

**COUNTY OF TEHAMA,
CALIFORNIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2023



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INTRODUCTORY SECTION

- **List of Officials**

**COUNTY OF TEHAMA
LIST OF OFFICIALS
YEAR ENDED JUNE 30, 2023**

ELECTED OFFICIALS

Supervisor, District 1	Bill Moule
Supervisor, District 2	Candy Carlson
Supervisor, District 3	Pati Nolen
Supervisor, District 4	Matt Hansen
Supervisor, District 5	John Leach
Assessor	Ken Brown
Auditor-Controller	Krista Peterson
Clerk & Recorder/Clerk of the Board/Elections	Jennifer A. Vise
District Attorney	Matthew D. Rogers
Sheriff/Coroner	Dave Kain
Treasurer/Tax Collector	Parker R. Hunt

DEPARTMENT DIRECTORS/ADMINISTRATORS

Chief Administrator	Gabriel Hydrick
Agricultural Commissioner – Sealer Weights & Measures	Doni Rulofson
Air Pollution Control Officer	Joseph H. Tona
Building Official – Interim	Eduardo Griego
Chief Probation Officer – Interim	Greg Ulloa
Child Support Services Director	Tonya Moore
Civil Defense Coordinator	Dave Kain
County Library Manager	Alicia Meyer
County Counsel – Interim	Margaret Long
Court Executive Officer – Jury Commissioner	Kevin Harrigan
Director of Environmental Health	Tia Branton
Director of Planning	Scot Timboe
Director of Public Works – Road Commissioner	James Simon
Farm Advisor/County Director	Josh Davy
Fire Warden – Chief	Bob Farias
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-Donaldson
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, 2023, 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, 2023, 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

Prior Period Adjustments

As disclosed in Note 15 to the financial statements, the County's beginning fund balance and net position were restated for the correction of errors in prior year financial statements. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2022, the County adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The guidance requires entities to recognize a right-to-use subscription asset and corresponding SBITA liability for all SBITAs with 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 schedules for the General Fund, Road Fund, Public Safety Fund, Public Assistance Fund and Health Services Fund 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

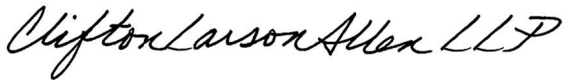
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, 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 27, 2024, 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.



CliftonLarsonAllen LLP

Roseville, California
March 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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, 2023. 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 \$346,547,391 (net position). Of this amount, \$91,456,123 is restricted by function for external requirements, \$314,132,910 is net investment in capital assets, and (\$59,041,642) is unrestricted.
- The government's total net position increased by \$33,972,520 during the year.
- As of June 30, 2023, the County's governmental funds combined ending fund balances were \$98,821,329. This is a net increase of \$5,879,068 from the prior year and is comprised of \$73,208,872 in Nonspendable and/or Restricted fund balance and \$25,612,457 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, 2023**

II. OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

B. Government-Wide Financial Statements (Continued)

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

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

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, 2023**

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 2022/23 Financial Statements was conducted by the firm CliftonLarsonAllen LLP.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Condensed Statement of Net Position
June 30, 2023**

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Current and Other Assets	\$ 129,439,534	\$ 143,006,243	\$ 352,260	\$ 395,942	\$ 129,791,794	\$ 143,402,185
Capital Assets	307,101,450	324,097,387	671,617	590,857	307,773,067	324,688,244
Total Assets	<u>436,540,984</u>	<u>467,103,630</u>	<u>1,023,877</u>	<u>986,799</u>	<u>437,564,861</u>	<u>468,090,429</u>
Deferred Outflows of Resources	12,833,384	33,310,987	-	-	12,833,384	33,310,987
Current and Other Liabilities	21,088,600	18,639,149	9,396	13,317	21,097,996	18,652,466
Long-Term Liabilities	87,787,076	129,990,356	254,700	233,200	88,041,776	130,223,556
Total Liabilities	<u>108,875,676</u>	<u>148,629,505</u>	<u>264,096</u>	<u>246,517</u>	<u>109,139,772</u>	<u>148,876,022</u>
Deferred Inflows of Resources	29,211,498	5,978,003	-	-	29,211,498	5,978,003
Net Investment in Capital Assets	294,164,920	313,775,253	416,917	357,657	294,581,837	314,132,910
Restricted	85,331,078	91,456,123	-	-	85,331,078	91,456,123
Unrestricted	(68,208,804)	(59,424,267)	342,864	382,625	(67,865,940)	(59,041,642)
Total Net Position	<u>\$ 311,287,194</u>	<u>\$ 345,807,109</u>	<u>\$ 759,781</u>	<u>\$ 740,282</u>	<u>\$ 312,046,975</u>	<u>\$ 346,547,391</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 \$3,350,768, an increase in receivables of \$6,626,963, and an increase of depreciable assets of \$16,915,177. The total net increase in all Assets for 2022/23 was \$30,525,568.

Restricted net position of \$91,456,123 represents resources that are subject to external restrictions on how they may be used.

