%
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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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, 2021, that represent 5% or more of total County investments are as follows:

Investment Type	Amount Invested	Percentage of Investments
Federal Farm Credit Bank	\$ 19,229,500	10%
Federal Home Loan Bank	23,808,470	13%
Federal National Mortgage Association	15,611,680	8%
Total	<u>\$ 58,649,650</u>	<u>31%</u>

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 (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2021, the County’s investment in LAIF valued at amortized cost was \$55,000,000 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 \$193.3 billion. Of that amount, 97.69% is invested in nonderivative financial products and 2.31% in structured notes and asset-backed securities.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2021:

	Internal Participants	External Participants	Total Pool
Statement of Net Position			
Cash on Hand	\$ 7,180	\$ -	\$ 7,180
Deposits (Less Outstanding Checks)	3,204,105	-	3,204,105
Investments	100,524,703	89,405,822	189,930,525
Net Position at June 30, 2021	<u>\$ 103,735,988</u>	<u>\$ 89,405,822</u>	<u>\$ 193,141,810</u>
Statement of Changes in Net Position			
Net Position at July 1, 2020	\$ 69,645,544	\$ 74,192,184	\$ 143,837,728
Net Changes in Investments by Pool Participants	34,090,444	15,213,638	49,304,082
Net Position at June 30, 2021	<u>\$ 103,735,988</u>	<u>\$ 89,405,822</u>	<u>\$ 193,141,810</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2021
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,014,926	\$ -	\$ -	\$ -	\$ 2,014,926
Infrastructure	196,941,246	15,625,394	(107,344)	(2,179,144)	210,280,152
Construction in Progress	20,717,538	515,996	-	-	21,233,534
Total Capital Assets, Not Being Depreciated	219,673,710	16,141,390	(107,344)	(2,179,144)	233,528,612
Capital Assets, Being Depreciated:					
Buildings and Improvements	69,558,788	135,226	-	-	69,694,014
Equipment	30,744,307	3,530,780	(5,389,113)	-	28,885,974
Software	1,793,782	190,764	(80,970)	-	1,903,576
Total Capital Assets, Being Depreciated	102,096,877	3,856,770	(5,470,083)	-	100,483,564
Less Accumulated Depreciation for:					
Buildings and Improvements	(23,757,224)	(1,339,536)	-	-	(25,096,760)
Equipment	(27,189,746)	(1,409,861)	5,122,701	(220,973)	(23,697,879)
Software	(1,506,430)	(157,562)	-	-	(1,663,992)
Total Accumulated Depreciation	(52,453,400)	(2,906,959)	5,122,701	(220,973)	(50,458,631)
Total Capital Assets, Being Depreciated, Net	49,643,477	949,811	(347,382)	(220,973)	50,024,933
Governmental Activities Capital Assets, Net	<u>\$ 269,317,187</u>	<u>\$ 17,091,201</u>	<u>\$ (454,726)</u>	<u>\$ (2,400,117)</u>	<u>\$ 283,553,545</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2020	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2021
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 38,047	\$ -	\$ -	\$ -	\$ 38,047
Total Capital Assets, Not Being Depreciated	38,047	-	-	-	38,047
Capital Assets, Being Depreciated:					
Buildings and Improvements	1,688,486	-	-	-	1,688,486
Equipment	17,927	-	-	-	17,927
Total Capital Assets, Being Depreciated	1,706,413	-	-	-	1,706,413
Less Accumulated Depreciation for:					
Buildings and Improvements	(1,025,008)	(39,220)	-	-	(1,064,228)
Equipment	(3,049)	(3,247)	-	-	(6,296)
Total Accumulated Depreciation	(1,028,057)	(42,467)	-	-	(1,070,524)
Total Capital Assets, Being Depreciated, Net	678,356	(42,467)	-	-	635,889
Business-Type Activities Capital Assets, Net	<u>\$ 716,403</u>	<u>\$ (42,467)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 673,936</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 311,094
Public Protection	1,203,122
Public Ways and Facilities	659,743
Health and Welfare	295,018
Public Assistance	241,190
Education	134,278
Culture and Recreation	60,072
Subtotal Governmental Funds	<u>2,904,517</u>

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

Total Depreciation Expense - 2,442

Governmental Activities \$ 2,906,959

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation (Continued)

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

Tehama County Sanitation District #1	<u>\$ 42,467</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 42,467</u></u>

Construction in Progress

Construction in progress for governmental activities at June 30, 2021, relates to work performed on various County projects relating to buildings, bridges, roads, and infrastructure.

NOTE 5 INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2021:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 12,457,457	\$ -
Health Services	-	12,183,950
Nonmajor Governmental Funds	-	116,932
Custodial Funds	-	156,575
Total	<u><u>\$ 12,457,457</u></u>	<u><u>\$ 12,457,457</u></u>

Advances To/From Other Funds

Advances to/from other funds are noncurrent 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, 2021:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ 1,252,650	\$ -
Public Assistance	70,004	-
Health Services	17,036	-
Nonmajor Governmental Funds	410,000	400,000
Custodial Funds	-	169,690
Internal Service Funds	-	1,180,000
Total	<u><u>\$ 1,749,690</u></u>	<u><u>\$ 1,749,690</u></u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 INTERFUND TRANSACTIONS (CONTINUED)

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, 2021:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 18,753,747
Road	3,580	-
Public Safety	14,123,287	-
Public Assistance	785,982	-
Health Services	109,408	367,475
Nonmajor Governmental Funds	4,098,965	-
Total	\$ 19,121,222	\$ 19,121,222

NOTE 7 UNEARNED REVENUE

At June 30, 2021, the components of unearned revenue were as follows:

	Unearned
General Fund:	
American Rescue Plan Act Funding	
Received in Advance	\$ 6,320,902
Other Revenues Received But Not Earned	64,386
Public Safety:	
Other Revenues Received But Not Earned	178
Public Assistance:	
Social Services Revenues Received But Not Earned	1,063,249
Nonmajor Governmental Funds:	
Child Support Revenues Received But Not Earned	77,652
Total	\$ 7,526,367

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

Type of Indebtedness	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
Certificates of Participation	\$ 10,090,000	\$ -	\$ (855,000)	9,235,000	\$ 895,000
Unamortized Premium	557,096	-	(29,320)	527,776	-
Certificates of Participation, Net	10,647,096	-	(884,320)	9,762,776	895,000
Capital Leases	26,364	-	(7,752)	18,612	7,753
Compensated Absences	4,210,029	3,452,667	(3,517,162)	4,145,534	3,729,713
Total Governmental Activities	<u>\$ 14,883,489</u>	<u>\$ 3,452,667</u>	<u>\$ (4,409,234)</u>	<u>\$ 13,926,922</u>	<u>\$ 4,632,466</u>
Business-Type Activities:					
Bonds	\$ 295,200	\$ -	\$ (20,000)	275,200	\$ 20,500
Total Business-Type Activities	<u>\$ 295,200</u>	<u>\$ -</u>	<u>\$ (20,000)</u>	<u>\$ 275,200</u>	<u>\$ 20,500</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 Sanitary District fund where the liability occurred.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

All debt is direct borrowing. Individual issues of debt payable outstanding at June 30, 2021, 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.

Total Certificates of Participation
Total Governmental Activities

	\$ 9,235,000
	9,235,000
	\$ 9,235,000

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.

Total Bonds
Total Business-Type Activities

	\$ 275,200
	275,200
	\$ 275,200

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

<u>Year Ending June 30,</u>	Certificates of Participation		
	Principal	Interest	Total
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	229,513	864,513
2026	660,000	209,675	869,675
2027-2031	2,005,000	802,006	2,807,006
2032-2036	1,840,000	468,300	2,308,300
2037-2039	1,300,000	84,363	1,384,363
Total	<u>\$ 9,235,000</u>	<u>\$ 2,696,046</u>	<u>\$ 11,931,046</u>

Business-Type Activities

<u>Year Ending June 30,</u>	Bonds		
	Principal	Interest	Total
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	25,000	8,303	33,303
2027-2031	140,500	23,389	163,889
2032-2036	21,200	1,159	22,359
Total	<u>\$ 275,200</u>	<u>\$ 76,534</u>	<u>\$ 351,734</u>

NOTE 9 LEASES

Operating 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
JUNE 30, 2021**

NOTE 9 LEASES (CONTINUED)

Capital Leases (Continued)

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, 2021
Governmental Activities	5.25-5.45%	\$ 18,612

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

	Governmental Activities
Equipment	\$ 39,558
Less Accumulated Depreciation	(19,779)
Net Value	\$ 19,779

As of June 30, 2021, capital lease annual amortization was as follows:

Year Ending June 30,	Governmental Activities
2022	\$ 9,282
2023	9,382
2021	1,609
Total Requirements	20,273
Less Interest	(1,661)
Present Value of Remaining Payments	\$ 18,612

