

**COUNTY OF TEHAMA,
CALIFORNIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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INTRODUCTORY SECTION

- **List of Officials**

**COUNTY OF TEHAMA
LIST OF OFFICIALS
YEAR ENDED JUNE 30, 2022**

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	John Leach
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	Parker R. Hunt

DEPARTMENT DIRECTORS/ADMINISTRATORS

Chief Administrator	Williams Goodwin
Agricultural Commissioner – Sealer Weights & Measures	Doni Rulofson
Air Pollution Control Officer	Joseph H. Tona
Building Official – Interim	Tim Potanovic
Chief Probation Officer	Richard Muench
Child Support Services Director	Tonya Moore
Civil Defense Coordinator	Dave Hencratt
County Library Manager	Todd Deck
County Counsel – Interim	Margaret Long
Court Executive Officer – Jury Commissioner	Kevin Harrigan
Director of Environmental Health	Tim Potanovic
Director of Planning – Interim	Scot Timboe
Director of Public Works – Road Commissioner	James Simon
Farm Advisor/County Director	Josh Davy
Fire Warden – Chief	Dave Russell
Health Officer	Jennifer Brown, MD
Health Services Agency – Executive Director	Jayne Bottke
Personnel Director	Coral Ferrin
Public Guardian – Public Administrator	Melani Rodriguez
Social Services Director/IHSS Public Authority Director	Laura Hawkins
Solid Waste Management Agency Manager	Rachel Ross
Veteran Service Officer	Shawn Bondon

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 Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the County adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. The guidance requires lessees to recognize a right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Tehama's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Tehama's ability to continue as a going concern for a reasonable period of time.

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

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, infrastructure information under modified reporting and budgetary comparison information for the General Fund, Public Safety, Public Assistance and Health Services 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.

Supplementary Information

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

Other Information

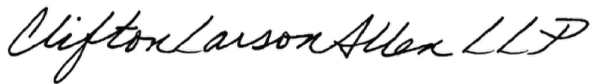
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information,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

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

Board of Supervisors
County of Tehama

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2023, on our consideration of the County of Tehama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Tehama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Roseville, California
March 14, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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, 2022. 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 \$312,046,975 (net position). Of this amount, \$85,331,078 is restricted by function for external requirements, \$294,581,837 is net investment in capital assets, and (\$67,865,940) is unrestricted.
- The government's total net position increased by \$37,362,304 during the year.
- As of June 30, 2022, the County's governmental funds combined ending fund balances were \$92,375,145. This is a net increase of \$16,450,455 from the prior year and is comprised of \$73,231,130 in Nonspendable and/or Restricted fund balance and \$19,144,015 as Committed, Assigned and/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, 2022**

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, 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, 2022**

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 2021/22 Financial Statements was conducted by the firm CliftonLarsonAllen LLP.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Condensed Statement of Net Position
June 30, 2022**

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current and Other Assets	\$ 116,012,820	\$ 129,439,534	\$ 365,183	\$ 352,260	\$ 116,378,003	\$ 129,791,794
Capital Assets	283,553,545	307,101,450	673,936	671,617	284,227,481	307,773,067
Total Assets	399,566,365	436,540,984	1,039,119	1,023,877	400,605,484	437,564,861
Deferred Outflows of Resources	16,263,056	12,833,384	-	-	16,263,056	12,833,384
Current and Other Liabilities	17,668,520	21,088,600	12,260	9,396	17,680,780	21,097,996
Long-Term Liabilities	123,750,200	87,787,076	275,200	254,700	124,025,400	88,041,776
Total Liabilities	141,418,720	108,875,676	287,460	264,096	141,706,180	109,139,772
Deferred Inflows of Resources	477,689	29,211,498	-	-	477,689	29,211,498
Net Investment in Capital Assets	270,258,797	294,164,920	398,736	416,917	270,657,533	294,581,837
Restricted	75,383,626	85,331,078	-	-	75,383,626	85,331,078
Unrestricted	(71,709,411)	(68,208,804)	352,923	342,864	(71,356,488)	(67,865,940)
Total Net Position	<u>\$ 273,933,012</u>	<u>\$ 311,287,194</u>	<u>\$ 751,659</u>	<u>\$ 759,781</u>	<u>\$ 274,684,671</u>	<u>\$ 312,046,975</u>

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 \$17,354,769, a decrease in receivables of \$3,779,345, and an increase of depreciable assets of \$1,088,734. The total net increase in all Assets for 2021/22 was \$36,959,377.

Restricted net position of \$85,331,078 represents resources that are subject to external restrictions on how they may be used.

The total deferred outflows of resources for governmental activities were \$12,833,384 and deferred inflows of resources were \$29,211,498. 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, 2022**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

**Statement of Activities
Year Ended June 30, 2022**

	Governmental Activities		Business-Type Activities		Total Activities	
	2021	2022	2021	2022	2021	2022
REVENUES						
Program revenues:						
Charges for Services	\$ 19,528,652	\$ 21,237,663	\$ 166,131	\$ 203,911	\$ 19,694,783	\$ 21,441,574
Grants and Contributions	122,528,772	116,270,600	2,389	(4,420)	122,531,161	116,266,180
General revenues:						
Property Taxes	17,174,159	17,644,176	-	-	17,174,159	17,644,176
Other Taxes	16,368,446	15,088,341	-	-	16,368,446	15,088,341
Interest and Investment Earnings	1,786,245	(850,312)	5,767	-	1,792,012	(850,312)
Other Revenue	1,045,652	3,225,947	-	-	1,045,652	3,225,947
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total revenues	<u>178,431,926</u>	<u>172,616,415</u>	<u>174,287</u>	<u>199,491</u>	<u>178,606,213</u>	<u>172,815,906</u>
EXPENSES						
General Government	8,694,473	8,538,635	-	-	8,694,473	8,538,635
Public Protection	47,934,775	42,431,729	-	-	47,934,775	42,431,729
Public Ways and Facilities	12,073,075	11,648,785	-	-	12,073,075	11,648,785
Health and Welfare	27,895,280	25,878,611	-	-	27,895,280	25,878,611
Public Assistance	46,830,470	45,169,335	-	-	46,830,470	45,169,335
Education	1,046,541	839,208	-	-	1,046,541	839,208
Culture and recreation	342,238	424,359	-	-	342,238	424,359
Interest and Fiscal Charges	426,887	331,571	-	11,601	426,887	343,172
Sanitation District	-	-	212,651	179,768	212,651	179,768
Total Expenses	<u>145,243,739</u>	<u>135,262,233</u>	<u>212,651</u>	<u>191,369</u>	<u>145,456,390</u>	<u>135,453,602</u>
CHANGES IN NET POSITION						
	33,188,187	37,354,182	(38,364)	8,122	33,149,823	37,362,304
Net Position - Beginning of Year	224,598,176	273,933,012	790,023	751,659	225,388,199	274,684,671
Cumulative Effect of Change in Accounting Principle	16,146,649	-	-	-	16,146,649	-
NET POSITION - END OF YEAR	<u>\$ 273,933,012</u>	<u>\$ 311,287,194</u>	<u>\$ 751,659</u>	<u>\$ 759,781</u>	<u>\$ 274,684,671</u>	<u>\$ 312,046,975</u>

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 \$37,354,182 and Business-Type activities had an increase of \$8,122.
- The overall revenue decrease from 2020/21 to 2021/22 was \$5,790,307 while the decrease in expenditures was \$10,002,788. The decrease in expenses also contributed to the increase in net position.
- Charges for Services saw a significant increase largely due to revenue received for Mental Health services.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- Grants & Contributions, which includes Aid from Other Government Agencies (State & Federal, etc.) saw an increase last year due to one-time COVID funding. This year's numbers decreased absent that one-time funding. Additionally, the completion of a major bridge project reduced revenues in this area.
- There were increases in both property tax and sales & use tax. However, there was a significant drop in investment and interest earning due to current year decreases in market performance.
- Other revenues increased significantly due to cost reimbursements received in Risk Management and a PG&E settlement related to the Dixie Fire.

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, 2022, the County's governmental funds reported combined ending fund balances of \$92,375,145. This was an increase of \$16,899,900 from the prior year. Approximately 20.7% of this total amount, or \$19,144,015, constitutes unrestricted and spendable 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, 2022, combined unrestricted fund balance of the General Fund was \$19,818,964, while total combined fund balance reached \$23,440,808. Overall Fund Balance increased by \$4,790,420 as a result of increases in Property Tax, Sales & Use Tax, Collection of delinquent taxes, state reimbursements, increased franchise fees and a settlement from PG&E.

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 \$12,645,517. Of this amount, \$12,487,552 is restricted and available for public safety programs and the balance of \$157,965 is nonspendable. The overall fund balance increased by \$980,616.

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, 2022, the total combined fund balance of the Public Assistance Funds was \$19,464,105. This represents an available restricted fund balance of \$19,389,674 and an overall increase in fund balance of \$7,340,279.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

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, 2022 the combined Health Services Funds had a restricted fund balance of \$3,784,389, and nonspendable fund balance of \$11,576 for a total fund balance of \$3,795,965.

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 fund balance of \$2,101,364. The overall fund balance increased by \$2,856,494 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 2021		FY 2022		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenue Sources:						
Taxes	\$ 33,542,605	19.3%	\$ 32,732,517	18.1%	\$ (810,088)	-2.4%
Licenses and Permits	3,544,737	2.0%	4,590,774	2.5%	1,046,037	29.5%
Fines and Forfeitures	3,695,586	2.1%	3,458,709	1.9%	(236,877)	-6.4%
Use of Money and Property	1,762,023	1.0%	(798,674)	-0.4%	(2,560,697)	-145.3%
Intergovernmental	117,780,549	67.8%	124,737,677	68.9%	6,957,128	5.9%
Charges for Services	11,571,232	6.7%	13,002,813	7.2%	1,431,581	12.4%
Other	1,715,245	1.0%	3,225,947	1.8%	1,510,702	88.1%
Total Revenue Sources	<u>\$ 173,611,977</u>	<u>100.0%</u>	<u>\$ 180,949,763</u>	<u>100.0%</u>	<u>\$ 7,337,786</u>	<u>4.2%</u>

Significant changes for major revenue sources are explained below:

- **LICENSES and PERMITS** – This increase is largely due to increased construction activity and franchise fees.
- **USE of MONEY & PROPERTY** – This decrease is primarily due to the decrease in market values during the year and resulting fair value adjustments.
- **CHARGES FOR SERVICES** – There was a substantial increase in charge for services due to revenue received for Mental Health services.
- **OTHER** – The main contributing factors for this significant increase are a settlement received from PG&E due to the Dixie Fire and Cost Reimbursements received for Risk Management.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

	Expenditures by Function Governmental Funds					
	FY 2021		FY 2022		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General Government	\$ 8,110,340	5.2%	\$ 8,792,405	5.3%	\$ 682,065	8.4%
Public Protection	44,108,770	28.2%	44,891,793	27.3%	783,023	1.8%
Health and Welfare	26,301,911	16.8%	26,809,128	16.3%	507,217	1.9%
Public Assistance	45,017,312	28.7%	46,435,460	28.2%	1,418,148	3.2%
Education	849,413	0.5%	899,695	0.5%	50,282	5.9%
Recreation and Cultural Services	282,101	0.2%	224,407	0.1%	(57,694)	-20.5%
Public Ways and Facilities	28,206,878	18.0%	32,346,934	19.7%	4,140,056	14.7%
Debt Service:						
Principal	855,000	0.5%	1,353,031	0.8%	498,031	58.2%
Interest and Other	426,887	0.3%	396,798	0.2%	(30,089)	-7.0%
Capital Outlay	2,440,253	1.6%	2,349,657	1.4%	(90,596)	-3.7%
Total Expenditures by Function	<u>\$ 156,598,865</u>	<u>100.0%</u>	<u>\$ 164,499,308</u>	<u>100.0%</u>	<u>\$ 7,900,443</u>	<u>5.0%</u>

Significant changes for major functions are explained below:

- **GENERAL GOVERNMENT** – There were no extraordinary influences on the increase in General Government. Notable expenses include increases across all budget units for Workers Comp, Liability Insurance and Unfunded PERS, increased Professional Services for contracted expenses, and Maintenance of Equipment agreements.
- **RECREATION AND CULTURAL SERVICES** – The decreased expenditures in this area are mainly due to reduced contributions to the Red Bluff Community Center for their reduced operational and structure improvement expenses.
- **PUBLIC WAYS & FACILITIES** – The Road Dept wrapped up some major projects during the fiscal year, thereby reducing operational expenses.
- **DEBT SERVICES** – The increase in Debt Services is due to the implementation of GASB 87 where the lease liability of \$493,938 has been added to our Certificates of Participation principal payment.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original 2021/22 General Fund revenue budget and the final budget was \$182,818.