The total deferred outflows of resources for governmental activities were \$33,310,987 and deferred inflows of resources were \$5,978,003. 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, 2023**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

**Statement of Activities
Year Ended June 30, 2023**

	Governmental Activities		Business-Type Activities		Total Activities	
	2022	2023	2022	2023	2022	2023
REVENUES						
Program Revenues:						
Charges for Services	\$ 21,237,663	\$ 21,985,212	\$ 203,911	\$ 208,026	\$ 21,441,574	\$ 22,193,238
Grants and Contributions	116,270,600	127,996,157	(4,420)	3,142	116,266,180	127,999,299
General Revenues:						
Property Taxes	17,644,176	19,159,649	-	-	17,644,176	19,159,649
Other Taxes	15,088,341	16,227,508	-	-	15,088,341	16,227,508
Interest and Investment Earnings	(850,312)	2,629,496	-	-	(850,312)	2,629,496
Other Revenue	3,225,947	1,993,630	-	45	3,225,947	1,993,675
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Revenues	<u>172,616,415</u>	<u>189,991,652</u>	<u>199,491</u>	<u>211,213</u>	<u>172,815,906</u>	<u>190,202,865</u>
EXPENSES						
General Government	8,538,635	11,829,550	-	-	8,538,635	11,829,550
Public Protection	42,431,729	50,112,018	-	-	42,431,729	50,112,018
Public Ways and Facilities	11,648,785	11,958,709	-	-	11,648,785	11,958,709
Health and Welfare	25,878,611	28,494,414	-	-	25,878,611	28,494,414
Public Assistance	45,169,335	51,527,346	-	-	45,169,335	51,527,346
Education	839,208	1,079,195	-	-	839,208	1,079,195
Culture and Recreation	424,359	492,862	-	-	424,359	492,862
Interest and Fiscal Charges	331,571	544,759	11,601	10,640	343,172	555,399
Sanitation District	-	-	179,768	180,852	179,768	180,852
Total Expenses	<u>135,262,233</u>	<u>156,038,853</u>	<u>191,369</u>	<u>191,492</u>	<u>135,453,602</u>	<u>156,230,345</u>
CHANGES IN NET POSITION						
	37,354,182	33,952,799	8,122	19,721	37,362,304	33,972,520
Net Position - Beginning of Year	273,933,012	311,287,194	751,659	759,781	274,684,671	312,046,975
Prior Period Adjustment	-	567,116	-	(39,220)	-	527,896
NET POSITION - END OF YEAR						
	<u>\$ 311,287,194</u>	<u>\$ 345,807,109</u>	<u>\$ 759,781</u>	<u>\$ 740,282</u>	<u>\$ 312,046,975</u>	<u>\$ 346,547,391</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 \$34,519,915 and Business-Type activities had a decrease of \$19,499.

The overall revenue increase from 2021/22 to 2022/23 was \$17,359,760 while the increase in expenditures was \$20,749,544.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- Grants & Contributions, which includes Aid from Other Government Agencies (State & Federal, etc.) saw an increase overall of nearly \$12 million. There were significant increases in Public Assistance, State Mental Health & Other State Health reimbursements, Public Safety Augmentation and Realignment dollars used. These increases were offset in a decrease in Road funding due to completion of projects in the prior year.
- There were increases in both property tax and sales & use tax. There was a significant increase in investment and interest earnings due to current year increases in market performance.
- Other revenues decreased significantly due to cost reimbursements received in the prior year in Risk Management and a PG&E settlement related to the Dixie Fire received in the prior year.

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, 2023, the County's governmental funds reported combined ending fund balances of \$98,821,329. This was an increase of \$5,879,068 from the prior year. Approximately 25.92% of this total amount, or \$25,612,457, 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, 2023, combined unrestricted fund balance of the General Fund was \$27,841,249, while total combined fund balance reached \$32,120,485. Overall Fund Balance increased by \$8,112,561 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 \$12,402,702. Of this amount, \$12,207,769 is restricted and available for public safety programs and the balance of \$194,933 is nonspendable. The overall fund balance decreased by \$242,815.

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, 2023, the total combined fund balance of the Public Assistance Funds was \$20,375,844. This represents an available restricted fund balance of \$20,202,687 and an overall increase in fund balance of \$911,739.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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, 2023 the combined Health Services Funds had a restricted fund balance of \$2,792,295, and nonspendable fund balance of \$3,890 for a total fund balance of \$2,796,185.

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 deficit fund balance of \$(43,996). The overall fund balance decreased by \$2,145,360 due largely to substantial project expense reimbursements for claims submitted in 2021/22 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 2022		FY 2023		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Revenue Sources:						
Taxes	\$ 32,732,517	18.1%	\$ 35,387,157	19.4%	\$ 2,654,640	8.1%
Licenses and Permits	4,590,774	2.5%	5,073,364	2.8%	482,590	10.5%
Fines and Forfeitures	3,458,709	1.9%	2,712,767	1.5%	(745,942)	-21.6%
Use of Money and Property	(798,674)	-0.4%	2,583,401	1.4%	3,382,075	-423.5%
Intergovernmental	124,737,677	68.9%	121,144,550	66.3%	(3,593,127)	-2.9%
Charges for Services	13,002,813	7.2%	13,912,245	7.6%	909,432	7.0%
Other	3,225,947	1.8%	1,993,630	1.1%	(1,232,317)	-38.2%
Total Revenue Sources	<u>\$ 180,949,763</u>	<u>100.0%</u>	<u>\$ 182,807,114</u>	<u>100.0%</u>	<u>\$ 1,857,351</u>	<u>1.0%</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.
- **FINES AND FORFEITURES** – This significant decrease is due to the sale of two properties with delinquent taxes in which all back taxes were paid and adjustments to the Tax Loss Reserve.
- **USE of MONEY & PROPERTY** – This increase is primarily due to the increase in market values during the year and resulting fair value adjustments.
- **OTHER** – The main contributing factors for this significant decrease are due to a prior year 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, 2023**