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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 NET POSITION (CONTINUED)

- **Restricted net position** – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **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 \$75,383,626 of restricted net position, of which \$2,189,462 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, 2021, 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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 FUND BALANCES (CONTINUED)

- **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

The fund balances for all major and nonmajor governmental funds as of June 30, 2021, were distributed as follows:

	General Fund	Road	Public Safety	Public Assistance	Health Services	Fire	Other Governmental Funds	Totals
Nonspendable								
Prepaid Costs	\$ 52,785	\$ 190	\$ 131,801	\$ 90,150	\$ 8,699	\$ -	\$ 632	\$ 284,257
Inventory	-	559,621	-	-	-	-	-	559,621
Subtotal	52,785	559,811	131,801	90,150	8,699	-	632	843,878
Restricted:								
Purpose of Fund	-	-	11,533,100	12,033,676	8,404,440	9,694,625	-	41,665,841
Local Innovation	203,193	-	-	-	-	-	-	203,193
Recorder Modernization	691,539	-	-	-	-	-	-	691,539
Safe Drinking Water	260,391	-	-	-	-	-	-	260,391
Underground Storage	121,363	-	-	-	-	-	-	121,363
Vital Health & Stats	127,452	-	-	-	-	-	-	127,452
Fish and Game	-	-	-	-	-	-	137,625	137,625
Child Support	-	-	-	-	-	-	179,030	179,030
Building and Safety	-	-	-	-	-	-	1,195,071	1,195,071
Senior Nutrition	-	-	-	-	-	-	-	-
Transportation Operations	-	-	-	-	-	-	-	-
Air Pollution	-	-	-	-	-	-	1,846,814	1,846,814
Los Molinos Lighting	-	-	-	-	-	-	100,883	100,883
Tehama County Flood	-	-	-	-	-	-	-	-
Tehama County Flood	-	-	-	-	-	-	940,392	940,392
Tehama Power Authority	-	-	-	-	-	-	5,810	5,810
AB 923	-	-	-	-	-	-	611,637	611,637
Small Claim Fees	-	-	-	-	-	-	18,843	18,843
Community Block Grant	-	-	-	-	-	-	28,199	28,199
Impact Fees	-	-	-	-	-	-	1,361,787	1,361,787
Debt Service	-	-	-	-	-	-	1,414,917	1,414,917
Capital Projects	-	-	-	-	-	-	8,805,680	8,805,680
Tax Loss Reserve	-	-	-	-	-	-	-	-
Other Restrictions	88,487	-	-	-	-	-	-	88,487
Subtotal	1,492,425	-	11,533,100	12,033,676	8,404,440	9,694,625	16,646,688	59,804,954
Committed:								
Economic Uncertainty	3,669,229	-	-	-	-	-	-	3,669,229
Unfunded Liability	1,000,000	-	-	-	-	-	-	1,000,000
Uniform Allowance	72,500	-	-	-	-	-	-	72,500
Subtotal	4,741,729	-	-	-	-	-	-	4,741,729
Assigned:								
Capital Projects	1,263,998	-	-	-	-	-	-	1,263,998
Other	1,638,032	-	-	-	-	-	-	1,638,032
Subtotal	2,902,030	-	-	-	-	-	-	2,902,030
Unassigned								
	9,461,419	(1,314,941)	-	-	-	-	(514,379)	7,632,099
Total	\$ 18,650,388	\$ (755,130)	\$ 11,664,901	\$ 12,123,826	\$ 8,413,139	\$ 9,694,625	\$ 16,132,941	\$ 75,924,690

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 FUND BALANCES (CONTINUED)

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% of adopted (final) budgeted general fund appropriations for economic uncertainty.

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 multiemployer defined benefit pension plan (the 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 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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 PENSION PLAN (CONTINUED)

A. General Information About the Pension Plan (Continued)

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 nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Benefit Formula	Retirement Age	Monthly Benefits as a % of Eligible Compensation
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%

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 PENSION PLAN (CONTINUED)

Employees Covered

At June 30, 2021, the following employees were covered by the benefit terms for the Plan including independent entities (Court and First Five):

	Inactive Employees or Beneficiaries Currently Receiving Benefits	Inactive Employees Entitled to But Not Yet Receiving Benefits	Active Employees
Miscellaneous	831	747	605
Safety	162	94	153

A. General Information About the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the 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.

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
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% of the employee's contribution for elected officials and 3% of the employee's contribution for police officers and probation.

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 Miscellaneous and Safety Plans are measured as of June 30, 2019, using annual actuarial valuations as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used in both actuarial valuations to determine the net pension liability is shown below.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.625%
Projected Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS' membership data for all funds
Post-Retirement Benefits 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% 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%. 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
JUNE 30, 2021**

NOTE 12 PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Long-Term Expected 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	1.0%	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
JUNE 30, 2021**

NOTE 12 PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability

As of June 30, 2021, the changes in the net pension liability of the agent multiemployer 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, 2020	\$ 265,151,092	\$ 191,371,013	\$ 73,780,079
Changes in the Year:			
Service Cost	5,412,300	-	5,412,300
Interest on the Total Pension Liability	18,660,359	-	18,660,359
Differences Between Expected and Actual Experience	608,999	-	608,999
Contributions - Employer		7,736,655	(7,736,655)
Contributions - Employee		2,327,826	(2,327,826)
Net Investment Income	-	9,506,662	(9,506,662)
Benefit Payments, Including Refunds of Employee Contributions	(14,964,400)	(14,964,400)	
Administrative Expenses	-	(269,786)	269,786
Other Miscellaneous Income (Expense)	-	-	-
Net Changes	<u>9,717,258</u>	<u>4,336,957</u>	<u>5,380,301</u>
Balances at June 30, 2021	<u>\$ 274,868,350</u>	<u>\$ 195,707,970</u>	79,160,380
Less Amount Allocated to Independent Entities			<u>(5,126,516)</u>
Balances at June 30, 2021			<u>\$ 74,033,864</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 PENSION PLAN (CONTINUED)

C Changes in the Net Pension Liability (Continued)

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Safety:			
Balances at June 30, 2020	\$ 95,750,080	\$ 63,756,613	\$ 31,993,467
Changes in the Year:			
Service Cost	2,339,472	-	2,339,472
Interest on the Total Pension Liability	6,754,357	-	6,754,357
Differences Between Expected and Actual Experience	(150,066)	-	(150,066)
Contributions - Employer	-	3,334,489	(3,334,489)
Contributions - Employee	-	804,525	(804,525)
Net Investment Income	-	3,209,699	(3,209,699)
Benefit Payments, Including Refunds of Employee Contributions	(4,606,445)	(4,606,445)	
Administrative Expenses	-	(89,881)	89,881
Other Miscellaneous Income (Expense)	-	-	-
Net Changes	<u>4,337,318</u>	<u>2,652,387</u>	<u>1,684,931</u>
Balances at June 30, 2021	<u>\$ 100,087,398</u>	<u>\$ 66,409,000</u>	<u>\$ 33,678,398</u>

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 one percentage point lower or one percentage point higher than the current rate:

	1% Decrease in 6.15%	Discount Rate 7.15%	1% Increase in 8.15%
Miscellaneous	\$ 112,878,652	\$ 74,033,864	\$ 51,047,267
Safety	47,245,904	33,678,398	22,501,303

Pension Plan Fiduciary Net Position

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

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2021, the County recognized pension expense of \$28,968,112. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to the Measurement Date	\$ 11,278,931	\$ -
Changes of Assumptions	630,529	38,686
Difference Between Expected and Actual Experience	2,243,427	439,003
Difference Between Projected and Actual Earnings on Plan Investments	<u>1,857,666</u>	<u>-</u>
Total	<u>\$ 16,010,553</u>	<u>\$ 477,689</u>

Deferred outflows of resources related to contributions subsequent to the measurement date reported as \$11,278,931, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 1,152,158
2023	868,598
2024	1,226,062
2025	1,007,115
Thereafter	-
Total	<u>\$ 4,253,933</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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 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.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	11
Active Employees	<u>622</u>
Total	<u><u>633</u></u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Total OPEB Liability

The County's total OPEB liability of \$2,111,016, was measured as of June 30, 2021, and was determined by the actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs

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

Valuation Date	July 1, 2020
Funding Method	Entry-Age, Level of Percent of Pay
Discount Rate	1.92%
Salary Increase	3.00%
Inflation Rate	2.75%
Healthcare Cost Trend Rate	5.00%, trending down to 4.00% over 58 years

Pre-retirement mortality rates were based on the CalPERS Experience Study (1997-2015). Post-retirement mortality rates for Healthy Recipients were based on the CalPERS Experience Study (1997-2015).