The expenditure budget saw an increase of \$1,547,331 from the original and final budget. The largest increases were seen in General Government, Capital Outlay and Public Protection, with changes in the amounts of \$679,961, \$680,963 and \$253,881 respectively.

At year end, actual revenues were less than budgetary estimates by \$273,372. Actual expenditures were also greater than budgetary estimates by \$3,993,026 and transfers were less than budgeted by \$7,168,116.

The net of revenue and expense for General Fund only (Fund 101), combined with fund balance available, provided carry over funds of \$20,281,787. With this surplus the county established a reserve for the Compensation Study implementation, increased Economic Uncertainty reserves, committee funds to Unfunded Liability, replenished the reserve for the Camp Tehama for lost revenue during the COVID pandemic, and filled the budget gap for the 2022/23 fiscal year.

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, 2022 amounts to \$307,773,067 (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 \$23,545,586 from prior year, largely due to Infrastructure and Construction in Progress activity 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. The infrastructure assets reported under the modified approach are not subject to depreciation per GASB Statement No. 34. As of June 30, 2022, infrastructure was recorded at \$195,308,983.

As of June 30, 2022, 43% of all paved roads were rated as fair or better, 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 4, pages 56-58 of the basic financial statements and the Required Supplementary Information on pages 90-92 of this report.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

B. Long-Term Debt

At June 30, 2022, the County had a total long-term debt outstanding of \$11,760,717. The debt consists of \$8,838,455 in Certificates of Participation (COP), net of unamortized premium, vehicle financing obligations of \$10,344, lease liabilities of \$2,657,218 and bonds payable of \$254,700.

Additional long-term liabilities include:

- Other Postemployment Employee Benefits of \$1,999,598.
- Pension Liability of \$68,450,006 (Net of Safety \$22,688,041 & Miscellaneous \$45,761,965)

More detailed information about the County's long-term liabilities and pension and OPEB liabilities are presented in Notes 7 & 8 and Notes 11 & 12 of the basic financial statements, respectively.

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal Year 2022-23 Recommended budgets supported by the General Fund remained status quo as established in the prior fiscal year Adopted Budget, including 5% reductions and position held vacant/unfunded, with no net increases beyond employee group MOUs. Departments were asked not to make requests above what available resources could cover.

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. The Recommended Budget anticipated a \$3.4 million difference between General Fund Expense and Revenue.

Recognizing that revisions were required, the Budget Ad Hoc committee Supervisors Candy Carlson and Bill Moule met multiple times with the Chief Administrator to discuss short term and long-term opportunities for reducing expenses and increasing revenues. As a result of the committee's efforts and the use of fund balance carryover, the adopted budget was balanced.

The County adopted the fiscal year 2022-2023 final appropriation budget in the total amount of \$247,587,148 with (net of operating transfers totaling \$22,169,604), and provisions for new or increased obligated fund balance (reserves) of \$7,985,123, for a total of \$255,572,271. This is a 14.5% increase over the prior year's requirements. Financing sources are comprised of fund balances available of \$19,050,868 and estimated revenues of \$236,521,403 for a total of \$255,572,271. These amounts include operating transfers for all funds of \$22,169,604.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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

The General Fund has a total requirement of \$53,415,391 including operating transfers of \$21,723,537. General Fund expense appropriations exceeded estimated revenues by \$3,449,080. Actual fund balance carryover in the General Fund of \$8,896,364 will cover this shortfall and leave a remaining carry-over balance of \$5,447,284.

In consideration of the Board's consensus to accept the Adopted Budget recommendations as outlined in the Chief Administrator's presentation to on August 30th, the remaining fund balance is dedicated as follows:

- \$544,728 to the Unfunded PERS Liability Trust (10% of excess as per Unfunded Accrued Liability Management Policy)
- \$37,232 to Camp Tehama Reserve, to restore lost revenue
- \$1,000,000 increase to reserve Committed to Economic Uncertainty
- \$3,865,324 to reserve Committed to Compensation Study. This, along with \$2,850,964 Assigned to Board Discretion, will bring the total amount Committed to the General Fund and Public Safety impacts of the implementation of the compensation study to \$6,716,288.

The General Fund reserve which is Committed for Economic Uncertainty will have a balance of \$5,821,577. This amount is 12.14% of Adopted General Fund appropriations. The County Fund Balance Policy requires a level of funding at a minimum of 8.33%.

Contingency budgets were increased. The General Fund Contingency is funded with \$1,116,092, and the Public Safety Special Contingency with \$1,273,579. This is a combined increase of \$1,385,231 over the prior fiscal year.

BASIC FINANCIAL STATEMENTS

- **Government-Wide Financial Statements**

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Investments	\$ 99,572,322	\$ 352,260	\$ 99,924,582
Cash with Fiscal Agent	2,625,995	-	2,625,995
Receivables:			
Accounts	10,290,178	-	10,290,178
Intergovernmental	11,517,238	-	11,517,238
Tax	3,324,918	-	3,324,918
Deposits with Others	193,149	-	193,149
Prepaid Costs	1,416,208	-	1,416,208
Inventory	449,333	-	449,333
Loans Receivable	50,193	-	50,193
Capital Assets:			
Nondepreciable	254,715,739	38,047	254,753,786
Depreciable, Net	49,693,977	633,570	50,327,547
Lease Assets, Net	2,691,734	-	2,691,734
Total Capital Assets	<u>307,101,450</u>	<u>671,617</u>	<u>307,773,067</u>
 Total Assets	 436,540,984	 1,023,877	 437,564,861
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Adjustments	12,624,768	-	12,624,768
Deferred OPEB Adjustments	208,616	-	208,616
Total Deferred Outflows of Resources	<u>12,833,384</u>	<u>-</u>	<u>12,833,384</u>
LIABILITIES			
Accounts Payable	5,455,121	6,145	5,461,266
Salaries and Benefits Payable	1,712,934	-	1,712,934
Due to Other Governments	267,909	-	267,909
Accrued Interest Payable	99,649	3,251	102,900
Deposits Payable	173,610	-	173,610
Other Liabilities	17,181	-	17,181
Unearned Revenue	13,362,196	-	13,362,196
Long-Term Liabilities:			
Due within One Year	6,624,924	21,500	6,646,424
Due in More Than One Year	10,712,548	233,200	10,945,748
Net Pension Liability	68,450,006	-	68,450,006
Total OPEB Liability	1,999,598	-	1,999,598
Total Liabilities	<u>108,875,676</u>	<u>264,096</u>	<u>109,139,772</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Adjustments	28,973,325	-	28,973,325
Deferred OPEB Adjustments	238,173	-	238,173
Total Deferred Inflows of Resources	<u>29,211,498</u>	<u>-</u>	<u>29,211,498</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
NET POSITION			
Net Investment in Capital Assets	\$ 294,164,920	\$ 416,917	\$ 294,581,837
Restricted for:			
General Government	4,382,040	-	4,382,040
Public Protection	28,163,842	-	28,163,842
Public Ways and Facilities	6,970,201	-	6,970,201
Health and Welfare	14,909,127	-	14,909,127
Public Assistance	20,091,287	-	20,091,287
Capital Outlay	9,405,069	-	9,405,069
Debt Service	1,409,512	-	1,409,512
Unrestricted	(68,208,804)	342,864	(67,865,940)
 Total Net Position	 <u>\$ 311,287,194</u>	 <u>\$ 759,781</u>	 <u>\$ 312,046,975</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 8,538,635	\$ 5,165,504	\$ 1,971,477	\$ 1,028,180
Public Protection	42,431,729	8,255,636	19,054,444	-
Health and Welfare	25,878,611	6,567,986	13,263,834	-
Public Assistance	45,169,335	838,467	52,307,178	-
Education	839,208	3,798	20,830	-
Culture and Recreation	424,359	-	10,984	-
Public Ways and Facilities	11,648,785	406,272	4,868,582	23,745,091
Interest on Long-Term Debt	331,571	-	-	-
Total Governmental Activities	<u>135,262,233</u>	<u>21,237,663</u>	<u>91,497,329</u>	<u>24,773,271</u>
BUSINESS-TYPE ACTIVITIES				
Tehama County Sanitation District #1	191,369	203,911	-	-
Total Business-Type Activities	<u>191,369</u>	<u>203,911</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 135,453,602</u>	<u>\$ 21,441,574</u>	<u>\$ 91,497,329</u>	<u>\$ 24,773,271</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ (373,474)	\$ -	\$ (373,474)
Public Protection	(15,121,649)	-	(15,121,649)
Health and Welfare	(6,046,791)	-	(6,046,791)
Public Assistance	7,976,310	-	7,976,310
Education	(814,580)	-	(814,580)
Culture and Recreation	(413,375)	-	(413,375)
Public Ways and Facilities	17,371,160	-	17,371,160
Interest on Long-Term Debt	(331,571)	-	(331,571)
Total Governmental Activities	<u>2,246,030</u>	-	<u>2,246,030</u>
BUSINESS-TYPE ACTIVITIES			
Tehama County Sanitation District #1	-	12,542	12,542
Total Business-Type Activities	<u>-</u>	<u>12,542</u>	<u>12,542</u>
Total	2,246,030	12,542	2,258,572
GENERAL REVENUE			
Taxes:			
Property Taxes	17,644,176	-	17,644,176
Sales and Use Taxes	5,058,237	-	5,058,237
Other Taxes	10,030,104	-	10,030,104
Interest and Investment Earnings	(850,312)	(4,420)	(854,732)
Miscellaneous	3,225,947	-	3,225,947
Total General Revenues	<u>35,108,152</u>	<u>(4,420)</u>	<u>35,103,732</u>
CHANGE IN NET POSITION	37,354,182	8,122	37,362,304
Net Position - Beginning of Year	<u>273,933,012</u>	<u>751,659</u>	<u>274,684,671</u>
NET POSITION - END OF YEAR	<u>\$ 311,287,194</u>	<u>\$ 759,781</u>	<u>\$ 312,046,975</u>

See accompanying Notes to Basic Financial Statements.

BASIC FINANCIAL STATEMENTS

- **Fund Financial Statements**

**COUNTY OF TEHAMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

ASSETS	<u>General Fund</u>	<u>Road</u>	<u>Public Safety</u>	<u>Public Assistance</u>
Cash and Investments	\$ 13,071,371	\$ 1,251,176	\$ 12,192,998	\$ 19,940,395
Cash With Fiscal Agent	-	-	188,850	-
Receivables:				
Accounts	1,543,012	2,176,950	1,047,066	1,035,365
Intergovernmental	1,124,839	788,440	544,696	55,616
Tax	3,324,918	-	-	-
Due from Other Funds	18,957,201	-	-	-
Deposits With Others	-	193,149	-	-
Advances to Other Funds	1,180,000	-	-	77,108
Prepaid Costs	91,829	-	157,965	74,431
Inventory	-	449,333	-	-
Loans Receivable	50,193	-	-	-
	<u>50,193</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 39,343,363</u>	<u>\$ 4,859,048</u>	<u>\$ 14,131,575</u>	<u>\$ 21,182,915</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	465,913	1,756,016	372,765	772,858
Salaries and Benefits Payable	352,111	134,237	497,845	344,765
Due to Other Governments	241,614	-	2,250	-
Deposits Payable	31,295	78,991	63,324	-
Other Liabilities	-	-	-	-
Unearned Revenues	12,726,134	-	178	545,571
Due to Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>13,817,067</u>	<u>1,969,244</u>	<u>936,362</u>	<u>1,663,194</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	2,085,488	788,440	549,696	55,616
FUND BALANCES				
Nonspendable	91,829	449,333	157,965	74,431
Restricted	3,530,015	1,652,031	12,487,552	19,389,674
Committed	5,294,077	-	-	-
Assigned	6,175,108	-	-	-
Unassigned	8,349,779	-	-	-
Total Fund Balances	<u>23,440,808</u>	<u>2,101,364</u>	<u>12,645,517</u>	<u>19,464,105</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 39,343,363</u>	<u>\$ 4,859,048</u>	<u>\$ 14,131,575</u>	<u>\$ 21,182,915</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Health Services	Other Governmental Funds	Totals
ASSETS			
Cash and Investments	\$ 22,005,033	\$ 27,991,789	\$ 96,452,762
Cash With Fiscal Agent	-	2,376,245	2,565,095
Receivables:			
Accounts	2,105,890	1,515,091	9,423,374
Intergovernmental	8,747,179	66,527	11,327,297
Tax	-	-	3,324,918
Due from Other Funds	-	-	18,957,201
Deposits With Others	-	-	193,149
Advances to Other Funds	-	400,000	1,657,108
Prepaid Costs	11,576	-	335,801
Inventory	-	-	449,333
Loans Receivable	-	-	50,193
	<u>\$ 32,869,678</u>	<u>\$ 32,349,652</u>	<u>\$ 144,736,231</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	1,685,101	306,095	\$ 5,358,748
Salaries and Benefits Payable	291,458	79,967	1,700,383
Due to Other Governments	3	24,042	267,909
Deposits Payable	-	-	173,610
Other Liabilities	-	17,181	17,181
Unearned Revenues	-	90,313	13,362,196
Due to Other Funds	18,349,972	494,396	18,844,368
Advances from Other Funds	-	400,000	400,000
Total Liabilities	<u>20,326,534</u>	<u>1,411,994</u>	<u>40,124,395</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	8,747,179	10,272	12,236,691
FUND BALANCES			
Nonspendable	11,576	-	785,134
Restricted	3,784,389	31,602,335	72,445,996
Committed	-	-	5,294,077
Assigned	-	-	6,175,108
Unassigned	-	(674,949)	7,674,830
Total Fund Balances	<u>3,795,965</u>	<u>30,927,386</u>	<u>92,375,145</u>
	<u>\$ 32,869,678</u>	<u>\$ 32,349,652</u>	<u>\$ 144,736,231</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,869,678</u>	<u>\$ 32,349,652</u>	<u>\$ 144,736,231</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, 2022**