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

	Expenditures by Function Governmental Funds					
	FY 2022		FY 2023		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General Government	\$ 8,792,405	5.3%	\$ 11,414,493	6.4%	\$ 2,622,088	29.8%
Public Protection	44,891,793	27.3%	50,349,522	28.4%	5,457,729	12.2%
Health and Welfare	26,809,128	16.3%	28,476,620	16.1%	1,667,492	6.2%
Public Assistance	46,435,460	28.2%	51,466,029	29.1%	5,030,569	10.8%
Education	899,695	0.5%	948,219	0.5%	48,524	5.4%
Recreation and Cultural Services	224,407	0.1%	428,461	0.2%	204,054	90.9%
Public Ways and Facilities	32,346,934	19.7%	20,073,815	11.3%	(12,273,119)	-37.9%
Debt Service:						
Principal	1,353,031	0.8%	1,533,624	0.9%	180,593	13.3%
Interest and Other	396,798	0.2%	582,895	0.3%	186,097	46.9%
Capital Outlay	2,349,657	1.4%	11,756,538	6.6%	9,406,881	400.4%
Total Expenditures by Function	<u>\$ 164,499,308</u>	<u>100.0%</u>	<u>\$ 177,030,216</u>	<u>100.0%</u>	<u>\$ 12,530,908</u>	<u>7.6%</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.
- **PUBLIC PROTECTION** – This increase is due to salary & benefits, PERS contributions, remodel of the Sheriff's office building and parking lot, and internal assets and fixed asset purchases for the Jail and Sheriff.
- **RECREATION AND CULTURAL SERVICES** – The significant increase in expenses in this area are mainly due to increased contributions to the City of Red Bluff for the Red Bluff Community Center and increased utility costs.
- **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 establishment of new debt for Aircon - Energy Efficiency project and an upfront loan to North Valley Community Foundation for water distribution.
-

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original 2022/23 General Fund revenue budget and the final budget was \$4,344,076.

The expenditure budget saw an increase of \$4,004,942 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 \$3,197,651, \$426,788, and \$397,720 respectively.

At year-end, actual revenues exceeded budgetary estimates by \$1,318,327. Actual expenditures were less than budgetary estimates by \$4,750,439 and transfers were less than budgeted by \$6,090,283.

The net of revenue and expense for General Fund only (Fund 101), combined with fund balance available, provided carry over funds of \$24,007,924. 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 2023/24 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, 2023 amounts to \$324,688,244 (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 \$16,915,177 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, 2023, infrastructure was recorded at \$195,378,433.

As of June 30, 2023, 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 57-59 of the basic financial statements and the Required Supplementary Information on pages 93-95 of this report.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

B. Long-Term Debt

At June 30, 2023, the County had a total long-term debt outstanding of \$10,322,134. The debt consists of \$7,874,134 in Certificates of Participation (COP), net of unamortized premium, vehicle financing obligations of \$1,527, lease liabilities of \$2,231,600, SBITA liabilities of \$214,873 and bonds payable of \$233,200.

Additional long-term liabilities include:

- Other Postemployment Employee Benefits of \$612,869.
- Pension Liability of \$111,983,674 (Net of Safety \$33,420,795 & Miscellaneous \$78,562,879)

More detailed information about the County's long-term liabilities and pension and OPEB liabilities are presented in Notes 7 & 8 and Notes 12 & 13 of the basic financial statements, respectively.

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Fiscal Year 2023-24 Recommended budgets supported by the General Fund remained status quo as established in the prior fiscal year Adopted Budget, including 5% reductions in Services and Supplies applied in 2016/17 along with overall 5% reductions taken in 2019/20 and positions held vacant/unfunded, with no net increases beyond employee group MOUs. Departments were asked to refrain from making the request above what available resources could cover.

The budget ad hoc members, Supervisor Candy Carlson and John Leach, worked diligently with departments and administration staff on a weekly basis to review and prioritize budget requests for FY 2023-24. Recognizing the need to best leverage the County's limited General Fund resources to fund programs and services, the Ad Hoc proposed to follow the budget process used by other small, rural California counties and the practice Tehama County used up until about a decade ago. Rather than rush to develop and pass a Recommended Budget, the ad hoc recommends rolling over the FY 2022-23 Adopted Budget as a placeholder. This allowed the time needed for the Ad Hoc to develop thoughtful recommendations to be brought to the full Board for consideration during the required budget meetings.

The County adopted the Fiscal Year 2023-24 final appropriation budget in the total amount of \$262,883,819 with net operating transfers totaling \$25,315,270 and provisions for new or increased obligated fund balance of \$6,279,881, for a total of \$269,113,700. This equates to a 5.3% increase from last year's requirements. Financing sources are comprised of fund balances available of \$13,877,529 and estimated revenues of \$255,236,171 for a total of \$261,133,700.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

The General Fund has a total requirement of \$53,415,856 including operating transfers of \$24,672,532. General fund appropriations exceed estimated revenues by \$6,408,938. Actual fund balance carryover in the General Fund of \$7,236,026 and reserve in Committed for Compensation Study in the amount of \$2,067,901 will cover that shortfall. This leaves a remaining carry-over balance of \$2,894,989.