Discount Rate

For OPEB Plans That Are Not Administered through Trusts That Meet the Criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the County's Total OPEB liability is based on the following information:

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:

<u>Reporting Date</u>	<u>Measurement Date</u>	Fidelity GO AA 20 Years <u>Municipal Index</u>	<u>Discount Rate</u>
June 30, 2020	June 30, 2020	2.45%	2.45%
June 30, 2021	June 30, 2021	1.92%	1.92%

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Total OPEB Liability

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balances at Fiscal Year	
Ending June 30, 2020	\$ 1,778,477
Changes for the Year:	
Service Cost	199,232
Interest	49,714
Changes of Assumptions	122,842
Differences Between Expected and Actual Experience	58,568
Contributions - Employer	-
Benefit Payments	<u>(97,817)</u>
Total Net Changes	<u>332,539</u>
Balances at Fiscal Year	
Ending June 30, 2021	<u><u>\$ 2,111,016</u></u>

Sensitivity of the Total 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 one percentage point lower or one percentage point higher than the current discount rate

	1% Decrease .92%	Current Rate 1.92%	1% Increase 2.92%
Total OPEB Liability	\$ 2,273,094	\$ 2,111,016	\$ 1,960,222

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the total 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 one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	\$ 1,868,789	\$ 2,111,016	\$ 2,396,601

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$292,833. At June 30, 2021, the County reported deferred outflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 50,759	\$ -
Change of Assumptions	201,744	-
Total	\$ 252,503	\$ -

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 43,887
2023	43,887
2024	43,887
2025	43,887
2026	39,446
Thereafter	37,509
Total	<u>\$ 252,503</u>

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, 2021, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2021, was as follows:

General Liability	\$ 1,353,000
Dental Insurance	103,120
Vision Insurance	15,293
Total	<u>\$ 1,471,413</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 RISK MANAGEMENT (CONTINUED)

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 \$1,471,413 reported in the funds at June 30, 2021, 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:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimated	Claims Payments	Balance at End of Fiscal Year
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
June 30, 2021	1,444,497	4,025,883	3,998,967	1,471,413

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, 2021. The estimated costs to be incurred for these projects is \$915,778.

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.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2021**

Measurement Date	2013/2014	2014/2015	2015/2016	2016/2017
Miscellaneous				
Total Pension Liability:				
Service Cost	\$ 4,751,684	\$ 4,685,705	\$ 4,599,406	\$ 5,171,753
Interest	14,778,711	15,360,205	15,987,281	16,352,617
Change in Assumptions	-	(3,523,041)	-	12,803,697
Difference Between Expected and Actual Experience	-	(2,080,052)	(991,661)	(2,599,651)
Benefit Payments, Including Refunds of Employee Contributions	(9,743,748)	(10,569,848)	(11,058,235)	(11,647,820)
NET CHANGE IN TOTAL PENSION LIABILITY	9,786,647	3,872,969	8,536,791	20,080,596
Pension Liability - Beginning of Year	199,545,519	209,332,166	213,205,135	221,741,926
PENSION LIABILITY - END OF YEAR (a)	\$ 209,332,166	\$ 213,205,135	\$ 221,741,926	\$ 241,822,522
Miscellaneous				
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 4,300,260	\$ 4,557,693	\$ 4,982,192	\$ 5,383,166
Contributions - Employee	2,250,188	2,171,594	2,211,464	2,181,169
Net Investment Income	24,639,923	3,676,095	870,103	17,797,827
Benefit Payments, Including Refunds of Employee Contributions	(9,743,748)	(10,569,848)	(11,058,235)	(11,647,820)
Plan to Plan Resource Movement	-	(71,138)	(10,813)	8,903
Administrative Expense	-	(186,719)	(99,838)	(237,280)
Other Miscellaneous Expense	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	21,446,623	(422,323)	(3,105,127)	13,485,965
Plan Fiduciary Net Position - Beginning of Year	142,792,821	164,239,444	163,817,121	160,711,994
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	\$ 164,239,444	\$ 163,817,121	\$ 160,711,994	\$ 174,197,959
NET PENSION LIABILITY - END OF YEAR (a)-(b)	\$ 45,092,722	\$ 49,388,014	\$ 61,029,932	\$ 67,624,563
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.46%	76.84%	72.48%	72.04%
Covered Payroll	\$ 30,757,227	\$ 31,825,748	\$ 31,761,661	\$ 32,461,415
Net Pension Liability as a Percentage of Covered Payroll	146.61%	155.18%	192.15%	208.32%

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

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(CONTINUED)
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2021**

Measurement Date	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
Miscellaneous			
Total Pension Liability:			
Service Cost	\$ 5,260,697	\$ 5,377,346	\$ 5,061,793
Interest	16,955,993	17,963,362	17,451,893
Change in Assumptions	(1,282,339)	-	-
Difference Between Expected and Actual Experience	199,923	4,774,560	569,560
Benefit Payments, Including Refunds of Employee Contributions	<u>(12,447,391)</u>	<u>(13,473,581)</u>	<u>(13,995,288)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	8,686,883	14,641,687	9,087,958
Pension Liability - Beginning of Year	<u>241,822,522</u>	<u>250,509,405</u>	<u>247,979,605</u>
PENSION LIABILITY - END OF YEAR (a)	<u><u>\$ 250,509,405</u></u>	<u><u>\$ 265,151,092</u></u>	<u><u>\$ 257,067,563</u></u>
Miscellaneous			
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 5,951,937	\$ 6,794,734	\$ 7,235,620
Contributions - Employee	2,233,073	2,278,146	2,177,073
Net Investment Income	14,676,525	12,077,725	8,891,000
Benefit Payments, Including Refunds of Employee Contributions	(12,447,391)	(13,473,581)	(13,995,288)
Plan to Plan Resource Movement	(427)	-	-
Administrative Expense	(271,448)	(131,181)	(252,314)
Other Miscellaneous Expense	<u>(515,485)</u>	<u>427</u>	<u>-</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	9,626,784	7,546,270	4,056,091
Plan Fiduciary Net Position - Beginning of Year	<u>174,197,959</u>	<u>183,824,743</u>	<u>178,977,608</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	<u><u>\$ 183,824,743</u></u>	<u><u>\$ 191,371,013</u></u>	<u><u>\$ 183,033,699</u></u>
NET PENSION LIABILITY - END OF YEAR (a)-(b)	<u><u>\$ 66,684,662</u></u>	<u><u>\$ 73,780,079</u></u>	<u><u>\$ 74,033,864</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.38%	72.17%	71.20%
Covered Payroll	\$ 33,123,640	\$ 33,849,590	\$ 34,385,642
Net Pension Liability as a Percentage of Covered Payroll	201.32%	217.96%	230.21%

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(CONTINUED)
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2021**

Measurement Date	2013/2014	2014/2015	2015/2016	2016/2017
Safety				
Total Pension Liability:				
Service Cost	\$ 1,722,487	\$ 1,721,662	\$ 1,852,609	\$ 2,150,880
Interest	4,994,614	5,270,117	5,567,657	5,807,772
Change in Assumptions	-	(1,316,679)	-	4,944,935
Difference Between Expected and Actual Experience	-	141,736	275,562	(465,016)
Benefit Payments, Including Refunds of Employee Contributions	(3,087,719)	(3,404,624)	(3,482,186)	(3,720,945)
NET CHANGE IN TOTAL PENSION LIABILITY	3,629,382	2,412,212	4,213,642	8,717,626
Pension Liability - Beginning of Year	67,277,459	70,906,841	73,319,053	77,532,695
PENSION LIABILITY - END OF YEAR (a)	\$ 70,906,841	\$ 73,319,053	\$ 77,532,695	\$ 86,250,321
Safety				
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 1,812,375	\$ 1,974,637	\$ 2,091,533	\$ 2,542,771
Contributions - Employee	611,172	662,280	697,072	793,978
Net Investment Income	7,625,451	1,108,588	273,694	5,644,790
Benefit Payments, Including Refunds of Employee Contributions	(3,087,719)	(3,404,624)	(3,482,186)	(3,720,945)
Plan to Plan Resource Movement	-	-	-	(8,903)
Administrative Expense	-	(57,661)	(31,226)	(74,981)
Other Miscellaneous Expense	-	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	6,961,279	283,220	(451,113)	5,176,710
Plan Fiduciary Net Position - Beginning of Year	43,992,102	50,953,381	51,236,601	50,785,488
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	\$ 50,953,381	\$ 51,236,601	\$ 50,785,488	\$ 55,962,198
NET PENSION LIABILITY - END OF YEAR (a)-(b)	\$ 19,953,460	\$ 22,082,452	\$ 26,747,207	\$ 30,288,123
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.86%	69.88%	65.50%	64.88%
Covered Payroll	\$ 6,963,761	\$ 7,167,321	\$ 7,771,989	\$ 8,159,327
Net Pension Liability as a Percentage of Covered Payroll	286.53%	308.10%	344.15%	371.21%