Total Fund Balance - Total Governmental Funds	\$ 92,375,145
Amounts reported for governmental activities in the statement of net position are different because:	
Right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	2,691,734
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	304,409,716
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.	12,236,691
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.	12,768,042
Deferred inflows of resources related to pension are not reported in the governmental funds.	(29,054,197)
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	(11,048,946)
Capital Leases Payable	(10,344)
Compensated Absences	(4,312,574)
Leases Liability	(446,727)
Net Pension Liability	(68,104,578)
Total OPEB Liability	(1,987,655)
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.	1,870,536
Net Position of Governmental Activities	\$ 311,287,194

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, 2022

	General Fund	Road	Public Safety	Public Assistance
REVENUES				
Taxes and Assessments	\$ 25,851,934	\$ 628,603	\$ -	\$ -
Licenses and Permits	2,238,402	11,790	3,038	-
Fines and Forfeitures	3,020,783	-	114,073	-
Use of Money and Property	356,234	(31,034)	135,461	(326,725)
Intergovernmental	4,427,131	32,658,393	14,671,814	49,720,241
Charges for Services	3,041,351	363,318	1,999,003	95,386
Other Revenues	964,330	84,008	303,437	251,810
Total Revenues	<u>39,900,165</u>	<u>33,715,078</u>	<u>17,226,826</u>	<u>49,740,712</u>
EXPENDITURES				
Current:				
General Government	8,594,193	-	-	-
Public Protection	6,372,684	-	29,916,787	-
Public Ways and Facilities	-	29,913,263	-	-
Health and Welfare	982,129	-	-	-
Public Assistance	1,648,942	-	-	42,822,843
Education	899,695	-	-	-
Culture and Recreation	224,407	-	-	-
Debt Service:				
Principal	108,115	-	176,739	93,732
Interest and Other Charges	26,208	-	1,826	14,474
Capital Outlay	248,985	948,901	635,756	254,171
Total Expenditures	<u>19,105,358</u>	<u>30,862,164</u>	<u>30,731,108</u>	<u>43,185,220</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,794,807	2,852,914	(13,504,282)	6,555,492
OTHER FINANCING SOURCES (USES)				
Transfers In	-	3,580	14,484,898	784,787
Transfers Out	(16,004,387)	-	-	-
Total Other Financing Sources (Uses)	<u>(16,004,387)</u>	<u>3,580</u>	<u>14,484,898</u>	<u>784,787</u>
NET CHANGE IN FUND BALANCES	4,790,420	2,856,494	980,616	7,340,279
Fund Balances - Beginning of Year	<u>18,650,388</u>	<u>(755,130)</u>	<u>11,664,901</u>	<u>12,123,826</u>
FUND BALANCES - END OF YEAR	<u>\$ 23,440,808</u>	<u>\$ 2,101,364</u>	<u>\$ 12,645,517</u>	<u>\$ 19,464,105</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, 2022

	Health Services	Other Governmental Funds	Totals
REVENUES			
Taxes and Assessments	\$ -	\$ 6,251,980	\$ 32,732,517
Licenses and Permits	-	2,337,544	4,590,774
Fines and Forfeitures	26,394	297,459	3,458,709
Use of Money and Property	(494,605)	(438,005)	(798,674)
Intergovernmental	16,774,381	6,485,717	124,737,677
Charges for Services	4,694,174	2,809,581	13,002,813
Other Revenues	45,094	1,577,268	3,225,947
Total Revenues	<u>21,045,438</u>	<u>19,321,544</u>	<u>180,949,763</u>
EXPENDITURES			
Current:			
General Government	-	198,212	8,792,405
Public Protection	-	8,602,322	44,891,793
Public Ways and Facilities	-	2,433,671	32,346,934
Health and Welfare	25,300,083	526,916	26,809,128
Public Assistance	-	1,963,675	46,435,460
Education	-	-	899,695
Culture and Recreation	-	-	224,407
Debt Service:			
Principal	79,445	895,000	1,353,031
Interest and Other Charges	16,577	337,713	396,798
Capital Outlay	-	261,844	2,349,657
Total Expenditures	<u>25,396,105</u>	<u>15,219,353</u>	<u>164,499,308</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,350,667)	4,102,191	16,450,455
OTHER FINANCING SOURCES (USES)			
Transfers In	99,844	997,629	16,370,738
Transfers Out	(366,351)	-	(16,370,738)
Total Other Financing Sources (Uses)	<u>(266,507)</u>	<u>997,629</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(4,617,174)	5,099,820	16,450,455
Fund Balances - Beginning of Year	<u>8,413,139</u>	<u>25,827,566</u>	<u>75,924,690</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,795,965</u>	<u>\$ 30,927,386</u>	<u>\$ 92,375,145</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change to Fund Balance - Total Governmental Funds \$ 16,450,455

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	24,074,465
Less Current Year Depreciation	(3,082,717)
Less: Current Year Amortization	(459,422)

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.

(135,577)

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	1,388,937
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Some revenues reported in the statement of activities will not be collected for several months after the County's year-end and do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.

Change in Unavailable Revenues	(8,281,710)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Compensated Absences Payable	(190,661)
Change in Vehicle Financing	8,268
Amortization of Premium	29,321
Change in Net Pension Liability	7,339,461
Change in Total OPEB Liability	(169,623)

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.

382,985

Change in Net Position of Governmental Activities

\$ 37,354,182

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 352,260	\$ 3,119,560
Cash with Fiscal Agent	-	60,900
Receivables:		
Accounts	-	866,804
Prepaid Costs	-	1,080,407
Total Current Assets	352,260	5,127,671
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	38,047	-
Depreciable, Net	633,570	-
Total Noncurrent Assets	671,617	-
Total Assets	1,023,877	5,127,671
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Adjustments	-	64,096
Deferred OPEB Adjustments	-	1,246
Total Deferred Outflows of Resources	-	65,342
LIABILITIES		
Current Liabilities:		
Accounts Payable	6,145	96,373
Salaries and Benefits Payable	-	12,551
Accrued Interest Payable	3,251	-
Bonds Payable	21,500	-
Estimated Claims Liability	-	1,504,666
Total Current Liabilities	30,896	1,613,590
Noncurrent Liabilities:		
Advances from Other Funds	-	1,180,000
Bonds Payable	233,200	-
Compensated Absences	-	14,215
Net Pension Liability	-	345,428
Total OPEB Liability	-	11,943
Total Noncurrent Liabilities	233,200	1,551,586
Total Liabilities	264,096	3,165,176

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT NET POSITION
PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2022**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Adjustments	\$ -	\$ 155,879
Deferred OPEB Adjustments	-	1,422
Total Deferred Inflows of Resources	-	157,301
NET POSITION		
Net Investment in Capital Assets	416,917	-
Unrestricted	342,864	1,870,536
Total Net Position	\$ 759,781	\$ 1,870,536

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, 2022**

	<u>Business-Type Activities Nonmajor Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES		
Charges for Services	\$ 203,911	\$ 18,747,912
Other Revenues	-	887,847
Total Operating Revenues	<u>203,911</u>	<u>19,635,759</u>
OPERATING EXPENSES		
Salaries and Benefits	9,269	493,830
Services and Supplies	153,217	282,083
Insurance	10,377	13,597,544
Self-Insurance Claims	-	4,827,679
Professional Services	4,585	-
Depreciation	2,320	-
Total Operating Expenses	<u>179,768</u>	<u>19,201,136</u>
OPERATING INCOME	24,143	434,623
NONOPERATING REVENUES (EXPENSES)		
Interest Income	(4,420)	(51,638)
Interest Expense	(11,601)	-
Total Nonoperating Revenues (Expenses)	<u>(16,021)</u>	<u>(51,638)</u>
CHANGE IN NET POSITION	8,122	382,985
Net Position - Beginning of Year	<u>751,659</u>	<u>1,487,551</u>
NET POSITION - END OF YEAR	<u>\$ 759,781</u>	<u>\$ 1,870,536</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 203,911	\$ 18,769,440
Receipts from Internal Fund Services Provided	-	-
Payments to Suppliers	(170,301)	(18,673,029)
Payments to Employees	(10,012)	(501,784)
Net Cash Provided (Used) by Operating Activities	23,598	(405,373)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Capital Debt	(20,500)	-
Interest Paid on Capital Debt	(11,601)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(32,101)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	(4,420)	(51,638)
Net Cash Used by Investing Activities	(4,420)	(51,638)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,923)	(457,011)
Cash and Cash Equivalents - Beginning of Year	365,183	3,637,471
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 352,260	\$ 3,180,460

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	\$ 24,143	\$ 434,623
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,320	-
(Increase) Decrease in:		
Accounts Receivable	-	(866,486)
Prepaid Costs	-	18,188
Deferred Outflows of Resources	-	18,444
Deferred OPEB Adjustments - Deferred Outflows of Resources	-	262
Increase (Decrease) in:		
Accounts Payable	(1,799)	24,003
Salaries and Benefits Payable	(743)	808
Accrued Interest	(322)	-
Compensated Absences Payable	-	(9,407)
Estimated Claims Liability	-	33,253
Deferred Inflows of Resources	-	157,008
Net Pension Liability	-	(215,404)
Total OPEB Liability	-	(665)
Net Cash Provided (Used) by Operating Activities	\$ 23,599	\$ (405,373)

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Investment Trust Funds	Custodial Funds
ASSETS		
Cash and Investments	\$ 128,845,003	\$ 28,728,361
Receivables:		
Taxes	-	4,277,882
Total Assets	128,845,003	33,006,243
LIABILITIES		
Due to Other Funds	-	112,833
Advances from Other Funds	-	77,108
Total Liabilities	-	189,941
NET POSITION		
Net Position Held in Trust for Investment Pool		
Participants	128,845,003	-
Net Position Held for Individuals, Organization, and Other Governments	-	32,816,302
Total Net Position	\$ 128,845,003	\$ 32,816,302

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Investment Trust Funds	Custodial Funds
ADDITIONS		
Contributions to Investment Pool	\$ 503,965,880	\$ 267,363,284
Property Tax Collections	-	105,080,636
Interest	(3,073,838)	(442,517)
Total Additions	500,892,042	372,001,403
DEDUCTIONS		
Distributions from Investment Pool	461,452,861	-
Other Distributions	-	360,031,143
Total Deductions	461,452,861	360,031,143
CHANGE IN NET POSITION	39,439,181	11,970,260
Net Position - Beginning of Year	89,405,822	20,846,042
NET POSITION - END OF YEAR	\$ 128,845,003	\$ 32,816,302

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, 2022**

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:

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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Special Revenue Funds (Continued):

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 the requirements of the Governmental Accounting Standards Board.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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 three major categories: governmental, proprietary and fiduciary. The emphasis is placed on major funds within the governmental category and enterprise funds in the proprietary type; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the general fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation services.
- The Road fund is a special revenue fund used to account for revenues and expenditures associated with the public works department. Funding comes primarily from state and federal grant revenues.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The Public Safety fund is a special revenue fund used to account for revenues and expenditures associated with specific public protection programs. Funding comes primarily from state and federal grant revenues.
- The Public Assistance fund is a special revenue fund used to account for revenues and expenditures associated with the federal and state mandates of various Health and Welfare Codes. Funding comes primarily from state grant revenues.
- The Health Services fund is a special revenue fund used to account for revenues and expenditures associated with providing health care services to County residents. Funding comes primarily from state and federal grant revenues.

The County reports the following additional fund types:

- Proprietary funds account for the Health Center and the Tehama County Sanitation District.
- Internal Service funds account for the County's risk management and self-insurance programs which provide services to other departments on a cost reimbursement basis.
- 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, 2022

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 taxes are considered susceptible to accrual and are accrued when their receipt occurs within 60 days after the end of the fiscal year. 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.

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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022, 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.

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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022, 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, 2022 was \$50,193.