In consideration of the Board's consensus to accept the Adopted Budget Recommendations as outlined in the Chief Administrator presentation to the board on September 5th, 2023, the remaining balance is dedicated as follows:

- \$289,499 to the Unfunded PERS liability Trust (10% of the excess as per Unfunded Accrued Liability Management Policy)
- \$1,000,000 increase to reserve Committed for Economic Uncertainty
- \$1,605,409 to establish a reserve Committed to Strategic Priorities

The General Fund reserves, which are Committed to Economic Uncertainty, will have a balance of \$6,821,577. This amount is 13.5% of Adopted General Fund appropriations. The County Fund Balance Policy requires a minimum level of funding of 8.33%.

The General Fund has a total Contingency budget of \$1,116,092, which is used to cover group health insurance increases, retirement payouts, and MOU increases.

Other Contingencies include \$100,000 in the Road fund, \$800 in the Fish and & Game fund, a Special Contingency for sick leave, vacation, retirement, comp time buyouts, and MOU increase of \$1,273,579 in the Public Safety fund, General Contingences totaling \$37,915 in the Transportation Operations fund, and \$500,000 in the Capital Outlay fund.

Recognizing the need to effectively plan for an uncertain future, our County is actively considering various strategies to ensure stable financial management. One potential approach being explored is the idea of utilizing the average expenditure from the past three years as the baseline for departmental budgets. This method would provide a realistic and evidence-based starting point for allocating funds, taking into account previous spending patterns.

Furthermore, in order to maintain a healthy financial position, we are determined to adhere to the County's Fund Balance Policy. This policy ensures that a certain percentage of our funds are set aside as reserves, safeguarding against unforeseen emergencies or economic downturns. By following this policy, we can maintain a strong financial foundation and reduce the risk of fiscal instability.

Additionally, the County is also considering the implementation of a savings program focused on both hiring and retention. Recognizing the importance of retaining talented employees and attracting new ones, this program would aim to allocate resources efficiently, finding ways to save on hiring costs while still attracting and retaining highly qualified individuals. This approach would not only contribute to cost savings but also reinforce a positive work environment and enhance overall productivity.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

In summary, our County understands the need to plan for an uncertain future, and we are actively exploring several options to achieve sound financial management. By basing budgets on past expenditure, following the Fund Balance Policy, and implementing a strategic savings program, we aim to ensure financial stability and maintain a productive, efficient, and talented workforce. These initiatives will contribute to our County's long-term success and resilience in the face of any challenges that may arise.

BASIC FINANCIAL STATEMENTS

- **Government-Wide Financial Statements**

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and Investments	\$ 99,821,445	\$ 395,942	\$ 100,217,387
Cash with Fiscal Agent	5,683,958	-	5,683,958
Receivables:			
Accounts	13,215,542	-	13,215,542
Intergovernmental	18,543,755	-	18,543,755
Tax	-	-	-
Deposits with Others	3,443,501	-	3,443,501
Prepaid Costs	1,590,667	-	1,590,667
Inventory	674,573	-	674,573
Loans Receivable	32,802	-	32,802
Capital Assets:			
Nondepreciable	273,737,833	38,047	273,775,880
Depreciable, Net	47,899,742	552,810	48,452,552
Lease Assets, Net	2,220,488	-	2,220,488
SBITA Assets, Net	239,324	-	239,324
Total Capital Assets	<u>324,097,387</u>	<u>590,857</u>	<u>324,688,244</u>
 Total Assets	 467,103,630	 986,799	 468,090,429
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Adjustments	33,146,258	-	33,146,258
Deferred OPEB Adjustments	164,729	-	164,729
Total Deferred Outflows of Resources	<u>33,310,987</u>	<u>-</u>	<u>33,310,987</u>
LIABILITIES			
Accounts Payable	4,997,896	8,854	5,006,750
Salaries and Benefits Payable	2,060,145	1,550	2,061,695
Due to Other Governments	90,893	-	90,893
Accrued Interest Payable	99,649	2,913	102,562
Deposits Payable	198,745	-	198,745
Other Liabilities	1,979	-	1,979
Unearned Revenue	11,189,842	-	11,189,842
Long-Term Liabilities:			
Due within One Year	8,114,902	22,500	8,137,402
Due in More Than One Year	9,278,911	210,700	9,489,611
Net Pension Liability	111,983,674	-	111,983,674
Total OPEB Liability	612,869	-	612,869
Total Liabilities	<u>148,629,505</u>	<u>246,517</u>	<u>148,876,022</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Adjustments	4,540,214	-	4,540,214
Deferred OPEB Adjustments	1,437,789	-	1,437,789
Total Deferred Inflows of Resources	<u>5,978,003</u>	<u>-</u>	<u>5,978,003</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2023**