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

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
(CONTINUED)
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2021**

Measurement Date	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
Safety			
Total Pension Liability:			
Service Cost	\$ 2,391,084	\$ 2,386,413	\$ 2,339,472
Interest	6,077,081	6,448,526	6,754,357
Change in Assumptions	233,130	-	-
Difference Between Expected and Actual Experience	(790,006)	704,907	(150,066)
Benefit Payments, Including Refunds of Employee Contributions	<u>(3,789,702)</u>	<u>(4,161,674)</u>	<u>(4,606,445)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	4,121,587	5,378,172	4,337,318
Pension Liability - Beginning of Year	<u>86,250,321</u>	<u>90,371,908</u>	<u>95,750,080</u>
PENSION LIABILITY - END OF YEAR (a)	<u><u>\$ 90,371,908</u></u>	<u><u>\$ 95,750,080</u></u>	<u><u>\$ 100,087,398</u></u>
Safety			
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 2,654,860	\$ 2,938,957	\$ 3,334,489
Contributions - Employee	857,150	856,346	804,525
Net Investment Income	4,746,231	3,987,999	3,209,699
Benefit Payments, Including Refunds of Employee Contributions	(3,789,702)	(4,161,674)	(4,606,445)
Plan to Plan Resource Movement	(139)	-	-
Administrative Expense	(87,205)	(42,944)	(89,881)
Other Miscellaneous Expense	<u>(165,603)</u>	<u>139</u>	<u>-</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	4,215,592	3,578,823	2,652,387
Plan Fiduciary Net Position - Beginning of Year	<u>55,962,198</u>	<u>60,177,790</u>	<u>63,756,613</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	<u><u>\$ 60,177,790</u></u>	<u><u>\$ 63,756,613</u></u>	<u><u>\$ 66,409,000</u></u>
NET PENSION LIABILITY - END OF YEAR (a)-(b)	<u><u>\$ 30,194,118</u></u>	<u><u>\$ 31,993,467</u></u>	<u><u>\$ 33,678,398</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.59%	66.59%	66.35%
Covered Payroll	\$ 8,736,149	\$ 8,640,163	\$ 8,510,267
Net Pension Liability as a Percentage of Covered Payroll	345.62%	370.29%	395.74%

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2021**

Fiscal Year	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
Miscellaneous				
Contractually Required Contributions (Actuarially Determined)	\$ 4,557,693	\$ 4,982,192	\$ 5,383,166	\$ 5,951,937
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,557,693)</u>	<u>(4,192,192)</u>	<u>(5,383,166)</u>	<u>(5,951,937)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ 790,000</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 31,825,748	\$ 31,761,661	\$ 32,461,415	\$ 33,123,640
Contributions as a Percentage of Covered Payroll	14.32%	15.69%	16.58%	17.97%
Safety				
Contractually Required Contributions (Actuarially Determined)	\$ 1,974,637	\$ 2,091,533	\$ 2,542,771	\$ 2,654,860
Contributions in Relation to the Actuarially Determined Contributions	<u>(1,974,637)</u>	<u>(2,091,533)</u>	<u>(2,542,771)</u>	<u>(2,654,860)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,167,321	\$ 7,771,989	\$ 8,159,327	\$ 8,736,149
Contributions as a Percentage of Covered Payroll	27.55%	26.91%	31.16%	30.39%

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

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2021**

Fiscal Year	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Miscellaneous			
Contractually Required Contributions (Actuarially Determined)	\$ 6,794,734	\$ 7,736,447	\$ 7,892,743
Contributions in Relation to the Actuarially Determined Contributions	<u>(6,794,734)</u>	<u>(7,736,447)</u>	<u>(7,892,743)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 33,849,590	\$ 34,385,642	\$ 34,729,498
Contributions as a Percentage of Covered Payroll	20.07%	22.50%	22.73%
Safety			
Contractually Required Contributions (Actuarially Determined)	\$ 2,938,957	\$ 3,334,698	\$ 3,562,962
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,938,957)</u>	<u>(3,334,698)</u>	<u>(3,562,962)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,640,163	\$ 8,510,267	\$ 8,595,370
Contributions as a Percentage of Covered Payroll	34.02%	39.18%	41.45%

**COUNTY OF TEHAMA
 REQUIRED SUPPLEMENTARY INFORMATION
 COUNTY PENSION PLAN
 NOTES TO COUNTY PENSION PLAN
 JUNE 30, 2021**

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, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (aka Golden Handshakes).

Changes of Assumptions

None in 2019 or 2020. 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% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

NOTE 2 SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal
Amortization Method / Period	For details, see June 30, 2017 Funding Valuation Report
Asset Valuation Method	Fair Value of Assets
Inflation	2.625%
Salary Increases	Varies by Entry Age and Service
Retirement Age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	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 rates, and include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Investment Rate of Return	7.25%, net of pension plan investment and administrative expenses, includes inflation.
Payroll Growth	2.875%

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY OPEB PLAN
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 YEARS*
YEAR ENDED JUNE 30, 2021**

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Total OPEB Liability				
Service Cost	\$ 169,470	\$ 174,553	\$ 184,538	\$ 199,232
Interest	38,623	44,944	52,088	49,714
Actual and Expected Experience Difference	-	-	-	58,568
Change of Assumptions	-	54,759	87,320	122,842
Benefit Payments	<u>(43,991)</u>	<u>(22,812)</u>	<u>(49,758)</u>	<u>(97,817)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	164,102	251,444	274,188	332,539
Total OPEB Liability - Beginning of Year	<u>1,088,743</u>	<u>1,252,845</u>	<u>1,504,289</u>	<u>1,778,477</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u><u>\$ 1,252,845</u></u>	<u><u>\$ 1,504,289</u></u>	<u><u>\$ 1,778,477</u></u>	<u><u>\$ 2,111,016</u></u>
Covered Employee Payroll	\$ 42,612,781	\$ 43,122,849	\$ 41,868,737	\$ 41,946,344
Total OPEB Liability as a Percentage of Covered Employee Payroll	2.94%	3.49%	4.25%	5.03%

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

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY OPEB PLAN
NOTE TO COUNTY OPEB PLAN
YEAR ENDED JUNE 30, 2021**

NOTE 1 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Change of Assumptions

The discount rate was changed from 2.45% as of the June 30, 2020 measurement date to 1.92% as of the June 30, 2021 measurement date. The discount rate was changed from 3.13% as of the June 30, 2019 measurement date to 2.45% as of the June 30, 2020 measurement date.

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH
YEAR ENDED JUNE 30, 2021**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

The assessed conditions report for the fiscal year ending June 30, 2021, was completed on March, 16, 2022.

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 follow:

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 50% 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, 2021, the condition of the County's paved maintained road system was rated Fair or better for 50% of Arterial and Collector roads and 45% of Local roads, a combined 59% for all paved roads. 100% 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 Road	Arterial and Collectors		Local		Combined Totals	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Good	70.460	24.6%	62.100	11.5%	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%
Total	286.293	100.0%	541.937	100.0%	828.230	100.0%

**COUNTY OF TEHAMA
 REQUIRED SUPPLEMENTARY INFORMATION
 INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)
 YEAR ENDED JUNE 30, 2021**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)

A. Roads (Continued)

Unpaved Gravel/ Unsurfaced Roads	Arterial and Collectors		Local		Combined Totals	
	Number of Miles	Percent	Number of Miles	Percent	Number of Miles	Percent
Good	-	0	-	0	-	0
Fair	30.990	1	229.010	1	260.000	1
Poor	-	0	-	0	-	0
Total	30.990	100.0%	229.010	100.0%	260.000	100.0%

The County also maintains records of 0.96 miles of unconstructed/unrated right of way. At June 30, 2021, 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

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)
YEAR ENDED JUNE 30, 2021**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)

B. Bridges (Continued)

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:

	Total	Exc.	%	Good	%	Fair	%	Poor	%
Concrete Bridges	147	31	21.1%	24	16.3%	74	50.3%	18	12.2%
Box Girder	17	10	58.8%	4	23.5%	3	17.6%	-	0.0%
Tee Beam	15	1	6.7%	3	20.0%	7	46.7%	4	26.7%
Pony Truss	18	-	0.0%	-	0.0%	7	38.9%	11	61.1%
Thru Truss	2	-	0.0%	-	0.0%	-	0.0%	2	100.0%
Wood	2	-	0.0%	-	0.0%	2	100.0%	-	0.0%
Grid Deck	37	1	2.7%	1	2.7%	34	91.9%	1	2.7%
Steel Deck with									
Steel Girder	58	2	3.4%	6	10.3%	41	70.7%	9	15.5%
Concrete Deck									
with Steel Girder	33	-	0.0%	3	9.1%	23	69.7%	7	21.2%
Wood Deck with									
Steel Girder	1	-	0.0%	-	0.0%	-	0.0%	1	100.0%
Concrete Box									
Culverts	162	22	13.6%	72	44.4%	68	42.0%	-	0.0%
Precast Concrete									
Boxes	20	-	0.0%	2	10.0%	18	90.0%	-	0.0%
Pipes (3 Feet and									
Larger)	148	7	4.7%	40	27.0%	101	68.2%	-	0.0%
Bailey Bridges	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Multiple	1	1	100.0%	-	0.0%	-	0.0%	-	0.0%
Shipyards Trailers	4	-	0.0%	-	0.0%	1	25.0%	3	75.0%
Concrete Slabs	30	-	0.0%	1	3.3%	29	96.7%	-	0.0%
Total	695	75	10.8%	156	22.4%	408	58.7%	56	8.1%

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 Retro reflectivity. County sign reflectivity is inspected by County personnel using a Retro reflectometer, which provides a basis for nonsubjective 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.