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.

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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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:

Depreciable Assets	Estimated Lives
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.

The County is a lessee for noncancellable leases of equipment, and structures. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

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.

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

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax (Continued)

The County of Tehama apportions secured property tax revenue in accordance with the alternate method of distribution, the Teeter Plan, as described by Sections 4701 through 4717 of the California Revenue and Taxation code. Under the Teeter Plan, the County allocates to certain local taxing agencies 100% 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 \$2,047,817 at June 30, 2022. 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.

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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Leases

Lessee

The County is a lessee for noncancellable leases of equipment, and structures. The County recognizes a lease liability and a right-to-use lease asset (lease asset) in the applicable governmental activities in the statement of net position. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. 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.

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.

Q. 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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. 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.

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 OPEB liability and is reported on the statement of net position at the government-wide and proprietary fund level.

S. 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.

T. 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. 87 – In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The County adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. See Note 8 to the basic financial statements for additional detail.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance and Net Position

The following special revenue funds had deficit fund balances:

- The transportation operations fund had a fund balance deficit of \$578,331, which is expected to be reduced in future years.
- The Tehama County flood fund had a fund balance deficit of \$96,618, which is expected to be reduced in future years.

B. 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, 2022, 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 \$128,845,003 at June 30, 2022.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

A. Financial Statement Presentation

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

Primary Government	\$ 102,550,577
Investment Trust Funds	128,845,003
Custodial Funds	<u>28,728,361</u>
Total Cash and Investments	<u><u>\$ 260,123,941</u></u>

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

Cash:	
Cash on Hand	\$ 39,416
Deposits (Less Outstanding Checks)	<u>15,151,648</u>
Total Cash in County Pool	15,191,064
Deposits With Fiscal Agents	<u>3,193,110</u>
Total Cash	18,384,174
Investments:	
In Treasurer's Pool	<u>241,739,767</u>
Total Cash and Investments	<u><u>\$ 260,123,941</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 \$15,151,648 and the bank balance was \$32,471,503. In addition, the County had cash on hand of \$39,416.

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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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:

- 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, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

At June 30, 2022, 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	\$ 41,756,927	\$ 41,756,927	\$ -	\$ -
Government Agencies	54,200,844	-	54,200,844	-
Medium-Term Notes	47,458,482	47,458,482	-	-
Asset-Backed Securities	1,540,440	1,540,440	-	-
Negotiable CD's	13,989,021	13,989,021	-	-
Total Investments Measured at Fair Value	158,945,714	<u>\$ 104,744,870</u>	<u>\$ 54,200,844</u>	<u>\$ -</u>
Investments in External Investment Pools:				
Cash Equivalents	1,832,650			
LAIF	35,961,403			
CAMP	45,000,000			
Total Investments	<u>\$ 241,739,767</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, 2022, 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%	\$ 41,756,927	3.16
Government Agencies	0.380-3.380%	54,200,844	1.94
Corporate Notes	0.350-4.200%	47,458,482	2.77
Asset-Backed Securities	0.330-3.130%	1,540,440	4.15
Negotiable CD's	0.400-3.550%	13,989,021	2.16
Cash Equivalents	Variable	1,832,650	-
LAIF	Variable	35,961,403	-
CAMP	Variable	45,000,000	-
Total Investments		<u>\$ 241,739,767</u>	<u>14.18</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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	5.8%
Corporate Notes	BAA2 - AAA	BBB - AAA	19.6%
U.S. Agency	AAA	AA+	22.4%
U.S. Treasury	AAA	AA+	17.3%
Asset Backed Security	AAA	AAA	0.6%
Cash Equivalents	N/A	N/A	0.8%
Capital Asset Management Program (CAMP)	N/A	N/A	18.6%
Local Agency Investment Fund (LAIF)	N/A	N/A	14.9%
Total			<u>100.00%</u>

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the County requires that all of its managed investments be held in safekeeping by a third-party bank trust department.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2022, that represent 5% or more of total County investments are as follows:

Investment Type	Amount Invested	Percentage of Investments
Federal Farm Credit Bank	\$ 16,089,537	7%
Federal Home Loan Bank	13,052,581	5%
Federal National Mortgage Association	15,019,468	6%
Total	<u>\$ 44,161,586</u>	<u>18%</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

D. Investment in External Investment Pool

The County of Tehama maintains an investment in the state of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company but is required to invest according to California State Code. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2022, the County's investment in LAIF valued at amortized cost was \$35,961,403 and is the same as the value of the Pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$234.5 billion. Of that amount, 98.12% is invested in nonderivative financial products and 1.88% in structured notes and asset-backed securities.

E. County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's Pool at June 30, 2022:

	Internal Participants	External Participants	Total Pool
Statement of Net Position			
Cash on Hand	\$ 39,416	\$ -	\$ 39,416
Deposits (Less Outstanding Checks)	15,151,648	-	15,151,648
Investments	118,354,201	128,845,003	247,199,204
Net Position at June 30, 2022	<u>\$ 133,545,265</u>	<u>\$ 128,845,003</u>	<u>\$ 262,390,268</u>
Statement of Changes in Net Position			
Net Position at July 1, 2021	\$ 103,735,988	\$ 89,405,822	\$ 193,141,810
Net Changes in Investments by Pool Participants	29,809,277	39,439,181	69,248,458
Net Position at June 30, 2022	<u>\$ 133,545,265</u>	<u>\$ 128,845,003</u>	<u>\$ 262,390,268</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 CAPITAL ASSETS

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

	Balance July 1, 2021	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2022
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,014,926	\$ -	\$ -	\$ -	\$ 2,014,926
Infrastructure	195,278,098	50,277	(19,392)	-	195,308,983
Construction in Progress	36,235,588	21,265,117	(179,325)	70,450	57,391,830
Total Capital Assets, Not Being Depreciated	233,528,612	21,315,394	(198,717)	70,450	254,715,739
Capital Assets, Being Depreciated:					
Buildings and Improvements	69,694,014	56,889	-	-	69,750,903
Equipment	28,882,649	2,483,753	(1,647,979)	-	29,718,423
Software	1,903,576	218,429	(22,358)	-	2,099,647
Total Capital Assets, Being Depreciated	100,480,239	2,759,071	(1,670,337)	-	101,568,973
Less Accumulated Depreciation for:					
Buildings and Improvements	(25,096,760)	(1,341,280)	-	-	(26,438,040)
Equipment	(23,694,554)	(1,741,437)	1,640,669	-	(23,795,322)
Software	(1,663,992)	-	22,358	-	(1,641,634)
Total Accumulated Depreciation	(50,455,306)	(3,082,717)	1,663,027	-	(51,874,996)
Total Capital Assets, Being Depreciated, Net	50,024,933	(323,646)	(7,310)	-	49,693,977
Right-to-Use Assets, Being Amortized:					
Structures	2,749,094	-	-	-	2,749,094
Equipment	392,741	-	-	-	392,741
Other	9,322	-	-	-	9,322
Total Right-to-Use Assets, Being Amortized	3,151,157	-	-	-	3,151,157
Less Accumulated Amortization for:					
Structures	-	(367,947)	-	-	(367,947)
Equipment	-	(87,276)	-	-	(87,276)
Other	-	(4,200)	-	-	(4,200)
Total Accumulated Amortization	-	(459,423)	-	-	(459,423)
Total Right-to-Use Assets, Being Amortized, Net	3,151,157	(459,423)	-	-	2,691,734
Governmental Activities Capital Assets, Net	<u>\$ 286,704,702</u>	<u>\$ 20,532,325</u>	<u>\$ (206,027)</u>	<u>\$ 70,450</u>	<u>\$ 307,101,450</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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	(1,064,228)		-	-	(1,064,228)
Equipment	(6,296)	(2,319)	-	-	(8,615)
Total Accumulated Depreciation	(1,070,524)	(2,319)	-	-	(1,072,843)
Total Capital Assets, Being Depreciated, Net	635,889	(2,319)	-	-	633,570
Business-Type Activities Capital Assets, Net	<u>\$ 673,936</u>	<u>\$ (2,319)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 671,617</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 263,932
Public Protection	1,213,405
Public Ways and Facilities	923,606
Health and Welfare	254,862
Public Assistance	227,252
Culture and Recreation	199,660
Governmental Activities	<u>\$ 3,082,717</u>

Amortization of Right-To-Use Assets

Amortization expense was charged to governmental activities as follows:

General Government	\$ 105,208
Public Protection	156,897
Health and Welfare	98,654
Public Assistance	98,664
Governmental Activities	<u>\$ 459,423</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation (Continued)

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

Tehama County Sanitation District #1	\$ 2,319
Total Depreciation Expense - Business-Type Activities	\$ 2,319

Construction in Progress

Construction in progress for governmental activities at June 30, 2022, 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, 2022:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 18,957,201	\$ -
Health Services	-	18,349,972
Nonmajor Governmental Funds	-	494,396
Custodial Funds	-	112,833
Total	\$ 18,957,201	\$ 18,957,201

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, 2022:

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 1,180,000	\$ -
Public Assistance	77,108	-
Nonmajor Governmental Funds	400,000	400,000
Custodial Funds	-	77,108
Internal Service Funds	-	1,180,000
Total	\$ 1,657,108	\$ 1,657,108

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 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, 2022:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 16,004,387
Road	3,580	-
Public Safety	14,484,898	-
Public Assistance	784,787	-
Health Services	99,844	366,351
Nonmajor Governmental Funds	997,629	-
Total	<u>\$ 16,370,738</u>	<u>\$ 16,370,738</u>

NOTE 6 UNEARNED REVENUE

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

	<u>Unearned</u>
General Fund:	
American Rescue Plan Act Funding	
Received in Advance	\$ 12,641,804
Other Revenues Received But Not Earned	84,330
Public Safety:	
Other Revenues Received But Not Earned	178
Public Assistance:	
Social Services Revenues Received But Not Earned	545,571
Nonmajor Governmental Funds:	
Child Support Revenues Received But Not Earned	66,527
Senior Nutrition Revenues Received But Not Earned	23,786
Total	<u>\$ 13,362,196</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM LIABILITIES

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

Type of Indebtedness	Restated Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities:					
Certificates of Participation	\$ 9,235,000	\$ -	\$ (895,000)	8,340,000	\$ 935,000
Unamortized Premium	527,776	-	(29,321)	498,455	-
Certificates of Participation, Net	9,762,776	-	(924,321)	8,838,455	935,000
Lease Liability	3,151,156	-	(493,938)	2,657,218	446,727
Vehicle Financing	18,612	-	(8,268)	10,344	8,818
Claims Liability	1,471,413	4,827,679	(4,794,426)	1,504,666	1,504,666
Compensated Absences	4,145,534	3,320,280	(3,139,025)	4,326,789	3,729,713
Total Governmental Activities	<u>\$ 18,549,491</u>	<u>\$ 8,147,959</u>	<u>\$ (9,359,978)</u>	<u>\$ 17,337,472</u>	<u>\$ 6,624,924</u>
Business-Type Activities:					
Bonds	<u>\$ 275,200</u>	<u>\$ -</u>	<u>\$ (20,500)</u>	<u>254,700</u>	<u>\$ 21,500</u>
Total Business-Type Activities	<u>\$ 275,200</u>	<u>\$ -</u>	<u>\$ (20,500)</u>	<u>\$ 254,700</u>	<u>\$ 21,500</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 vehicle financing is liquidated by payments made by the departments using 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, 2022**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

All debt is direct borrowing. Individual issues of debt payable outstanding at June 30, 2022, 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 instalments 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

	\$ 8,340,000
	8,340,000
	\$ 8,340,000

Business-Type Activities

Bonds:

1997 Sanitation District #1 Bonds, issued November 13, 1996, in the amount of \$824,465, payable in annual instalments 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

	\$ 254,700
	254,700
	\$ 254,700

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 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.