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
NET POSITION			
Net Investment in Capital Assets	\$ 313,775,253	\$ 357,657	\$ 314,132,910
Restricted for:			
General Government	4,667,544	-	4,667,544
Public Protection	28,857,971	-	28,857,971
Public Ways and Facilities	8,608,899	-	8,608,899
Health and Welfare	18,560,226	-	18,560,226
Public Assistance	21,541,086	-	21,541,086
Capital Outlay	7,784,479	-	7,784,479
Debt Service	1,435,918	-	1,435,918
Unrestricted	<u>(59,424,267)</u>	<u>382,625</u>	<u>(59,041,642)</u>
Total Net Position	<u>\$ 345,807,109</u>	<u>\$ 740,282</u>	<u>\$ 346,547,391</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 11,829,550	\$ 6,092,986	\$ 5,755,059	\$ 8,244,342
Public Protection	50,112,018	7,367,379	20,827,462	-
Health and Welfare	28,494,414	7,379,887	27,745,101	-
Public Assistance	51,527,346	913,171	50,783,281	-
Education	1,079,195	4,034	39,874	-
Culture and Recreation	492,862	26,369	50,000	-
Public Ways and Facilities	11,958,709	201,386	12,094,936	2,456,102
Interest on Long-Term Debt	544,759	-	-	-
Total Governmental Activities	<u>156,038,853</u>	<u>21,985,212</u>	<u>117,295,713</u>	<u>10,700,444</u>
BUSINESS-TYPE ACTIVITIES				
Tehama County Sanitation District #1	191,492	208,026	-	-
Total Business-Type Activities	<u>191,492</u>	<u>208,026</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 156,230,345</u>	<u>\$ 22,193,238</u>	<u>\$ 117,295,713</u>	<u>\$ 10,700,444</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ 8,262,837	\$ -	\$ 8,262,837
Public Protection	(21,917,177)	-	(21,917,177)
Health and Welfare	6,630,574	-	6,630,574
Public Assistance	169,106	-	169,106
Education	(1,035,287)	-	(1,035,287)
Culture and Recreation	(416,493)	-	(416,493)
Public Ways and Facilities	2,793,715	-	2,793,715
Interest on Long-Term Debt	(544,759)	-	(544,759)
Total Governmental Activities	(6,057,484)	-	(6,057,484)
BUSINESS-TYPE ACTIVITIES			
Tehama County Sanitation District #1	-	16,534	16,534
Total Business-Type Activities	-	16,534	16,534
Total	(6,057,484)	16,534	(6,040,950)
GENERAL REVENUE			
Taxes:			
Property Taxes	19,159,649	-	19,159,649
Sales and Use Taxes	5,383,703	-	5,383,703
Other Taxes	10,843,805	-	10,843,805
Interest and Investment Earnings	2,629,496	3,142	2,632,638
Miscellaneous	1,993,630	45	1,993,675
Total General Revenues	40,010,283	3,187	40,013,470
CHANGE IN NET POSITION	33,952,799	19,721	33,972,520
Net Position - Beginning of Year, Restated	311,854,310	720,561	312,574,871
NET POSITION - END OF YEAR	<u>\$ 345,807,109</u>	<u>\$ 740,282</u>	<u>\$ 346,547,391</u>

See accompanying Notes to Basic Financial Statements.

BASIC FINANCIAL STATEMENTS

- **Fund Financial Statements**

**COUNTY OF TEHAMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Road	Public Safety	Public Assistance
ASSETS				
Cash and Investments	\$ 14,342,873	\$ 48,564	\$ 11,317,450	\$ 19,708,742
Cash With Fiscal Agent	3,004,396	-	207,996	-
Receivables:				
Accounts	1,847,255	1,121,862	2,017,036	2,982,758
Intergovernmental	800,459	664,865	338,760	516,162
Tax	-	-	-	-
Due from Other Funds	22,278,023	-	-	-
Deposits With Others	-	193,158	-	-
Advances to Other Funds	1,272,650	-	-	79,922
Prepaid Costs	81,053	150	194,933	173,157
Inventory	-	674,573	-	-
Loans Receivable	32,802	-	-	-
	<u>\$ 43,659,511</u>	<u>\$ 2,703,172</u>	<u>\$ 14,076,175</u>	<u>\$ 23,460,741</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	399,949	598,298	489,988	351,158
Salaries and Benefits Payable	373,979	166,021	710,023	377,058
Due to Other Governments	84,169	-	2,250	-
Deposits Payable	33,095	83,791	81,859	-
Other Liabilities	(7,862)	-	-	-
Unearned Revenues	8,933,025	-	179	1,840,519
Due to Other Funds	-	1,234,193	-	-
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>9,816,355</u>	<u>2,082,303</u>	<u>1,284,299</u>	<u>2,568,735</u>
 DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,722,671	664,865	389,174	516,162
 FUND BALANCES				
Nonspendable	81,053	674,723	194,933	173,157
Restricted	4,198,183	-	12,207,769	20,202,687
Committed	5,894,077	-	-	-
Assigned	3,862,066	-	-	-
Unassigned	18,085,106	(718,719)	-	-
Total Fund Balances	<u>32,120,485</u>	<u>(43,996)</u>	<u>12,402,702</u>	<u>20,375,844</u>
	<u>\$ 43,659,511</u>	<u>\$ 2,703,172</u>	<u>\$ 14,076,175</u>	<u>\$ 23,460,741</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 43,659,511</u>	<u>\$ 2,703,172</u>	<u>\$ 14,076,175</u>	<u>\$ 23,460,741</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Health Services	Other Governmental Funds	Totals
ASSETS			
Cash and Investments	\$ 22,468,808	\$ 28,849,307	\$ 96,735,744
Cash With Fiscal Agent	-	2,410,666	5,623,058
Receivables:			
Accounts	3,347,955	1,898,616	13,215,482
Intergovernmental	14,922,202	575,806	17,818,254
Tax	-	-	-
Due from Other Funds	-	-	22,278,023
Deposits With Others	-	-	193,158
Advances to Other Funds	-	634,000	1,986,572
Prepaid Costs	3,890	127	453,310
Inventory	-	-	674,573
Loans Receivable	-	-	32,802
	\$ 40,742,855	\$ 34,368,522	\$ 159,010,976
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	2,511,199	580,597	\$ 4,931,189
Salaries and Benefits Payable	318,559	97,131	2,042,771
Due to Other Governments	3	4,471	90,893
Deposits Payable	-	-	198,745
Other Liabilities	-	9,841	1,979
Unearned Revenues	389,404	26,715	11,189,842
Due to Other Funds	19,222,730	1,265,358	21,722,281
Advances from Other Funds	2,813	634,000	636,813
Total Liabilities	22,444,708	2,618,113	40,814,513
 DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	15,501,962	580,300	19,375,134
 FUND BALANCES			
Nonspendable	3,890	127	1,127,883
Restricted	2,792,295	32,680,055	72,080,989
Committed	-	-	5,894,077
Assigned	-	-	3,862,066
Unassigned	-	(1,510,073)	15,856,314
Total Fund Balances	2,796,185	31,170,109	98,821,329
	 \$ 40,742,855	 \$ 34,368,522	 \$ 159,010,976