**COUNTY OF TEHAMA
 REQUIRED SUPPLEMENTARY INFORMATION
 INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)
 YEAR ENDED JUNE 30, 2021**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)

C. Signs (Continued)

Additionally, the County maintains a significant number of miles of road centerline and edge line 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.

	No. Street Name Signs	No. Traffic Signs	Total	Percent Pass/Fail
Pass	3,457	4,239	7,696	94.88%
Fail	-	415	415	5.12%
Total	3,457	4,654	8,111	100.00%

D. Cost of Maintenance

The estimated annual cost to maintain 75% of the roads, bridges, and signs in a Fair or better, or Pass condition, rating stands at \$30 million for the 2021/2022 fiscal year. The average annual expenditures for each of the last five years was \$12.8 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>Fiscal Year Ending</u>	<u>Estimate</u>	<u>Actual</u>
2020/2021	\$ 25,100,000	\$ 30,000,000
2019/2020	15,269,718	12,200,000
2018/2019	7,983,653	12,000,000
2017/2018	6,214,876	9,400,000
2016/2017	9,359,628	8,600,000
Total	<u>\$ 63,927,875</u>	<u>\$ 72,200,000</u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 23,116,638	\$ 23,901,466	\$ 24,997,104	\$ 1,095,638
Licenses and Permits	1,518,435	1,780,368	1,939,233	158,865
Fines and Forfeits	1,772,427	2,153,615	3,235,809	1,082,194
Use of Money and Property	499,840	549,840	744,930	195,090
Intergovernmental	3,433,093	9,637,543	8,714,522	(923,021)
Charges for Services	4,329,195	4,515,176	3,374,970	(1,140,206)
Other Revenues	440,250	552,530	802,535	250,005
Total Revenues	<u>35,109,878</u>	<u>43,090,538</u>	<u>43,809,103</u>	<u>718,565</u>
EXPENDITURES				
Current:				
General Government	9,308,859	10,546,425	7,784,842	2,761,583
Public Protection	6,502,157	6,864,881	6,221,901	642,980
Health and Welfare	1,100,298	1,128,918	1,075,685	53,233
Public Assistance	1,669,637	1,938,397	1,691,876	246,521
Education	914,455	957,420	849,413	108,007
Culture and Recreation	362,195	362,195	282,101	80,094
Debt Service:				
Interest and Other Charges	50,000	50,000	45,425	4,575
Capital Outlay	100	478,467	243,512	234,955
Total Expenditures	<u>19,907,701</u>	<u>22,326,702</u>	<u>18,194,755</u>	<u>4,131,947</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	15,202,177	20,763,835	25,614,348	4,850,513
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(20,061,787)</u>	<u>(23,172,503)</u>	<u>(18,753,747)</u>	<u>4,418,756</u>
Total Other Financing Sources (Uses)	<u>(20,061,787)</u>	<u>(23,172,503)</u>	<u>(18,753,747)</u>	<u>4,418,756</u>
NET CHANGE IN FUND BALANCES	(4,859,610)	(2,408,668)	6,860,601	9,269,269
Fund Balances - Beginning of Year	11,330,534	11,330,534	11,330,534	-
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>-</u>	<u>459,253</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,470,924</u>	<u>\$ 8,921,866</u>	<u>\$ 18,650,388</u>	<u>\$ 9,269,269</u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 865,936	\$ 865,936	\$ 563,433	\$ (302,503)
Licenses and Permits	11,000	11,000	8,757	(2,243)
Use of Money and Property	(56,000)	(56,000)	7,497	63,497
Intergovernmental	49,495,039	49,495,039	22,890,615	(26,604,424)
Charges for Services	327,982	327,982	402,622	74,640
Other Revenues	24,000	24,000	91,000	67,000
Total Revenues	<u>50,667,957</u>	<u>50,667,957</u>	<u>23,963,924</u>	<u>(26,704,033)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	54,673,713	55,279,044	24,820,065	30,458,979
Capital Outlay	-	2,218,849	1,039,102	1,179,747
Total Expenditures	<u>54,673,713</u>	<u>57,497,893</u>	<u>25,859,167</u>	<u>31,638,726</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,005,756)	(6,829,936)	(1,895,243)	4,934,693
OTHER FINANCING SOURCES (USES)				
Transfers In	3,580	3,580	3,580	-
Total Other Financing Sources (Uses)	<u>3,580</u>	<u>3,580</u>	<u>3,580</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(4,002,176)	(6,826,356)	(1,891,663)	4,934,693
Fund Balances - Beginning of Year, Restated	<u>1,136,533</u>	<u>1,136,533</u>	<u>1,136,533</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (2,865,643)</u>	<u>\$ (5,689,823)</u>	<u>\$ (755,130)</u>	<u>\$ 4,934,693</u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY- MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	\$ 1,250	\$ 1,250	\$ 4,384	\$ 3,134
Fines and Forfeitures	18,500	56,427	84,533	28,106
Use of Money and Property	-	-	372,567	372,567
Intergovernmental	11,549,581	13,255,225	15,561,885	2,306,660
Charges for Services	1,785,359	1,815,260	1,647,466	(167,794)
Other Revenues	36,038	321,071	211,042	(110,029)
Total Revenues	<u>13,390,728</u>	<u>15,449,233</u>	<u>17,881,877</u>	<u>2,432,644</u>
EXPENDITURES				
Current:				
Public Protection	32,205,966	32,631,919	28,793,849	3,838,070
Capital Outlay	-	934,668	774,716	159,952
Total Expenditures	<u>32,205,966</u>	<u>33,566,588</u>	<u>29,568,565</u>	<u>3,998,023</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,815,238)	(18,117,355)	(11,686,688)	6,430,667
OTHER FINANCING SOURCES (USES)				
Transfers In	18,815,238	18,263,178	14,123,287	(4,139,891)
Total Other Financing Sources (Uses)	<u>18,815,238</u>	<u>18,263,178</u>	<u>14,123,287</u>	<u>(4,139,891)</u>
NET CHANGE IN FUND BALANCES	-	145,823	2,436,599	2,290,776
Fund Balances - Beginning of Year	8,421,241	8,421,241	8,421,241	-
Cumulative Effect of Change in Accounting Principle	-	-	807,061	-
FUND BALANCES - END OF YEAR	<u>\$ 8,421,241</u>	<u>\$ 8,567,064</u>	<u>\$ 11,664,901</u>	<u>\$ 2,290,776</u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC ASSISTANCE – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 125,462	\$ 125,462
Intergovernmental	45,859,711	47,152,906	44,832,785	(2,320,121)
Charges for Services	10,560	10,560	131,122	120,562
Other Revenues	274,474	274,474	336,794	62,320
Total Revenues	<u>46,144,745</u>	<u>47,437,940</u>	<u>45,426,163</u>	<u>(2,011,777)</u>
EXPENDITURES				
Current:				
Public Assistance	47,036,604	48,287,027	41,508,209	6,778,818
Capital Outlay	-	243,276	23,000	220,276
Total Expenditures	<u>47,036,604</u>	<u>48,530,304</u>	<u>41,531,209</u>	<u>6,999,095</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(891,859)	(1,092,364)	3,894,954	4,987,318
OTHER FINANCING SOURCES (USES)				
Transfers In	1,056,859	1,056,859	785,982	(270,877)
Total Other Financing Sources (Uses)	<u>1,056,859</u>	<u>1,056,859</u>	<u>785,982</u>	<u>(270,877)</u>
NET CHANGE IN FUND BALANCES	165,000	(35,505)	4,680,936	4,716,441
Fund Balances - Beginning of Year	<u>2,627,116</u>	<u>2,627,116</u>	<u>2,627,116</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,792,116</u>	<u>\$ 2,591,611</u>	<u>\$ 7,308,052</u>	<u>\$ 4,716,441</u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HEALTH SERVICES – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ -	\$ -	\$ 2,453,216	\$ 2,453,216
Fines and Forfeitures	-	-	33,926	33,926
Use of Money and Property	-	-	23,592	23,592
Intergovernmental	18,776,750	21,281,704	19,285,319	(1,996,385)
Charges for Services	9,276,701	8,618,034	3,848,568	(4,769,466)
Other Revenues	243,159	191,116	82,685	(108,431)
Total Revenues	<u>28,296,610</u>	<u>30,090,854</u>	<u>25,727,306</u>	<u>(4,363,548)</u>
EXPENDITURES				
Current:				
Health and Welfare	27,367,696	29,393,443	24,714,649	4,678,794
Capital Outlay	-	465,600	-	465,600
Total Expenditures	<u>27,367,696</u>	<u>29,859,043</u>	<u>24,714,649</u>	<u>5,144,394</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	928,914	231,811	1,012,657	780,846
OTHER FINANCING SOURCES (USES)				
Transfers In	126,487	126,487	109,408	(17,079)
Transfers Out	<u>(252,434)</u>	<u>(407,530)</u>	<u>(367,475)</u>	<u>40,055</u>
Total Other Financing Sources (Uses)	<u>(125,947)</u>	<u>(281,043)</u>	<u>(258,067)</u>	<u>22,976</u>
NET CHANGE IN FUND BALANCES	802,967	(49,232)	754,590	803,822
Fund Balances - Beginning of Year	<u>(2,406,012)</u>	<u>(2,406,012)</u>	<u>(2,406,012)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (1,603,045)</u>	<u>\$ (2,455,244)</u>	<u>\$ (1,651,422)</u>	<u>\$ 803,822</u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FIRE – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 3,521,498	\$ 3,521,498	\$ 4,005,277	\$ 483,779
Use of Money and Property	80,451	80,451	248,952	168,501
Intergovernmental	397,250	125,241	127,382	2,141
Charges for Services	599,250	1,639,550	1,721,695	82,145
Other Revenues	-	-	55,987	55,987
Total Revenues	<u>4,598,449</u>	<u>5,366,740</u>	<u>6,159,293</u>	<u>792,553</u>
EXPENDITURES				
Current:				
Public Protection	<u>5,442,899</u>	<u>5,641,854</u>	<u>4,109,522</u>	<u>1,532,332</u>
Total Expenditures	<u>5,442,899</u>	<u>5,641,854</u>	<u>4,109,522</u>	<u>1,532,332</u>
NET CHANGE IN FUND BALANCES	(844,450)	(275,114)	2,049,771	2,324,885
Fund Balances - Beginning of Year	<u>7,644,854</u>	<u>7,644,854</u>	<u>7,644,854</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 6,800,404</u></u>	<u><u>\$ 7,369,740</u></u>	<u><u>\$ 9,694,625</u></u>	<u><u>\$ 2,324,885</u></u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2021**