Governmental Activities

<u>Year Ending June 30,</u>	Certificates of Participation		
	Principal	Interest	Total
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	680,000	188,313	868,313
2028-2032	1,665,000	736,244	2,401,244
2033-2037	1,915,000	392,181	2,307,181
2038-2040	885,000	37,931	922,931
Total	<u>\$ 8,340,000</u>	<u>\$ 2,358,331</u>	<u>\$ 10,698,331</u>

Business-Type Activities

<u>Year Ending June 30,</u>	Bonds		
	Principal	Interest	Total
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	26,000	7,155	33,155
2028-2032	130,700	17,055	147,755
2033	5,000	338	5,338
Total	<u>\$ 254,700</u>	<u>\$ 64,148</u>	<u>\$ 318,848</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LEASES

Leases Payable

The County leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2033 and thereafter.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2023	\$ 446,727	\$ 45,728
2024	437,053	40,295
2025	338,847	35,648
2026	133,899	31,738
2027	129,542	29,305
2028-2032	471,223	112,290
2033 and Thereafter	699,927	222,125
Total Minimum Lease Payments	\$ 2,657,218	\$ 517,129

NOTE 9 NET POSITION

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

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

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balance for the governmental funds is made up of the following:

- **Nonspendable fund balance** – Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** – Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.
- **Committed fund balance** – Amounts that can only be used for the specific purposes determined by formal action of the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the County that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** – Amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be established by the Board of Supervisors or official or body to whom the Board has delegated its authority.
- **Unassigned fund balance** – The residual classification for the County’s general fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 FUND BALANCES (CONTINUED)

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

	General Fund	Road	Public Safety	Public Assistance	Health Services	Other Governmental Funds	Totals
Nonspendable							
Prepaid Costs	\$ 91,829	\$ -	\$ 157,965	\$ 74,431	\$ 11,576	\$ -	\$ 335,801
Inventory	-	449,333	-	-	-	-	449,333
Subtotal	91,829	449,333	157,965	74,431	11,576	-	785,134
Restricted:							
Purpose of Fund	-	1,652,031	12,487,552	19,389,674	3,784,389	-	37,313,646
Local Innovation	447,594	-	-	-	-	-	447,594
Recorder Modernization	785,064	-	-	-	-	-	785,064
Safe Drinking Water	263,214	-	-	-	-	-	263,214
Underground Storage	99,673	-	-	-	-	-	99,673
Vital Health and Stats	144,269	-	-	-	-	-	144,269
Fish and Game	-	-	-	-	-	122,855	122,855
Fire	-	-	-	-	-	12,584,293	12,584,293
Child Support	-	-	-	-	-	175,100	175,100
Building and Safety	-	-	-	-	-	1,812,250	1,812,250
Senior Nutrition	-	-	-	-	-	92,732	92,732
Transportation Operations	-	-	-	-	-	-	-
Air Pollution	-	-	-	-	-	1,859,059	1,859,059
Los Molinos Lighting	-	-	-	-	-	105,150	105,150
Tehama County Flood	-	-	-	-	-	1,360,924	1,360,924
Tehama Power Authority	-	-	-	-	-	5,736	5,736
AB 923	-	-	-	-	-	693,789	693,789
Small Claim Fees	-	-	-	-	-	18,603	18,603
Community Block Grant	-	-	-	-	-	7,824	7,824
Impact Fees	-	-	-	-	-	1,949,439	1,949,439
Capital Projects	-	-	-	-	-	9,405,069	9,405,069
Debt Service	-	-	-	-	-	1,409,512	1,409,512
Other Restrictions	1,790,201	-	-	-	-	-	1,790,201
Subtotal	3,530,015	1,652,031	12,487,552	19,389,674	3,784,389	31,602,335	72,445,996
Committed:							
Economic Uncertainty	4,821,577	-	-	-	-	-	4,821,577
Unfunded Liability	400,000	-	-	-	-	-	400,000
Uniform Allowance	72,500	-	-	-	-	-	72,500
Subtotal	5,294,077	-	-	-	-	-	5,294,077
Assigned:							
Capital Projects	1,263,998	-	-	-	-	-	1,263,998
Other	4,911,110	-	-	-	-	-	4,911,110
Subtotal	6,175,108	-	-	-	-	-	6,175,108
Unassigned	8,349,779	-	-	-	-	(674,949)	7,674,830
Total	\$ 23,440,808	\$ 2,101,364	\$ 12,645,517	\$ 19,464,105	\$ 3,795,965	\$ 30,927,386	\$ 92,375,145

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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 FUND BALANCES (CONTINUED)

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 11 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.

Summary of Rate of Tiers and Eligible Participants

Open for New Enrollment:

Miscellaneous PEPRA

Safety PEPRA

Miscellaneous Members Hired on
or After January 1, 2013
Safety Employees Hired on or
After January 1, 2013

Closed to New Enrollment:

Miscellaneous

Safety

Miscellaneous Employees Hired
Before January 1, 2013
Safety Employees Hired Before
January 1, 2013

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN (CONTINUED)

A. General Information About the Pension Plan (Continued)

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, 2022, 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%

Employees Covered

At June 30, 2022, 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	274	1434	665
Safety	126	220	77

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN (CONTINUED)

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.

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

*The County pays 100% 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, 2021, using annual actuarial valuations as of June 30, 2020 rolled forward to June 30, 2021 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, 2022**

NOTE 11 PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
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, 2022**

NOTE 11 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>
Public 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, 2022**

NOTE 11 PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability

As of June 30, 2022, 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, 2021	\$ 257,067,563	\$ 183,033,699	\$ 74,033,864
Changes in the Year:			
Service Cost	4,998,466	-	4,998,466
Interest on the Total Pension Liability	17,947,297	-	17,947,297
Differences Between Expected and Actual Experience	(287,633)	-	(287,633)
Contributions - Employer	-	7,715,978	(7,715,978)
Contributions - Employee	-	2,040,349	(2,040,349)
Net Investment Income	-	41,035,669	(41,035,669)
Benefit Payments, Including Refunds of Employee Contributions	(14,313,216)	(14,313,216)	-
Administrative Expenses	-	(182,049)	182,049
Change in Allocation	(1,111,419)	(791,337)	(320,082)
Net Changes	<u>7,233,495</u>	<u>35,505,394</u>	<u>(28,271,899)</u>
Balances at June 30, 2022	<u>\$ 264,301,058</u>	<u>\$ 218,539,093</u>	<u>\$ 45,761,965</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 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, 2021	\$ 100,087,398	\$ 66,409,000	\$ 33,678,398
Changes in the Year:			
Service Cost	2,180,451	-	2,180,451
Interest on the Total Pension Liability	7,000,457	-	7,000,457
Differences Between Expected and Actual Experience	(818,891)	-	(818,891)
Contributions - Employer	-	3,572,786	(3,572,786)
Contributions - Employee	-	754,724	(754,724)
Net Investment Income	-	15,091,203	(15,091,203)
Benefit Payments, Including Refunds of Employee Contributions	(4,900,482)	(4,900,482)	-
Administrative Expenses	-	(66,339)	66,339
Other Miscellaneous Income (Expense)	-	-	-
Net Changes	<u>3,461,535</u>	<u>14,451,892</u>	<u>(10,990,357)</u>
Balances at June 30, 2022	<u>\$ 103,548,933</u>	<u>\$ 80,860,892</u>	<u>\$ 22,688,041</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:

	6.15%	7.15%	8.15%
Miscellaneous	\$ 83,559,833	\$ 45,761,965	\$ 20,418,111
Safety	36,608,791	22,688,041	11,233,757

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, 2022**

NOTE 11 PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2022, the County recognized pension expense of \$11,535,819. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Miscellaneous Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to the Measurement Date	\$ 8,302,357	\$ -
Changes of Assumptions	-	-
Difference Between Expected and Actual Experience	189,032	191,755
Difference Between Projected and Actual Earnings on Plan Investments	-	20,458,923
Total	<u>\$ 8,491,389</u>	<u>\$ 20,650,678</u>
<u>Safety Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to the Measurement Date	\$ 3,901,567	\$ -
Changes of Assumptions	30,410	-
Difference Between Expected and Actual Experience	201,402	781,471
Difference Between Projected and Actual Earnings on Plan Investments	-	7,541,176
Total	<u>\$ 4,133,379</u>	<u>\$ 8,322,647</u>

Deferred outflows of resources related to contributions subsequent to the measurement date reported as \$12,203,924, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2022	\$ (5,094,314)	\$ (2,063,541)	\$ (7,157,855)
2023	(4,830,672)	(1,970,863)	(6,801,535)
2024	(4,898,573)	(1,982,220)	(6,880,793)
2025	(5,638,087)	(2,074,211)	(7,712,298)
Thereafter	-	-	-
Total	<u>\$ (20,461,646)</u>	<u>\$ (8,090,835)</u>	<u>\$ (28,552,481)</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 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 July 1, 2020, the most recent valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	22
Active Employees	650
Total	<u>672</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Total OPEB Liability

The County's total OPEB liability of \$1,999,598, was measured as of June 30, 2022, and was determined by the actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 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	3.69%
Salary Increase	3.00%
Inflation Rate	2.75%
Healthcare Cost Trend Rate	5.00%, trending down to 4.00% over 57 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>	<u>Fidelity GO AA 20 Years Municipal Index</u>	<u>Discount Rate</u>
June 30, 2021	June 30, 2021	1.92%	1.92%
June 30, 2022	June 30, 2022	3.69%	3.69%

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 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, 2021	\$ 2,111,016
Changes for the Year:	
Service Cost	220,270
Interest	43,810
Changes of Assumptions	(275,978)
Differences Between Expected and Actual Experience	-
Contributions - Employer	-
Benefit Payments	(99,520)
Total Net Changes	(111,418)
Balances at Fiscal Year	
Ending June 30, 2022	\$ 1,999,598

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 2.69%	Current Rate 3.69%	1% Increase 4.69%
Total OPEB Liability	\$ 2,150,765	\$ 1,999,598	\$ 1,860,742

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	\$ 1,771,740	\$ 1,999,598	\$ 2,266,937

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$270,162. At June 30, 2022, 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	\$ 42,950	\$ -
Change of Assumptions	165,666	238,173
Total	\$ 208,616	\$ 238,173

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

Fiscal Year Ending June 30,	Amount
2023	\$ 6,082
2024	6,082
2025	6,082
2026	1,641
2027	(12,390)
Thereafter	(37,054)
Total	\$ (29,557)

NOTE 13 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, 2022, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2022, was as follows:

General Liability	\$ 1,394,000
Dental Insurance	97,362
Vision Insurance	13,304
Total	\$ 1,504,666

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 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 \$1,394,000 reported in the funds at June 30, 2022, is based on the requirements of GASB 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, 2021 and 2022, 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, 2021	\$ 1,444,497	\$ 4,025,883	\$ 3,998,967	\$ 1,471,413
June 30, 2022	1,471,413	4,827,679	4,794,426	1,504,666

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 14 OTHER INFORMATION

A. Commitments and Contingencies

The County had active construction projects as of June 30, 2022. The estimated costs to be incurred for these projects is \$7,790,156.

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, 2022**

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)
Change in Allocation	-	-	-	-
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)
Change in Allocation	-	-	-	-
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 eight 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, 2022**

Measurement Date	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Miscellaneous				
Total Pension Liability:				
Service Cost	\$ 5,260,697	\$ 5,377,346	\$ 5,061,793	\$ 4,998,466
Interest	16,955,993	17,963,362	17,451,893	17,947,297
Change in Assumptions	(1,282,339)	-	-	-
Difference Between Expected and Actual Experience	199,923	4,774,560	569,560	(287,633)
Benefit Payments, Including Refunds of Employee Contributions	(12,447,391)	(13,473,581)	(13,995,288)	(14,313,216)
Change in Allocation	-	-	(17,171,487)	(1,111,419)
NET CHANGE IN TOTAL PENSION LIABILITY	8,686,883	14,641,687	(8,083,529)	7,233,495
Pension Liability - Beginning of Year	<u>241,822,522</u>	<u>250,509,405</u>	<u>265,151,092</u>	<u>257,067,563</u>
PENSION LIABILITY - END OF YEAR (a)	<u>\$ 250,509,405</u>	<u>\$ 265,151,092</u>	<u>\$ 257,067,563</u>	<u>\$ 264,301,058</u>
Miscellaneous				
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 5,951,937	\$ 6,794,734	\$ 7,235,620	\$ 7,715,978
Contributions - Employee	2,233,073	2,278,146	2,177,073	2,040,349
Net Investment Income	14,676,525	12,077,725	8,891,000	41,035,669
Benefit Payments, Including Refunds of Employee Contributions	(12,447,391)	(13,473,581)	(13,995,288)	(14,313,216)
Plan to Plan Resource Movement	(427)	-	-	-
Administrative Expense	(271,448)	(131,181)	(252,314)	(182,049)
Change in Allocation	-	-	(12,394,135)	(791,337)
Other Miscellaneous Expense	(515,485)	427	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	9,626,784	7,546,270	(8,338,044)	35,505,394
Plan Fiduciary Net Position - Beginning of Year	<u>174,197,959</u>	<u>183,824,743</u>	<u>191,371,743</u>	<u>183,033,699</u>
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	<u>\$ 183,824,743</u>	<u>\$ 191,371,013</u>	<u>\$ 183,033,699</u>	<u>\$ 218,539,093</u>
NET PENSION LIABILITY - END OF YEAR (a)-(b)	<u>\$ 66,684,662</u>	<u>\$ 73,780,079</u>	<u>\$ 74,033,864</u>	<u>\$ 45,761,965</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.38%	72.17%	71.20%	82.69%
Covered Payroll	\$ 33,123,640	\$ 33,849,590	\$ 34,385,642	\$ 34,431,014
Net Pension Liability as a Percentage of Covered Payroll	201.32%	217.96%	230.21%	133.08%