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, 2023**

Total Fund Balance - Total Governmental Funds \$ 98,821,329

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. 2,220,488

SBITA assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 239,324

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 321,637,575

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds. 19,375,134

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. 33,126,738

Deferred inflows of resources related to pension are not reported in the governmental funds. (5,946,825)

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

Certificates of Participation, Plus Unamortized Premium of \$527,775	(9,668,680)
Capital Leases Payable	(1,527)
Compensated Absences	(5,006,864)
Leases Liability	(437,053)
SBITA Liability	(214,874)
Net Pension Liability	(111,375,525)
Total OPEB Liability	(607,727)

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. 3,745,245

Net Position of Governmental Activities \$ 345,807,109

COUNTY OF TEHAMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Road	Public Safety	Public Assistance
REVENUES				
Taxes and Assessments	\$ 27,718,848	\$ 761,518	\$ -	\$ -
Licenses and Permits	2,335,962	10,930	3,854	-
Fines and Forfeitures	2,323,085	-	81,937	-
Use of Money and Property	2,071,753	14,760	225,818	56,947
Intergovernmental	7,843,687	13,940,965	18,326,911	47,696,556
Charges for Services	4,930,820	216,321	2,074,600	89,112
Other Revenues	534,374	492,902	404,603	332,767
Total Revenues	<u>47,758,529</u>	<u>15,437,396</u>	<u>21,117,723</u>	<u>48,175,382</u>
EXPENDITURES				
Current:				
General Government	11,201,491	-	-	-
Public Protection	7,048,020	-	35,430,624	-
Public Ways and Facilities	-	17,114,630	-	-
Health and Welfare	1,050,130	-	-	-
Public Assistance	1,540,460	-	-	47,948,439
Education	948,219	-	-	-
Culture and Recreation	428,461	-	-	-
Debt Service:				
Principal	131,894	-	178,875	74,933
Interest and Other Charges	66,771	-	3,394	33,476
Capital Outlay	148,302	457,781	978,800	22,695
Total Expenditures	<u>22,563,748</u>	<u>17,572,411</u>	<u>36,591,693</u>	<u>48,079,543</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,194,781	(2,135,015)	(15,473,970)	95,839
OTHER FINANCING SOURCES (USES)				
Transfers In	2,344,728	3,580	16,631,155	846,316
Transfers Out	(19,426,948)	(13,925)	(1,400,000)	(30,416)
SBITAs	-	-	-	-
Total Other Financing Sources (Uses)	<u>(17,082,220)</u>	<u>(10,345)</u>	<u>15,231,155</u>	<u>815,900</u>
NET CHANGE IN FUND BALANCES	8,112,561	(2,145,360)	(242,815)	911,739
Fund Balances - Beginning of Year, Restated	<u>24,007,924</u>	<u>2,101,364</u>	<u>12,645,517</u>	<u>19,464,105</u>
FUND BALANCES - END OF YEAR	<u>\$ 32,120,485</u>	<u>\$ (43,996)</u>	<u>\$ 12,402,702</u>	<u>\$ 20,375,844</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, 2023