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 (CONTINUED)
JUNE 30, 2021**

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.

COMBINING NONMAJOR GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021**

	Special Revenue			
	Fish and Game	Child Support	Building and Safety	Senior Nutrition
ASSETS				
Cash and Investments	\$ 137,733	\$ 203,165	\$ 1,225,726	\$ -
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	-	-	-	1,209
Intergovernmental	-	77,652	-	182,426
Advances to Other Funds	-	10,000	-	-
Prepaid Costs	-	-	632	-
	<u>-</u>	<u>-</u>	<u>632</u>	<u>-</u>
Total Assets	<u>\$ 137,733</u>	<u>\$ 290,817</u>	<u>\$ 1,226,358</u>	<u>\$ 183,635</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 108	\$ 778	\$ 634	\$ 2,059
Salaries and Benefits Payable	-	33,357	7,128	982
Due to Other Governments	-	-	8,088	-
Other Liabilities	-	-	12,206	-
Unearned Revenues	-	77,652	-	-
Due to Other Funds	-	-	-	84,411
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>108</u>	<u>111,787</u>	<u>28,056</u>	<u>87,452</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	2,599	182,426
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,599</u>	<u>182,426</u>
FUND BALANCES				
Nonspendable	-	-	632	-
Restricted	137,625	179,030	1,195,071	-
Unassigned	-	-	-	(86,243)
Total Fund Balances	<u>137,625</u>	<u>179,030</u>	<u>1,195,703</u>	<u>(86,243)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 137,733</u>	<u>\$ 290,817</u>	<u>\$ 1,226,358</u>	<u>\$ 183,635</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2021**

	Special Revenue				
	Transportation Operations	Air Pollution	Los Molinos Lighting	Tehama County Flood Control	Tehama County Flood Zone 3
ASSETS					
Cash and Investments	\$ -	\$ 1,867,239	\$ 100,883	\$ (220,930)	\$ 562,853
Cash with Fiscal Agent	-	-	-	-	-
Receivables:					
Accounts	108,317	21,239	-	488,182	-
Intergovernmental	384,192	-	-	-	-
Advances to Other Funds	-	-	-	-	400,000
Prepaid Costs	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 492,509</u>	<u>\$ 1,888,478</u>	<u>\$ 100,883</u>	<u>\$ 267,252</u>	<u>\$ 962,853</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 165,246	\$ 31,268	\$ -	\$ 202,673	\$ 22,461
Salaries and Benefits Payable	-	10,396	-	2,800	-
Due to Other Governments	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Due to Other Funds	32,521	-	-	-	-
Advances from Other Funds	-	-	-	400,000	-
Total Liabilities	<u>197,767</u>	<u>41,664</u>	<u>-</u>	<u>605,473</u>	<u>22,461</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	<u>384,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>384,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	1,846,814	100,883	-	940,392
Unassigned	(89,915)	-	-	(338,221)	-
Total Fund Balances	<u>(89,915)</u>	<u>1,846,814</u>	<u>100,883</u>	<u>(338,221)</u>	<u>940,392</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 492,509</u>	<u>\$ 1,888,478</u>	<u>\$ 100,883</u>	<u>\$ 267,252</u>	<u>\$ 962,853</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2021**

	Special Revenue				
	Tehama Power Authority	AB 923	Small Claim Fees	Community Block Grant	Impact Fees
ASSETS					
Cash and Investments	\$ 5,810	\$ 601,424	\$ 18,843	\$ 28,199	\$ 1,361,787
Cash with Fiscal Agent	-	-	-	-	-
Receivables:					
Accounts	-	10,213	-	-	-
Intergovernmental	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,810</u>	<u>\$ 611,637</u>	<u>\$ 18,843</u>	<u>\$ 28,199</u>	<u>\$ 1,361,787</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Benefits Payable	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	5,810	611,637	18,843	28,199	1,361,787
Unassigned	-	-	-	-	-
Total Fund Balances	<u>5,810</u>	<u>611,637</u>	<u>18,843</u>	<u>28,199</u>	<u>1,361,787</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,810</u>	<u>\$ 611,637</u>	<u>\$ 18,843</u>	<u>\$ 28,199</u>	<u>\$ 1,361,787</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2021**

	Capital Projects Fund	Debt Service Fund	Totals
ASSETS			
Cash and Investments	\$ 7,529,569	\$ 319,763	\$ 13,742,064
Cash with Fiscal Agent	1,278,084	1,095,154	2,373,238
Receivables:			
Accounts	64	-	629,224
Intergovernmental	-	-	644,270
Advances to Other Funds	-	-	410,000
Prepaid Costs	-	-	632
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 8,807,717</u>	<u>\$ 1,414,917</u>	<u>\$ 17,799,428</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 425,227
Salaries and Benefits Payable	2,037	-	56,700
Due to Other Governments	-	-	8,088
Other Liabilities	-	-	12,206
Unearned Revenues	-	-	77,652
Due to Other Funds	-	-	116,932
Advances from Other Funds	-	-	400,000
Total Liabilities	<u>2,037</u>	<u>-</u>	<u>1,096,805</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	-	-	569,682
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>569,682</u>
FUND BALANCES			
Nonspendable	-	-	632
Restricted	8,805,680	1,414,917	16,646,688
Unassigned	-	-	(514,379)
Total Fund Balances	<u>8,805,680</u>	<u>1,414,917</u>	<u>16,132,941</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,807,717</u>	<u>\$ 1,414,917</u>	<u>\$ 17,799,428</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021**