**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, 2022**

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 eight 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, 2022**

Measurement Date	2017/2018	2018/2019	2019/2020	2020/2021
Safety				
Total Pension Liability:				
Service Cost	\$ 2,391,084	\$ 2,386,413	\$ 2,339,472	\$ 2,180,451
Interest	6,077,081	6,448,526	6,754,357	7,000,457
Change in Assumptions	233,130	-	-	-
Difference Between Expected and Actual Experience	(790,006)	704,907	(150,066)	(818,891)
Benefit Payments, Including Refunds of Employee Contributions	<u>(3,789,702)</u>	<u>(4,161,674)</u>	<u>(4,606,445)</u>	<u>(4,900,482)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	4,121,587	5,378,172	4,337,318	3,461,535
Pension Liability - Beginning of Year	<u>86,250,321</u>	<u>90,371,908</u>	<u>95,750,080</u>	<u>100,087,398</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>	<u><u>\$ 103,548,933</u></u>
Safety				
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 2,654,860	\$ 2,938,957	\$ 3,334,489	\$ 3,572,786
Contributions - Employee	857,150	856,346	804,525	754,724
Net Investment Income	4,746,231	3,987,999	3,209,699	15,091,203
Benefit Payments, Including Refunds of Employee Contributions	(3,789,702)	(4,161,674)	(4,606,445)	(4,900,482)
Plan to Plan Resource Movement	(139)	-	-	-
Administrative Expense	(87,205)	(42,944)	(89,881)	(66,339)
Other Miscellaneous Expense	<u>(165,603)</u>	<u>139</u>	<u>-</u>	<u>-</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	4,215,592	3,578,823	2,652,387	14,451,892
Plan Fiduciary Net Position - Beginning of Year	<u>55,962,198</u>	<u>60,177,790</u>	<u>63,756,613</u>	<u>66,409,000</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>	<u><u>\$ 80,860,892</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>	<u><u>\$ 22,688,041</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.59%	66.59%	66.35%	78.09%
Covered Payroll	\$ 8,736,149	\$ 8,640,163	\$ 8,510,267	\$ 7,954,947
Net Pension Liability as a Percentage of Covered Payroll	345.62%	370.29%	395.74%	215.63%

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2022**

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 eight years are shown.

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2022**

Fiscal Year	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
Miscellaneous				
Contractually Required Contributions (Actuarially Determined)	\$ 6,794,734	\$ 7,736,447	\$ 7,892,743	\$ 8,302,357
Contributions in Relation to the Actuarially Determined Contributions	<u>(6,794,734)</u>	<u>(7,736,447)</u>	<u>(7,892,743)</u>	<u>(8,645,951)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (343,594)</u>
 Covered Payroll	 \$ 33,849,590	 \$ 34,385,642	 \$ 34,431,014	 \$ 35,119,634
 Contributions as a Percentage of Covered Payroll	 20.07%	 22.50%	 22.92%	 23.64%
Safety				
Contractually Required Contributions (Actuarially Determined)	\$ 2,938,957	\$ 3,334,698	\$ 3,562,962	\$ 3,901,567
Contributions in Relation to the Actuarially Determined Contributions	<u>(2,938,957)</u>	<u>(3,334,698)</u>	<u>(3,562,962)</u>	<u>(3,868,138)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,429</u>
 Covered Payroll	 \$ 8,640,163	 \$ 8,510,267	 \$ 7,954,947	 \$ 8,114,046
 Contributions as a Percentage of Covered Payroll	 34.02%	 39.18%	 44.79%	 48.08%

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
NOTES TO COUNTY PENSION PLAN
JUNE 30, 2022**

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, 2021 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, 2020, 2021 or 2022. 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, 2022**

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>
Total OPEB Liability					
Service Cost	\$ 169,470	\$ 174,553	\$ 184,538	\$ 199,232	\$ 220,270
Interest	38,623	44,944	52,088	49,714	43,810
Actual and Expected Experience Difference	-	-	-	58,568	(275,978)
Change of Assumptions	-	54,759	87,320	122,842	-
Benefit Payments	(43,991)	(22,812)	(49,758)	(97,817)	(99,520)
NET CHANGE IN TOTAL OPEB LIABILITY	164,102	251,444	274,188	332,539	(111,418)
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>	<u>2,111,016</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>	<u><u>\$ 1,999,598</u></u>
Covered Employee Payroll	\$ 42,612,781	\$ 43,122,849	\$ 41,868,737	\$ 41,946,344	\$ 40,857,753
Total OPEB Liability as a Percentage of Covered Employee Payroll	2.94%	3.49%	4.25%	5.03%	4.89%

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

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY OPEB PLAN
NOTE TO COUNTY OPEB PLAN
YEAR ENDED JUNE 30, 2022**

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

Change of Assumptions

The discount rate was changed from 1.92% as of the June 30, 2021 measurement date to 3.69% as of the June 30, 2022 measurement date. 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 and June 30, 2021 measurement date.

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH
YEAR ENDED JUNE 30, 2022**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

The assessed conditions report for the fiscal year ending June 30, 2022, was completed on February 20, 2023.

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. The results of the past three cycles are as follows:

	<u>2015</u>	<u>2018</u>	<u>2021</u>
Roads	86.92%	42.90%	59.00%
Bridges	91.24%	89.32%	91.90%
Signs	84.69%	93.74%	94.88%

As of June 30, 2022, the condition of the County's paved maintained road system was rated Fair or better for 50% of Arterial and Collector roads and 40% of Local roads, a combined 43% for all paved roads. 100% of the County's 260 miles of unpaved roads are currently rated in Fair condition.

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)
YEAR ENDED JUNE 30, 2022**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)

A. Roads (Continued)

The County also maintains records of 0.96 miles of unconstructed/unrated right of way. At June 30, 2022, the recorded number of miles maintained by the County is 1,088.23.

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

B. Bridges

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

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

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

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)
YEAR ENDED JUNE 30, 2022**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)

C. Signs

The County of Tehama manages its maintained traffic sign system using the StreetSaver Sign Management Program. The state and federal Manual of Uniform Traffic Control Devices (MUTCD) identifies sign reflectivity requirements as a crucial rating factor and has established standards for Minimum 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.

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.

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)
YEAR ENDED JUNE 30, 2022**

D. Cost of Maintenance

The estimated annual cost to maintain 50% of the roads and 75% of the bridges in Fair or better condition and signs in a Pass condition rating is \$12.8 million for the 2021/2022 fiscal year. The average annual expenditures for each of the last five years was \$8.5 million. In addition, the County expended approximately \$12 million and \$20 million in fiscal year's 2021 and 2022, respectively, for construction of the Jelly's Ferry Bridge which is capitalized in the government-wide financial statements because the old bridge had no comparable service capacity since it was one-lane and couldn't accommodate fire or other trucks. The remaining 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>Actual</u>	<u>Estimate</u>
2021/2022	\$ 9,834,864	\$ 12,800,000
2020/2021	10,530,766	12,800,000
2019/2020	9,241,791	12,200,000
2018/2019	6,065,498	12,000,000
2017/2018	7,013,918	9,400,000
Total	<u>\$ 42,686,837</u>	<u>\$ 59,200,000</u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 25,814,003	\$ 25,831,503	\$ 25,851,934	\$ 20,431
Licenses and Permits	1,778,435	1,778,435	2,238,402	459,967
Fines and Forfeits	2,203,751	2,203,751	3,020,783	817,032
Use of Money and Property	590,001	590,001	356,234	(233,767)
Intergovernmental	4,288,524	4,377,564	4,427,131	49,567
Charges for Services	4,871,685	4,886,452	3,041,351	(1,845,101)
Other Revenues	444,320	505,830	964,330	458,500
Total Revenues	<u>39,990,719</u>	<u>40,173,537</u>	<u>39,900,165</u>	<u>(273,372)</u>
EXPENDITURES				
Current:				
General Government	9,992,515	10,672,476	8,594,193	2,078,283
Public Protection	7,153,515	7,407,396	6,372,684	1,034,712
Health and Welfare	1,075,382	1,075,382	982,129	93,253
Public Assistance	1,892,822	1,813,946	1,648,942	165,004
Education	967,670	985,998	899,695	86,303
Culture and Recreation	359,049	352,123	224,407	127,716
Debt Service:				
Principal	-	-	108,115	(108,115)
Interest and Other Charges	50,000	50,000	26,208	23,792
Capital Outlay	100	681,063	248,985	432,078
Total Expenditures	<u>21,491,053</u>	<u>23,038,384</u>	<u>19,105,358</u>	<u>3,933,026</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,499,666	17,135,152	20,794,807	3,659,655
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(20,061,787)</u>	<u>(23,172,503)</u>	<u>(16,004,387)</u>	<u>7,168,116</u>
Total Other Financing Sources (Uses)	<u>(20,061,787)</u>	<u>(23,172,503)</u>	<u>(16,004,387)</u>	<u>7,168,116</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,562,121)</u>	<u>\$ (6,037,351)</u>	4,790,420	<u>\$ 10,827,771</u>
Fund Balances - Beginning of Year			<u>18,650,388</u>	
FUND BALANCES - END OF YEAR			<u>\$ 23,440,808</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 550,000	\$ 550,000	\$ 628,603	\$ 78,603
Licenses and Permits	12,000	12,000	11,790	(210)
Use of Money and Property	(5,000)	(5,000)	(31,034)	(26,034)
Intergovernmental	26,828,790	26,828,790	32,658,393	5,829,603
Charges for Services	519,000	519,000	363,318	(155,682)
Other Revenues	40,000	40,000	84,008	44,008
Total Revenues	<u>27,944,790</u>	<u>27,944,790</u>	<u>33,715,078</u>	<u>5,770,288</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	31,426,798	30,420,516	29,913,263	507,253
Capital Outlay	-	1,048,060	948,901	99,159
Total Expenditures	<u>31,426,798</u>	<u>31,468,576</u>	<u>30,862,164</u>	<u>606,412</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,482,008)	(3,523,786)	2,852,914	6,376,700
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	<u>\$ (3,478,428)</u>	<u>\$ (3,520,206)</u>	2,856,494	<u>\$ 6,376,700</u>
Fund Balances - Beginning of Year			<u>(755,130)</u>	
FUND BALANCES - END OF YEAR			<u>\$ 2,101,364</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY- MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	\$ 2,650	\$ 2,660	\$ 3,038	\$ 378
Fines and Forfeitures	18,500	18,500	114,073	95,573
Use of Money and Property	-	-	135,461	135,461
Intergovernmental	12,515,037	13,249,907	14,671,814	1,421,907
Charges for Services	2,229,624	2,325,405	1,999,003	(326,402)
Other Revenues	50,175	178,673	303,437	124,764
Total Revenues	<u>14,815,986</u>	<u>15,775,145</u>	<u>17,226,826</u>	<u>1,451,681</u>
EXPENDITURES				
Current:				
Public Protection	32,941,413	34,178,760	29,916,787	4,261,973
Debt Service:				
Principal	-	-	176,739	(176,739)
Interest and Other Charges	-	-	1,826	(1,826)
Capital Outlay	-	641,390	635,756	5,634
Total Expenditures	<u>32,941,413</u>	<u>34,820,150</u>	<u>30,731,108</u>	<u>4,089,042</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,125,427)	(19,045,005)	(13,504,282)	5,540,723
OTHER FINANCING SOURCES (USES)				
Transfers In	18,815,238	18,263,178	14,484,898	(3,778,280)
Total Other Financing Sources (Uses)	<u>18,815,238</u>	<u>18,263,178</u>	<u>14,484,898</u>	<u>(3,778,280)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 689,811</u>	<u>\$ (781,827)</u>	980,616	\$ 1,762,443
Fund Balances - Beginning of Year			<u>11,664,901</u>	
FUND BALANCES - END OF YEAR			<u>\$ 12,645,517</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC ASSISTANCE – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ 23,079	\$ 23,079	\$ (326,725)	\$ (349,804)
Intergovernmental	46,865,713	46,865,713	49,720,241	2,854,528
Charges for Services	160,560	160,560	95,386	(65,174)
Other Revenues	244,474	244,474	251,810	7,336
Total Revenues	<u>47,293,826</u>	<u>47,293,826</u>	<u>49,740,712</u>	<u>2,446,886</u>
EXPENDITURES				
Current:				
Public Assistance	47,883,390	48,050,662	42,822,843	5,227,819
Debt Service:				
Principal	-	-	93,732	(93,732)
Interest and Other Charges	-	-	14,474	(14,474)
Capital Outlay	-	271,595	254,171	17,424
Total Expenditures	<u>47,883,390</u>	<u>48,322,257</u>	<u>43,185,220</u>	<u>5,137,037</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(589,564)	(1,028,431)	6,555,492	7,583,923
OTHER FINANCING SOURCES (USES)				
Transfers In	1,056,859	1,056,859	784,787	(272,072)
Total Other Financing Sources (Uses)	<u>1,056,859</u>	<u>1,056,859</u>	<u>784,787</u>	<u>(272,072)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 467,295</u>	<u>\$ 28,428</u>	7,340,279	<u>\$ 7,311,851</u>
Fund Balances - Beginning of Year			<u>12,123,826</u>	
FUND BALANCES - END OF YEAR			<u>\$ 19,464,105</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HEALTH SERVICES – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	26,394	26,394
Use of Money and Property	-	-	(494,605)	(494,605)
Intergovernmental	23,683,701	23,696,104	16,774,381	(6,921,723)
Charges for Services	10,339,651	10,339,651	4,694,174	(5,645,477)
Other Revenues	27,990	27,990	45,094	17,104
Total Revenues	<u>34,051,342</u>	<u>34,063,745</u>	<u>21,045,438</u>	<u>(13,018,307)</u>
EXPENDITURES				
Current:				
Health and Welfare	31,949,976	33,425,284	25,300,083	8,125,201
Debt Service:				
Principal	-	-	79,445	(79,445)
Interest and Other Charges	-	-	16,577	(16,577)
Capital Outlay	-	127,000	-	127,000
Total Expenditures	<u>31,949,976</u>	<u>33,552,284</u>	<u>25,396,105</u>	<u>8,156,179</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,101,366	511,461	(4,350,667)	(4,862,128)
OTHER FINANCING SOURCES (USES)				
Transfers In	126,487	126,487	99,844	(26,643)
Transfers Out	<u>(252,434)</u>	<u>(407,530)</u>	<u>(366,351)</u>	<u>41,179</u>
Total Other Financing Sources (Uses)	<u>(125,947)</u>	<u>(281,043)</u>	<u>(266,507)</u>	<u>14,536</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,975,419</u>	<u>\$ 230,418</u>	(4,617,174)	<u>\$ (4,847,592)</u>
Fund Balances - Beginning of Year			<u>8,413,139</u>	
FUND BALANCES - END OF YEAR			<u>\$ 3,795,965</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2022**