	Health Services	Other Governmental Funds	Totals
REVENUES			
Taxes and Assessments	\$ -	\$ 6,906,791	\$ 35,387,157
Licenses and Permits	-	2,722,618	5,073,364
Fines and Forfeitures	20,506	287,239	2,712,767
Use of Money and Property	(209,423)	423,546	2,583,401
Intergovernmental	21,086,009	12,250,422	121,144,550
Charges for Services	5,343,346	1,258,046	13,912,245
Other Revenues	183,001	45,983	1,993,630
Total Revenues	<u>26,423,439</u>	<u>23,894,645</u>	<u>182,807,114</u>
EXPENDITURES			
Current:			
General Government	-	213,002	11,414,493
Public Protection	-	7,870,878	50,349,522
Public Ways and Facilities	-	2,959,185	20,073,815
Health and Welfare	26,958,363	468,127	28,476,620
Public Assistance	-	1,977,130	51,466,029
Education	-	-	948,219
Culture and Recreation	-	-	428,461
Debt Service:			
Principal	207,698	940,224	1,533,624
Interest and Other Charges	9,039	470,215	582,895
Capital Outlay	-	10,148,960	11,756,538
Total Expenditures	<u>27,175,100</u>	<u>25,047,721</u>	<u>177,030,216</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(751,661)	(1,153,076)	5,776,898
OTHER FINANCING SOURCES (USES)			
Transfers In	51,436	1,399,323	21,276,538
Transfers Out	(401,725)	(3,524)	(21,276,538)
SBITAs	102,170	-	102,170
Total Other Financing Sources (Uses)	<u>(248,119)</u>	<u>1,395,799</u>	<u>102,170</u>
NET CHANGE IN FUND BALANCES	(999,780)	242,723	5,879,068
Fund Balances - Beginning of Year, Restated	<u>3,795,965</u>	<u>30,927,386</u>	<u>92,942,261</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,796,185</u>	<u>\$ 31,170,109</u>	<u>\$ 98,821,329</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, 2023**

Net Change to Fund Balance - Total Governmental Funds \$ 5,879,068

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	21,906,836
Less Current Year Depreciation	(3,493,236)
Less: Current Year Amortization	(628,649)

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.

(1,074,721)

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.

Issuance of SBITAs	(102,170)
Principal Retirements	1,571,760

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	7,138,443
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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	(694,290)
Change in Net Pension Liability and Related Deferred Inflows/Outflows of Resources	1,428,121
Change in Total OPEB Liability and Related Deferred Inflows/Outflows of Resources	146,928

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.

1,874,709

Change in Net Position of Governmental Activities \$ 33,952,799

**COUNTY OF TEHAMA
STATEMENT NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 395,942	\$ 3,085,701
Cash with Fiscal Agent	-	60,900
Receivables:		
Accounts	-	60
Prepaid Costs	-	1,137,357
Deposits with Others	-	3,250,343
Total Current Assets	395,942	7,534,361
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	38,047	-
Depreciable, Net	552,810	-
Total Noncurrent Assets	590,857	-
Total Assets	986,799	7,534,361
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Adjustments	-	182,867
Deferred OPEB Adjustments	-	1,382
Total Deferred Outflows of Resources	-	184,249
LIABILITIES		
Current Liabilities:		
Accounts Payable	8,854	66,707
Salaries and Benefits Payable	1,550	17,374
Accrued Interest Payable	2,913	-
Bonds Payable	22,500	-
Estimated Claims Liability	-	2,053,068
Total Current Liabilities	35,817	2,137,149
Noncurrent Liabilities:		
Advances from Other Funds	-	1,180,000
Bonds Payable	210,700	-
Compensated Absences	-	11,747
Net Pension Liability	-	608,149
Total OPEB Liability	-	5,142
Total Noncurrent Liabilities	210,700	1,805,038
Total Liabilities	246,517	3,942,187

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2023**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Adjustments	\$ -	\$ 19,117
Deferred OPEB Adjustments	-	12,061
Total Deferred Inflows of Resources	-	31,178
NET POSITION		
Net Investment in Capital Assets	357,657	-
Unrestricted	382,625	3,745,245
Total Net Position	\$ 740,282	\$ 3,745,245

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, 2023**

	<u>Business-Type Activities Nonmajor Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES		
Charges for Services	\$ 208,026	\$ 19,347,123
Other Revenues	45	878,859
Total Operating Revenues	<u>208,071</u>	<u>20,225,982</u>
OPERATING EXPENSES		
Salaries and Benefits	51,497	665,782
Services and Supplies	67,401	159,720
Insurance	15,698	13,712,095
Self-Insurance Claims	-	3,857,329
Professional Services	4,716	-
Depreciation	41,540	2,442
Total Operating Expenses	<u>180,852</u>	<u>18,397,368</u>
OPERATING INCOME	27,219	1,828,614
NONOPERATING REVENUES (EXPENSES)		
Interest Income	3,142	46,095
Interest Expense	<u>(10,640)</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>(7,498)</u>	<u>46,095</u>
CHANGE IN NET POSITION	19,721	1,874,709
Net Position - Beginning of Year, Restated	<u>720,561</u>	<u>1,870,536</u>
NET POSITION - END OF YEAR	<u>\$ 740,282</u>	<u>\$ 3,745,245</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 208,071	\$ 21,092,726
Payments to Suppliers	(85,444)	(21,076,566)
Payments to Employees	(49,947)	(96,114)
Net Cash Provided (Used) by Operating Activities	72,680	(79,954)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Capital Debt	(21,500)	-
Interest Paid on Capital Debt	(10,640)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(32,140)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	3,142	46,095
Net Cash Provided by Investing Activities	3,142	46,095
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	43,682	(33,859)
Cash and Cash Equivalents - Beginning of Year	352,260	3,180,460
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 395,942	\$ 3,146,601