	Special Revenue			
	Fish and Game	Child Support	Building and Safety	Senior Nutrition
REVENUES				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	911,359	-
Fines and Forfeits	1,036	-	40,610	-
Use of Money and Property	2,094	4,725	16,807	201
Intergovernmental	-	1,844,123	3,051	222,343
Charges for Services	-	-	177,102	47,805
Other Revenues	400	17	622	38,872
Total Revenues	<u>3,530</u>	<u>1,848,865</u>	<u>1,149,551</u>	<u>309,221</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	7,743	-	944,452	-
Public Ways and Facilities	-	-	-	-
Health and Welfare	-	-	-	511,577
Public Assistance	-	1,817,227	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>7,743</u>	<u>1,817,227</u>	<u>944,452</u>	<u>511,577</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,213)	31,638	205,099	(202,356)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	35,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
NET CHANGE IN FUND BALANCES	(4,213)	31,638	205,099	(167,356)
Fund Balances - Beginning of Year	<u>141,838</u>	<u>147,392</u>	<u>990,604</u>	<u>81,113</u>
FUND BALANCES - END OF YEAR	<u>\$ 137,625</u>	<u>\$ 179,030</u>	<u>\$ 1,195,703</u>	<u>\$ (86,243)</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Special Revenue				
	Transportation Operations	Air Pollution	Los Molinos Lighting	Tehama County Flood Control	Tehama County Flood Zone 3
REVENUES					
Taxes and Assessments	\$ 1,207,200	\$ -	\$ 15,573	\$ 176,703	\$ 120,469
Licenses and Permits	-	547,789	-	-	-
Fines and Forfeits	-	21,675	-	-	-
Use of Money and Property	4,094	29,532	1,437	(187)	13,717
Intergovernmental	1,523,539	821,819	201	1,284,513	432,881
Charges for Services	12,115	-	-	-	-
Other Revenues	1,800	93,391	-	100	-
Total Revenues	<u>2,748,748</u>	<u>1,514,206</u>	<u>17,211</u>	<u>1,461,129</u>	<u>567,067</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Protection	-	1,581,802	10,930	1,825,392	613,179
Public Ways and Facilities	3,386,813	-	-	-	-
Health and Welfare	-	-	-	-	-
Public Assistance	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	52,677	-	-	-	-
Total Expenditures	<u>3,439,490</u>	<u>1,581,802</u>	<u>10,930</u>	<u>1,825,392</u>	<u>613,179</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(690,742)	(67,596)	6,281	(364,263)	(46,112)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(690,742)	(67,596)	6,281	(364,263)	(46,112)
Fund Balances - Beginning of Year	<u>600,827</u>	<u>1,914,410</u>	<u>94,602</u>	<u>26,042</u>	<u>986,504</u>
FUND BALANCES - END OF YEAR	<u>\$ (89,915)</u>	<u>\$ 1,846,814</u>	<u>\$ 100,883</u>	<u>\$ (338,221)</u>	<u>\$ 940,392</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Special Revenue				
	Tehama Power Authority	AB 923	Small Claim Fees	Community Block Grant	Impact Fees
REVENUES					
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	133,215	-	-	-
Fines and Forfeits	-	-	-	-	-
Use of Money and Property	86	7,871	278	1,247	17,659
Intergovernmental	-	-	-	192,971	-
Charges for Services	-	-	-	-	207,767
Other Revenues	-	-	-	-	-
Total Revenues	<u>86</u>	<u>141,086</u>	<u>278</u>	<u>194,218</u>	<u>225,426</u>
EXPENDITURES					
Current:					
General Government	-	-	-	229,211	-
Public Protection	-	-	-	-	-
Public Ways and Facilities	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Public Assistance	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,211</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	86	141,086	278	(34,993)	225,426
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	86	141,086	278	(34,993)	225,426
Fund Balances - Beginning of Year	<u>5,724</u>	<u>470,551</u>	<u>18,565</u>	<u>63,192</u>	<u>1,136,361</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,810</u>	<u>\$ 611,637</u>	<u>\$ 18,843</u>	<u>\$ 28,199</u>	<u>\$ 1,361,787</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Capital Projects Fund	Debt Service Fund	Totals
REVENUES			
Taxes and Assessments	\$ 3,630	\$ -	\$ 1,523,575
Licenses and Permits	-	-	1,592,363
Fines and Forfeits	67,997	210,000	341,318
Use of Money and Property	70,253	69,209	239,023
Intergovernmental	42,600	-	6,368,041
Charges for Services	-	-	444,789
Other Revenues	-	-	135,202
Total Revenues	<u>184,480</u>	<u>279,209</u>	<u>10,644,311</u>
EXPENDITURES			
Current:			
General Government	94,114	2,173	325,498
Public Protection	-	-	4,983,498
Public Ways and Facilities	-	-	3,386,813
Health and Welfare	-	-	511,577
Public Assistance	-	-	1,817,227
Debt Service:			
Principal	-	855,000	855,000
Interest and Other Charges	-	381,462	381,462
Capital Outlay	307,246	-	359,923
Total Expenditures	<u>401,360</u>	<u>1,238,635</u>	<u>12,620,998</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(216,880)	(959,426)	(1,976,687)
OTHER FINANCING SOURCES (USES)			
Transfers In	3,100,000	963,965	4,098,965
Total Other Financing Sources (Uses)	<u>3,100,000</u>	<u>963,965</u>	<u>4,098,965</u>
NET CHANGE IN FUND BALANCES	2,883,120	4,539	2,122,278
Fund Balances - Beginning of Year	<u>5,922,560</u>	<u>1,410,378</u>	<u>14,010,663</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,805,680</u>	<u>\$ 1,414,917</u>	<u>\$ 16,132,941</u>

NONMAJOR PROPRIETARY FUNDS

- **Enterprise Funds**

**COUNTY OF TEHAMA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2021**

	Health Center	Tehama County Sanitation District #1	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,303	\$ 363,880	\$ 365,183
Total Current Assets	<u>1,303</u>	<u>363,880</u>	<u>365,183</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	-	38,047	38,047
Depreciable, Net	-	635,889	635,889
Total Noncurrent Assets	<u>-</u>	<u>673,936</u>	<u>673,936</u>
Total Assets	1,303	1,037,816	1,039,119
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	7,944	7,944
Salaries and Benefits Payable	-	743	743
Accrued Interest Payable	-	3,573	3,573
Bonds Payable	-	20,500	20,500
Total Current Liabilities	<u>-</u>	<u>32,760</u>	<u>32,760</u>
Noncurrent Liabilities			
Bonds Payable	-	254,700	254,700
Total Noncurrent Liabilities	<u>-</u>	<u>254,700</u>	<u>254,700</u>
Total Liabilities	<u>-</u>	<u>287,460</u>	<u>287,460</u>
NET POSITION			
Net Investment in Capital Assets	-	398,736	398,736
Unrestricted	<u>1,303</u>	<u>351,620</u>	<u>352,923</u>
Total Net Position	<u>\$ 1,303</u>	<u>\$ 750,356</u>	<u>\$ 751,659</u>

**COUNTY OF TEHAMA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2021**

	Health Center	Tehama County Sanitation District #1	Totals
OPERATING REVENUES			
Charges for Services	\$ -	\$ 166,131	\$ 166,131
Total Operating Revenues	<u>-</u>	<u>166,131</u>	<u>166,131</u>
OPERATING EXPENSES			
Salaries and Benefits	-	21,024	21,024
Services and Supplies	-	117,181	117,181
Professional Services	-	4,663	4,663
Insurance	-	14,790	14,790
Depreciation	-	42,467	42,467
Total Operating Expenses	<u>-</u>	<u>200,125</u>	<u>200,125</u>
OPERATING INCOME (LOSS)	-	(33,994)	(33,994)
NONOPERATING REVENUE (EXPENSES)			
Intergovernmental Revenue	-	2,389	2,389
Interest Income	19	5,748	5,767
Interest Expense	-	(12,526)	(12,526)
Total Nonoperating Revenue (Expenses)	<u>19</u>	<u>(4,389)</u>	<u>(4,370)</u>
CHANGE IN NET POSITION	19	(38,383)	(38,364)
Net Position - Beginning of Year	<u>1,284</u>	<u>788,739</u>	<u>790,023</u>
NET POSITION - END OF YEAR	<u>\$ 1,303</u>	<u>\$ 750,356</u>	<u>\$ 751,659</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2021**

	Health Center	Tehama County Sanitation District #1	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts From Customers	\$ -	\$ 166,131	\$ 166,131
Payments to Suppliers	-	(132,768)	(132,768)
Payments to Employees	-	(21,180)	(21,180)
Net Cash Provided by Operating Activities	-	12,183	12,183
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenue Received	-	2,389	2,389
Net Cash Provided by Noncapital Financing Activities	-	2,389	2,389
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	-	(20,000)	(20,000)
Interest Paid on Capital Debt	-	(12,526)	(12,526)
Net Cash Used by Capital and Related Financing Activities	-	(32,526)	(32,526)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	19	5,748	5,767
Net Cash Flows Provided by Investing Activities	19	5,748	5,767
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19	(12,206)	(12,187)
Cash and Cash Equivalents - Beginning of Year	1,284	376,086	377,370
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,303</u>	<u>\$ 363,880</u>	<u>\$ 365,183</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2021**