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, 2022**

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, 2022**

	Special Revenue				
	Fish and Game	Fire	Child Support	Building and Safety	Senior Nutrition
ASSETS					
Cash and Investments	\$ 122,855	\$ 11,446,458	\$ 211,482	\$ 1,863,787	\$ -
Cash with Fiscal Agent	-	-	-	-	-
Receivables:					
Accounts	-	1,178,110	-	13,702	219,556
Intergovernmental	-	-	66,527	-	-
Advances to Other Funds	-	-	-	-	-
Total Assets	<u>\$ 122,855</u>	<u>\$ 12,624,568</u>	<u>\$ 278,009</u>	<u>\$ 1,877,489</u>	<u>\$ 219,556</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 31,968	\$ 872	\$ 3,703	\$ 2,741
Salaries and Benefits Payable	-	8,307	35,510	16,516	3,618
Due to Other Governments	-	-	-	24,042	-
Other Liabilities	-	-	-	17,181	-
Unearned Revenues	-	-	66,527	-	23,786
Due to Other Funds	-	-	-	-	90,641
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>40,275</u>	<u>102,909</u>	<u>61,442</u>	<u>120,786</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	-	3,797	6,038
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,797</u>	<u>6,038</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	122,855	12,584,293	175,100	1,812,250	92,732
Unassigned	-	-	-	-	-
Total Fund Balances	<u>122,855</u>	<u>12,584,293</u>	<u>175,100</u>	<u>1,812,250</u>	<u>92,732</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 122,855</u>	<u>\$ 12,624,568</u>	<u>\$ 278,009</u>	<u>\$ 1,877,489</u>	<u>\$ 219,556</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue				
	Transportation Operations	Air Pollution	Los Molinos Lighting	Tehama County Flood Control	Tehama County Flood Zone 3
ASSETS					
Cash and Investments	\$ -	\$ 1,850,615	\$ 105,886	\$ 308,411	\$ 960,924
Cash with Fiscal Agent	-	-	-	-	-
Receivables:					
Accounts	37,674	44,965	-	-	-
Intergovernmental	-	-	-	-	-
Advances to Other Funds	-	-	-	-	400,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
Total Assets	<u>\$ 37,674</u>	<u>\$ 1,895,580</u>	<u>\$ 105,886</u>	<u>\$ 308,411</u>	<u>\$ 1,360,924</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 211,813	\$ 26,205	\$ 736	\$ 1,520	\$ -
Salaries and Benefits Payable	-	10,316	-	3,509	-
Due to Other Governments	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Due to Other Funds	403,755	-	-	-	-
Advances from Other Funds	-	-	-	400,000	-
Total Liabilities	<u>615,568</u>	<u>36,521</u>	<u>736</u>	<u>405,029</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	437	-	-	-	-
Total Deferred Inflows of Resources	<u>437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	1,859,059	105,150	-	1,360,924
Unassigned	(578,331)	-	-	(96,618)	-
Total Fund Balances	<u>(578,331)</u>	<u>1,859,059</u>	<u>105,150</u>	<u>(96,618)</u>	<u>1,360,924</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 37,674</u>	<u>\$ 1,895,580</u>	<u>\$ 105,886</u>	<u>\$ 308,411</u>	<u>\$ 1,360,924</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue				
	Tehama Power Authority	AB 923	Small Claim Fees	Community Block Grant	Impact Fees
ASSETS					
Cash and Investments	\$ 5,736	\$ 672,866	\$ 18,603	\$ 7,824	\$ 1,949,439
Cash with Fiscal Agent	-	-	-	-	-
Receivables:					
Accounts	-	20,923	-	-	-
Intergovernmental	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,736</u>	<u>\$ 693,789</u>	<u>\$ 18,603</u>	<u>\$ 7,824</u>	<u>\$ 1,949,439</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	5,736	693,789	18,603	7,824	1,949,439
Unassigned	-	-	-	-	-
Total Fund Balances	<u>5,736</u>	<u>693,789</u>	<u>18,603</u>	<u>7,824</u>	<u>1,949,439</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,736</u>	<u>\$ 693,789</u>	<u>\$ 18,603</u>	<u>\$ 7,824</u>	<u>\$ 1,949,439</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2022**

	Capital Projects Fund	Debt Service Fund	Totals
ASSETS			
Cash and Investments	\$ 8,153,518	\$ 313,385	\$ 27,991,789
Cash with Fiscal Agent	1,280,118	1,096,127	2,376,245
Receivables:			
Accounts	161	-	1,515,091
Intergovernmental	-	-	66,527
Advances to Other Funds	-	-	400,000
	<u>\$ 9,433,797</u>	<u>\$ 1,409,512</u>	<u>\$ 32,349,652</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 26,537	\$ -	\$ 306,095
Salaries and Benefits Payable	2,191	-	79,967
Due to Other Governments	-	-	24,042
Other Liabilities	-	-	17,181
Unearned Revenues	-	-	90,313
Due to Other Funds	-	-	494,396
Advances from Other Funds	-	-	400,000
Total Liabilities	28,728	-	1,411,994
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	-	-	10,272
Total Deferred Inflows of Resources	-	-	10,272
FUND BALANCES			
Nonspendable	-	-	-
Restricted	9,405,069	1,409,512	31,602,335
Unassigned	-	-	(674,949)
Total Fund Balances	<u>9,405,069</u>	<u>1,409,512</u>	<u>30,927,386</u>
	<u>\$ 9,433,797</u>	<u>\$ 1,409,512</u>	<u>\$ 32,349,652</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,433,797</u>	<u>\$ 1,409,512</u>	<u>\$ 32,349,652</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022**

	Special Revenue				
	Fish and Game	Fire	Child Support	Building and Safety	Senior Nutrition
REVENUES					
Taxes and Assessments	\$ -	\$ 4,260,475	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	1,435,088	-
Fines and Forfeits	2,182	-	-	42,260	-
Use of Money and Property	(1,453)	(274,719)	(1,649)	(29,057)	282
Intergovernmental	-	133,161	1,961,379	-	562,593
Charges for Services	-	2,020,594	-	140,869	29,850
Other Revenues	-	1,533,894	15	40	39,159
Total Revenues	<u>729</u>	<u>7,673,405</u>	<u>1,959,745</u>	<u>1,589,200</u>	<u>631,884</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Protection	14,957	4,783,737	-	972,653	-
Public Ways and Facilities	-	-	-	-	-
Health and Welfare	-	-	-	-	487,909
Public Assistance	-	-	1,963,675	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	542	-	-	-	-
Total Expenditures	<u>15,499</u>	<u>4,783,737</u>	<u>1,963,675</u>	<u>972,653</u>	<u>487,909</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(14,770)	2,889,668	(3,930)	616,547	143,975
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	35,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
NET CHANGE IN FUND BALANCES	(14,770)	2,889,668	(3,930)	616,547	178,975
Fund Balances - Beginning of Year	<u>137,625</u>	<u>9,694,625</u>	<u>179,030</u>	<u>1,195,703</u>	<u>(86,243)</u>
FUND BALANCES - END OF YEAR	<u>\$ 122,855</u>	<u>\$ 12,584,293</u>	<u>\$ 175,100</u>	<u>\$ 1,812,250</u>	<u>\$ 92,732</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue				
	Transportation Operations	Air Pollution	Los Molinos Lighting	Tehama County Flood Control	Tehama County Flood Zone 3
REVENUES					
Taxes and Assessments	\$ 1,658,419	\$ -	\$ 16,203	\$ 187,445	\$ 127,593
Licenses and Permits	-	772,292	-	-	-
Fines and Forfeits	-	15,250	-	-	-
Use of Money and Property	-	(23,490)	(1,411)	(6,846)	(14,149)
Intergovernmental	281,908	642,523	200	1,290,505	503,490
Charges for Services	1,005	-	-	-	-
Other Revenues	3,923	237	-	-	-
Total Revenues	<u>1,945,255</u>	<u>1,406,812</u>	<u>14,992</u>	<u>1,471,104</u>	<u>616,934</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Protection	-	1,394,567	10,725	1,229,281	196,402
Public Ways and Facilities	2,433,671	-	-	-	-
Health and Welfare	-	-	-	-	-
Public Assistance	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	220	-
Total Expenditures	<u>2,433,671</u>	<u>1,394,567</u>	<u>10,725</u>	<u>1,229,501</u>	<u>196,402</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(488,416)	12,245	4,267	241,603	420,532
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	(488,416)	12,245	4,267	241,603	420,532
Fund Balances - Beginning of Year	<u>(89,915)</u>	<u>1,846,814</u>	<u>100,883</u>	<u>(338,221)</u>	<u>940,392</u>
FUND BALANCES - END OF YEAR	<u>\$ (578,331)</u>	<u>\$ 1,859,059</u>	<u>\$ 105,150</u>	<u>\$ (96,618)</u>	<u>\$ 1,360,924</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Special Revenue				
	Tehama Power Authority	AB 923	Small Claim Fees	Community Block Grant	Impact Fees
REVENUES					
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	130,164	-	-	-
Fines and Forfeits	-	-	-	-	-
Use of Money and Property	(74)	(9,005)	(240)	29	(29,611)
Intergovernmental	-	-	-	80,418	-
Charges for Services	-	-	-	-	617,263
Other Revenues	-	-	-	-	-
Total Revenues	(74)	121,159	(240)	80,447	587,652
EXPENDITURES					
Current:					
General Government	-	-	-	100,822	-
Public Protection	-	-	-	-	-
Public Ways and Facilities	-	-	-	-	-
Health and Welfare	-	39,007	-	-	-
Public Assistance	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	39,007	-	100,822	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(74)	82,152	(240)	(20,375)	587,652
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(74)	82,152	(240)	(20,375)	587,652
Fund Balances - Beginning of Year	5,810	611,637	18,843	28,199	1,361,787
FUND BALANCES - END OF YEAR	<u>\$ 5,736</u>	<u>\$ 693,789</u>	<u>\$ 18,603</u>	<u>\$ 7,824</u>	<u>\$ 1,949,439</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Capital Projects Fund	Debt Service Fund	Totals
REVENUES			
Taxes and Assessments	\$ 1,845	\$ -	\$ 6,251,980
Licenses and Permits	-	-	2,337,544
Fines and Forfeits	30,159	207,608	297,459
Use of Money and Property	(105,875)	59,263	(438,005)
Intergovernmental	1,029,540	-	6,485,717
Charges for Services	-	-	2,809,581
Other Revenues	-	-	1,577,268
Total Revenues	<u>955,669</u>	<u>266,871</u>	<u>19,321,544</u>
EXPENDITURES			
Current:			
General Government	95,198	2,192	198,212
Public Protection	-	-	8,602,322
Public Ways and Facilities	-	-	2,433,671
Health and Welfare	-	-	526,916
Public Assistance	-	-	1,963,675
Debt Service:			
Principal	-	895,000	895,000
Interest and Other Charges	-	337,713	337,713
Capital Outlay	261,082	-	261,844
Total Expenditures	<u>356,280</u>	<u>1,234,905</u>	<u>15,219,353</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	599,389	(968,034)	4,102,191
OTHER FINANCING SOURCES (USES)			
Transfers In	-	962,629	997,629
Total Other Financing Sources (Uses)	<u>-</u>	<u>962,629</u>	<u>997,629</u>
NET CHANGE IN FUND BALANCES	599,389	(5,405)	5,099,820
Fund Balances - Beginning of Year	<u>8,805,680</u>	<u>1,414,917</u>	<u>25,827,566</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 9,405,069</u></u>	<u><u>\$ 1,409,512</u></u>	<u><u>\$ 30,927,386</u></u>

NONMAJOR PROPRIETARY FUNDS

- **Enterprise Funds**

**COUNTY OF TEHAMA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2022**

	Health Center	Tehama County Sanitation District #1	Totals
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,286	\$ 350,974	\$ 352,260
Total Current Assets	1,286	350,974	352,260
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	-	38,047	38,047
Depreciable, Net	-	633,570	633,570
Total Noncurrent Assets	-	671,617	671,617
Total Assets	1,286	1,022,591	1,023,877
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	6,145	6,145
Salaries and Benefits Payable	-	-	-
Accrued Interest Payable	-	3,251	3,251
Bonds Payable	-	21,500	21,500
Total Current Liabilities	-	30,896	30,896
Noncurrent Liabilities			
Bonds Payable	-	233,200	233,200
Total Noncurrent Liabilities	-	233,200	233,200
Total Liabilities	-	264,096	264,096
NET POSITION			
Net Investment in Capital Assets	-	416,917	416,917
Unrestricted	1,286	341,578	342,864
Total Net Position	\$ 1,286	\$ 758,495	\$ 759,781

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2022

	Health Center	Tehama County Sanitation District #1	Totals
OPERATING REVENUES			
Charges for Services	\$ -	\$ 203,911	\$ 203,911
Total Operating Revenues	<u>-</u>	<u>203,911</u>	<u>203,911</u>
OPERATING EXPENSES			
Salaries and Benefits	-	9,269	9,269
Services and Supplies	-	153,217	153,217
Professional Services	-	4,585	4,585
Insurance	-	10,377	10,377
Depreciation	-	2,320	2,320
Total Operating Expenses	<u>-</u>	<u>179,768</u>	<u>179,768</u>
OPERATING INCOME	-	24,143	24,143
NONOPERATING REVENUE (EXPENSES)			
Intergovernmental Revenue	-	-	-
Interest Income	(17)	(4,403)	(4,420)
Interest Expense	-	(11,601)	(11,601)
Total Nonoperating Revenue (Expenses)	<u>(17)</u>	<u>(16,004)</u>	<u>(16,021)</u>
CHANGE IN NET POSITION	(17)	8,139	8,122
Net Position - Beginning of Year	<u>1,303</u>	<u>750,356</u>	<u>751,659</u>
NET POSITION - END OF YEAR	<u>\$ 1,286</u>	<u>\$ 758,495</u>	<u>\$ 759,781</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2022**

	Health Center	Tehama County Sanitation District #1	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ -	\$ 203,911	\$ 203,911
Payments to Suppliers	-	(170,301)	(170,301)
Payments to Employees	-	(10,012)	(10,012)
Net Cash Provided by Operating Activities	-	23,598	23,598
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	-	(20,500)	(20,500)
Interest Paid on Capital Debt	-	(11,601)	(11,601)
Net Cash Used by Capital and Related Financing Activities	-	(32,101)	(32,101)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	(17)	(4,403)	(4,420)
Net Cash Flows Used by Investing Activities	(17)	(4,403)	(4,420)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17)	(12,906)	(12,923)
Cash and Cash Equivalents - Beginning of Year	1,303	363,880	365,183
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,286</u>	<u>\$ 350,974</u>	<u>\$ 352,260</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2022**

	Health Center	Tehama County Sanitation District #1	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ -	\$ 24,143	\$ 24,143
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	-	2,320	2,320
Increase (Decrease) in:			
Accounts Payable	-	(1,799)	(1,799)
Salaries and Benefits Payable	-	(743)	(743)
Accrued Interest	-	(322)	(322)
Net Cash Provided by Operating Activities	\$ -	\$ 23,599	\$ 23,599

INTERNAL SERVICE FUNDS

**COUNTY OF TEHAMA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022**

	<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	\$ 2,272,445	\$ 432,888	\$ 359,975	\$ 54,252	\$ 3,119,560
Cash With Fiscal Agent	-	60,900	-	-	60,900
Accounts Receivable	866,804	-	-	-	866,804
Prepaid Costs	-	1,695	1,078,386	326	1,080,407
Total Current Assets	<u>3,139,249</u>	<u>495,483</u>	<u>1,438,361</u>	<u>54,578</u>	<u>5,127,671</u>
Noncurrent Assets:					
Capital Assets:					
Depreciable, Net	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	3,139,249	495,483	1,438,361	54,578	5,127,671
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Adjustments	64,096	-	-	-	64,096
Deferred OPEB Adjustments	1,246	-	-	-	1,246
Total Deferred Outflows of Resources	<u>65,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,342</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	38,395	52,440	-	5,538	96,373
Accrued Payroll and Benefits	12,551	-	-	-	12,551
Due to Other Funds	-	-	-	-	-
Compensated Absences	-	-	-	-	-
Estimated Claims Liability	1,394,000	97,362	-	13,304	1,504,666
Total Current Liabilities	<u>1,444,946</u>	<u>149,802</u>	<u>-</u>	<u>18,842</u>	<u>1,613,590</u>
Noncurrent Liabilities:					
Advances From Other Funds	-	-	1,180,000	-	1,180,000
Compensated Absences	14,215	-	-	-	14,215
Net Pension Liability	345,428	-	-	-	345,428
Total OPEB Liability	11,943	-	-	-	11,943
Total Noncurrent Liabilities	<u>371,586</u>	<u>-</u>	<u>1,180,000</u>	<u>-</u>	<u>1,551,586</u>
Total Liabilities	1,816,532	149,802	1,180,000	18,842	3,165,176
DEFERRED INFLOWS OF RESOURCES					
Deferred OPEB Adjustments	1,422	-	-	-	1,422
Deferred Pension Adjustments	155,879	-	-	-	155,879
Total Deferred Inflows of Resources	<u>157,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,301</u>
NET POSITION					
Net Investment in Capital Assets	-	-	-	-	-
Unrestricted	1,230,758	345,681	258,361	35,736	1,870,536
Total Net Position	<u>\$ 1,230,758</u>	<u>\$ 345,681</u>	<u>\$ 258,361</u>	<u>\$ 35,736</u>	<u>\$ 1,870,536</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Totals
OPERATING REVENUES					
Charges for Services	\$ 5,074,385	\$ 590,171	\$ 12,980,034	\$ 103,322	\$ 18,747,912
Other Revenues	887,847	-	-	-	887,847
Total Operating Revenues	<u>5,962,232</u>	<u>590,171</u>	<u>12,980,034</u>	<u>103,322</u>	<u>19,635,759</u>
OPERATING EXPENSES					
Salaries and Benefits	493,830	-	-	-	493,830
Services and Supplies	213,639	54,261	4,093	10,090	282,083
Insurance	3,606	584,173	12,929,938	79,827	13,597,544
Self-Insurance Claims	4,827,679	-	-	-	4,827,679
Depreciation	-	-	-	-	-
Total Operating Expenses	<u>5,538,754</u>	<u>638,434</u>	<u>12,934,031</u>	<u>89,917</u>	<u>19,201,136</u>
OPERATING INCOME (LOSS)	423,478	(48,263)	46,003	13,405	434,623
NONOPERATING REVENUE (EXPENSES)					
Interest Income	(37,590)	(4,775)	(8,588)	(685)	(51,638)
Operating Grants	-	-	-	-	-
Total Nonoperating Revenue (Expenses)	<u>(37,590)</u>	<u>(4,775)</u>	<u>(8,588)</u>	<u>(685)</u>	<u>(51,638)</u>
CHANGE IN NET POSITION	385,888	(53,038)	37,415	12,720	382,985
Net Position - Beginning of Year	<u>844,870</u>	<u>398,719</u>	<u>220,946</u>	<u>23,016</u>	<u>1,487,551</u>
NET POSITION - END OF YEAR	<u>\$ 1,230,758</u>	<u>\$ 345,681</u>	<u>\$ 258,361</u>	<u>\$ 35,736</u>	<u>\$ 1,870,536</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 5,095,428	\$ 590,171	\$ 12,980,519	\$ 103,322	\$ 18,769,440
Payments to Suppliers	(5,018,176)	(646,557)	(12,915,745)	(92,551)	(18,673,029)
Payments to Employees	(501,784)	-	-	-	(501,784)
Net Cash Provided (Used) by Operating Activities	(424,532)	(56,386)	64,774	10,771	(405,373)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants	-	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends	(37,590)	(4,775)	(8,588)	(685)	(51,638)
Net Cash Flows Provided by Investing Activities	(37,590)	(4,775)	(8,588)	(685)	(51,638)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(462,122)	(61,161)	56,186	10,086	(457,011)
Cash and Cash Equivalents - Beginning of Year	2,734,567	554,949.00	303,789	44,166	3,637,471
CASH AND CASH EQUIVALENTS - END OF YEAR					
	<u>\$ 2,272,445</u>	<u>\$ 493,788</u>	<u>\$ 359,975</u>	<u>\$ 54,252</u>	<u>\$ 3,180,460</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 423,478	\$ (48,263)	\$ 46,003	\$ 13,405	\$ 434,623
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	-	-	-	-
(Increase) Decrease in:					
Accounts Receivable	(866,804)	(167)	485	-	(866,486)
Prepaid Costs	-	-	18,286	(98)	18,188
Deferred Pension Adjustments - Deferred Outflows of Resources	18,444	-	-	-	18,444
Deferred OPEB Adjustments - Deferred Outflows of Resources	262	-	-	-	262
Increase (Decrease) in:					
Accounts Payable	26,748	(2,198)	-	(547)	24,003
Salaries and Benefits Payable	808	-	-	-	808
Deposits with Others	-	-	-	-	-
Compensated Absences Payable	(9,407)	-	-	-	(9,407)
Estimated Claims Liability	41,000	(5,758)	-	(1,989)	33,253
Deferred Inflows of Resources	157,008	-	-	-	157,008
Net Pension Liability	(215,404)	-	-	-	(215,404)
Total OPEB Liability	(665)	-	-	-	(665)
Net Cash Provided (Used) by Operating Activities	<u>\$ (424,532)</u>	<u>\$ (56,386)</u>	<u>\$ 64,774</u>	<u>\$ 10,771</u>	<u>\$ (405,373)</u>

FIDUCIARY FUNDS

**COUNTY OF TEHAMA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 JUNE 30, 2022**

	<u>Special Districts Governed by Local Boards</u>	<u>School Districts</u>	<u>Totals</u>
ASSETS			
Cash and Investments	<u>\$ 6,981,098</u>	<u>\$ 121,863,905</u>	<u>\$ 128,845,003</u>
Total Assets	<u><u>\$ 6,981,098</u></u>	<u><u>\$ 121,863,905</u></u>	<u><u>\$ 128,845,003</u></u>
NET POSITION			
Net Position Held in Trust for Pool Participants	<u>\$ 6,981,098</u>	<u>\$ 121,863,905</u>	<u>\$ 128,845,003</u>
Total Net Position	<u><u>\$ 6,981,098</u></u>	<u><u>\$ 121,863,905</u></u>	<u><u>\$ 128,845,003</u></u>

**COUNTY OF TEHAMA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 YEAR ENDED JUNE 30, 2022**

	Special Districts Governed by Local Boards	School Districts	Totals
ADDITIONS			
Contributions to Investment Pool	\$ 15,226,994	\$ 488,738,886	\$ 503,965,880
Investment Earnings	(166,547)	(2,907,291)	(3,073,838)
Total Additions	<u>15,060,447</u>	<u>485,831,595</u>	<u>500,892,042</u>
DEDUCTIONS			
Distributions from Investment Pool	<u>13,572,977</u>	<u>447,879,884</u>	<u>461,452,861</u>
Total Deductions	<u>13,572,977</u>	<u>447,879,884</u>	<u>461,452,861</u>
CHANGE IN NET POSITION	1,487,470	37,951,711	39,439,181
Net Position - Beginning of Year	<u>5,493,628</u>	<u>83,912,194</u>	<u>89,405,822</u>
NET POSITION - END OF YEAR	<u>\$ 6,981,098</u>	<u>\$ 121,863,905</u>	<u>\$ 128,845,003</u>



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