**RECONCILIATION OF OPERATING INCOME
(LOSS) TO NET CASH PROVIDED
BY OPERATING ACTIVITIES**

Operating Loss	\$	-	\$	(33,994)	\$	(33,994)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation		-		42,467		42,467
Increase (Decrease) in:						
Accounts Payable		-		4,174		4,174
Salaries and Benefits Payable		-		(156)		(156)
Accrued Interest		-		(308)		(308)
Net Cash Provided by Operating Activities	\$	-	\$	<u>12,183</u>	\$	<u>12,183</u>

INTERNAL SERVICE FUNDS

**COUNTY OF TEHAMA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021**

	<u>Risk Management</u>	<u>Dental Insurance</u>	<u>Medical Insurance</u>	<u>Vision Insurance</u>	<u>Totals</u>
ASSETS					
Current Assets:					
Cash and Investments	\$ 2,734,567	\$ 494,049	\$ 303,789	\$ 44,166	\$ 3,576,571
Receivables:					
Accounts	-	60,900	-	-	60,900
Deposits With Others	-	-	485	-	485
Prepaid Costs	-	1,528	1,096,672	228	1,098,428
Total Current Assets	<u>2,734,567</u>	<u>556,477</u>	<u>1,400,946</u>	<u>44,394</u>	<u>4,736,384</u>
 Total Assets	 2,734,567	 556,477	 1,400,946	 44,394	 4,736,384
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Adjustments	82,540	-	-	-	82,540
Deferred OPEB Adjustments	1,508	-	-	-	1,508
Total Deferred Outflows of Resources	<u>84,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,048</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	11,647	54,638	-	6,085	72,370
Accrued Payroll and Benefits	11,743	-	-	-	11,743
Estimated Claims Liability	1,353,000	103,120	-	15,293	1,471,413
Total Current Liabilities	<u>1,376,390</u>	<u>157,758</u>	<u>-</u>	<u>21,378</u>	<u>1,555,526</u>
Noncurrent Liabilities:					
Advances From Other Funds	-	-	1,180,000	-	1,180,000
Compensated Absences	23,622	-	-	-	23,622
Net Pension Liability	560,832	-	-	-	560,832
Total OPEB Liability	12,608	-	-	-	12,608
Total Noncurrent Liabilities	<u>597,062</u>	<u>-</u>	<u>1,180,000</u>	<u>-</u>	<u>1,777,062</u>
 Total Liabilities	 1,973,452	 157,758	 1,180,000	 21,378	 3,332,588
DEFERRED INFLOWS OF RESOURCES					
Deferred OPEB Adjustments	293	-	-	-	293
NET POSITION					
Unrestricted	<u>844,870</u>	<u>398,719</u>	<u>220,946</u>	<u>23,016</u>	<u>1,487,551</u>
 Total Net Position	 <u>\$ 844,870</u>	 <u>\$ 398,719</u>	 <u>\$ 220,946</u>	 <u>\$ 23,016</u>	 <u>\$ 1,487,551</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Totals
OPERATING REVENUES					
Charges for Services	\$ 5,228,998	\$ 501,304	\$ 13,906,331	\$ 119,456	\$ 19,756,089
Total Operating Revenues	<u>5,228,998</u>	<u>501,304</u>	<u>13,906,331</u>	<u>119,456</u>	<u>19,756,089</u>
OPERATING EXPENSES					
Salaries and Benefits	353,256	-	-	-	353,256
Services and Supplies	245,332	94,245	4,359	18,747	362,683
Insurance	3,710	669,784	13,961,440	97,341	14,732,275
Self-Insurance Claims	4,025,883	-	-	-	4,025,883
Depreciation	2,442	-	-	-	2,442
Total Operating Expenses	<u>4,630,623</u>	<u>764,029</u>	<u>13,965,799</u>	<u>116,088</u>	<u>19,476,539</u>
OPERATING INCOME (LOSS)	598,375	(262,725)	(59,468)	3,368	279,550
NONOPERATING REVENUE (EXPENSES)					
Interest Income	\$ 12,370	\$ 9,488	\$ 1,627	\$ 737	\$ 24,222
Operating Grants	42,721	-	-	-	42,721
Total Nonoperating Revenue (Expenses)	<u>55,091</u>	<u>9,488</u>	<u>1,627</u>	<u>737</u>	<u>66,943</u>
CHANGE IN NET POSITION	653,466	(253,237)	(57,841)	4,105	346,493
Net Position - Beginning of Year	<u>191,404</u>	<u>651,956</u>	<u>278,787</u>	<u>18,911</u>	<u>1,141,058</u>
NET POSITION - END OF YEAR	<u>\$ 844,870</u>	<u>\$ 398,719</u>	<u>\$ 220,946</u>	<u>\$ 23,016</u>	<u>\$ 1,487,551</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts From Customers	\$ 5,228,998	\$ 501,304	\$ 13,905,846	\$ 119,456	\$ 19,755,604
Payments to Suppliers	(4,304,135)	(690,863)	(13,903,315)	(115,329)	(19,013,642)
Payments to Employees	(530,859)	-	-	-	(530,859)
Net Cash Provided (Used) by Operating Activities	394,004	(189,559)	2,531	4,127	211,103
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants	42,721	-	-	-	42,721
Net Cash Provided by Noncapital Financing Activities	42,721	-	-	-	42,721
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends	12,370	9,488	1,627	737	24,222
Net Cash Flows Provided by Investing Activities	12,370	9,488	1,627	737	24,222
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	449,095	(180,071)	4,158	4,864	278,046
Cash and Cash Equivalents - Beginning of Year	2,285,472	735,020	299,631	39,302	3,359,425
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,734,567</u>	<u>\$ 554,949</u>	<u>\$ 303,789</u>	<u>\$ 44,166</u>	<u>\$ 3,637,471</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 598,375	\$ (262,725)	\$ (59,468)	\$ 3,368	\$ 279,550
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	2,442	-	-	-	2,442
Decrease (Increase) in:					
Accounts Receivable	-	176	(485)	-	(309)
Prepaid Costs	48	-	61,776	26	61,850
Deferred Pension Adjustments - Deferred Outflows of Resources	34,958	-	-	-	34,958
Deferred OPEB Adjustments - Deferred Outflows of Resources	(821)	-	-	-	(821)
Increase (Decrease) in:					
Accounts Payable	(29,258)	(9,823)	-	(4,270)	(43,351)
Salaries and Benefits Payable	(5,625)	-	-	-	(5,625)
Deposits with Others	-	60,900	708	-	61,608
Compensated Absences Payable	1,408	-	-	-	1,408
Estimated Claims Liability	-	21,913	-	5,003	26,916
Deferred Inflows of Resources	(16,015)	-	-	-	(16,015)
Net Pension Liability	(193,494)	-	-	-	(193,494)
Total OPEB Liability	1,986	-	-	-	1,986
Net Cash Provided (Used) by Operating Activities	<u>\$ 394,004</u>	<u>\$ (189,559)</u>	<u>\$ 2,531</u>	<u>\$ 4,127</u>	<u>\$ 211,103</u>

FIDUCIARY FUNDS

**COUNTY OF TEHAMA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 JUNE 30, 2021**

	Special Districts Governed by Local Boards	School Districts	<u>Totals</u>
ASSETS			
Cash and Investments	<u>\$ 5,493,628</u>	<u>\$ 83,912,194</u>	<u>\$ 89,405,822</u>
Total Assets	<u><u>\$ 5,493,628</u></u>	<u><u>\$ 83,912,194</u></u>	<u><u>\$ 89,405,822</u></u>
NET POSITION			
Net Position Held in Trust for Pool Participants	<u>\$ 5,493,628</u>	<u>\$ 83,912,194</u>	<u>\$ 89,405,822</u>
Total Net Position	<u><u>\$ 5,493,628</u></u>	<u><u>\$ 83,912,194</u></u>	<u><u>\$ 89,405,822</u></u>

**COUNTY OF TEHAMA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 YEAR ENDED JUNE 30, 2021**

	Special Districts Governed by Local Boards	School Districts	Totals
ADDITIONS			
Contributions to Investment Pool	\$ 9,710,311	\$ 371,823,804	\$ 381,534,115
Investment Earnings	129,901	1,270,262	1,400,163
Total Additions	<u>9,840,212</u>	<u>373,094,066</u>	<u>382,934,278</u>
DEDUCTIONS			
Distributions From Investment Pool	9,639,824	358,080,816	367,720,640
Total Deductions	<u>9,639,824</u>	<u>358,080,816</u>	<u>367,720,640</u>
CHANGE IN NET POSITION	200,388	15,013,250	15,213,638
Net Position - Beginning of Year	<u>5,293,240</u>	<u>68,898,944</u>	<u>74,192,184</u>
NET POSITION - END OF YEAR	<u>\$ 5,493,628</u>	<u>\$ 83,912,194</u>	<u>\$ 89,405,822</u>