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	\$ 27,219	\$ 1,828,614
Adjustments to Reconcile Operating Income to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	41,540	-
(Increase) Decrease in:		
Accounts Receivable	-	866,706
Prepaid Costs	-	(56,912)
Deferred Outflows of Resources	-	(118,771)
Deferred OPEB Adjustments - Deferred Outflows of Resources	-	(136)
Increase (Decrease) in:		
Accounts Payable	2,709	(29,666)
Salaries and Benefits Payable	1,550	4,823
Accrued Interest	(338)	-
Compensated Absences Payable	-	(2,468)
Estimated Claims Liability	-	548,402
Deferred Inflows of Resources	-	(126,123)
Net Pension Liability	-	262,721
Total OPEB Liability	-	(6,801)
Net Cash Provided (Used) by Operating Activities	\$ 72,680	\$ (79,954)

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	<u>Investment Trust Funds</u>	<u>Custodial Funds</u>
ASSETS		
Cash and Investments	\$ 176,961,040	\$ 22,428,562
Receivables:		
Taxes	-	8,695,418
Total Assets	<u>176,961,040</u>	<u>31,123,980</u>
LIABILITIES		
Due to Other Funds	-	555,742
Advances from Other Funds	-	169,759
Total Liabilities	<u>-</u>	<u>725,501</u>
NET POSITION		
Net Position Held in Trust for Investment Pool Participants	176,961,040	-
Net Position Held for Individuals, Organization, and Other Governments	<u>-</u>	<u>30,398,479</u>
Total Net Position	<u>\$ 176,961,040</u>	<u>\$ 30,398,479</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Investment Trust Funds	Custodial Funds
ADDITIONS		
Contributions to Investment Pool	\$ 493,947,943	\$ 355,870,118
Property Tax Collections	-	93,202,907
Interest	187,123	473,909
Total Additions	494,135,066	449,546,934
DEDUCTIONS		
Distributions from Investment Pool	446,019,029	-
Other Distributions	-	451,397,642
Total Deductions	446,019,029	451,397,642
CHANGE IN NET POSITION	48,116,037	(1,850,708)
Net Position - Beginning of Year, Restated	128,845,003	32,249,187
NET POSITION - END OF YEAR	\$ 176,961,040	\$ 30,398,479

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, 2023

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, 2023**

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, 2023

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, 2023**

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, 2023

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, 2023

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, 2023, 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, 2023

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, 2023, 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, 2023 was \$32,802.

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, 2023**

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 (the 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, 2023

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 \$1,595,115 at June 30, 2023. 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, 2023

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, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets. The County recognizes a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The subscription term includes the periods which the County has a noncancellable right to use the underlying IT assets.

The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Amortization of the discount on the subscription liability is recognized as an outflow of resources in subsequent financial reporting periods.

The subscription asset is initially measured as the sum of the initial subscription liability, plus payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Amortization of the subscription asset is recognized as an outflow of resources over the subscription term.

P. 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.

Q. 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 (the 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.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. 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.

S. 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.

T. 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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. 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. 96 – *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for SBITAs for government end users. It also establishes that a SBITA results in a right-to-use subscription assets and a corresponding subscription liability.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance and Net Position

The following special revenue funds had deficit fund balances:

- The Road Fund had a fund balance deficit of \$43,996, which is expected to be reduced in future years.
- The Transportation Operations Fund had a fund balance deficit of \$1,510,073, 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, 2023, 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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 \$176,961,040 at June 30, 2023.

A. Financial Statement Presentation

As of June 30, 2023, the County's cash and investments are reported in the financial statements as follows:

Primary Government	\$ 105,901,345
Investment Trust Funds	176,961,040
Custodial Funds	<u>22,428,562</u>
Total Cash and Investments	<u><u>\$ 305,290,947</u></u>

As of June 30, 2023, the County's cash and investments consisted of the following:

Cash:	
Cash on Hand	\$ 36,969
Deposits (Less Outstanding Checks)	<u>17,519,325</u>
Total Cash in County Pool	17,556,294
Deposits With Fiscal Agents	<u>5,683,958</u>
Total Cash	23,240,252
Investments:	
In Treasurer's Pool	<u>282,050,695</u>
Total Cash and Investments	<u><u>\$ 305,290,947</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 \$23,203,283 and the bank balance was \$34,810,687. In addition, the County had cash on hand of \$36,969.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

B. Cash (Continued)

Custodial Credit Risk For Deposits

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

C. Investments

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

- 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

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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.

At June 30, 2023, 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	\$ 75,866,147	\$ 75,866,147	\$ -	\$ -
Government Agencies	60,290,890	-	60,290,890	-
Medium-Term Notes	50,315,263	50,315,263	-	-
Asset-Backed Securities	2,237,986	2,237,986	-	-
Commercial Paper	987,780	987,780	-	-
Negotiable CD's	18,658,322	18,658,322	-	-
Total Investments				
Measured at Fair Value	208,356,388	<u>\$ 148,065,498</u>	<u>\$ 60,290,890</u>	<u>\$ -</u>
Investments in External				
Investment Pools:				
Cash Equivalents	1,327,141			
CalTrust	502,223			
CalCLASS	71,361,800			
LAIF	987			
CAMP	502,156			
Total Investments	<u>\$ 282,050,695</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.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Interest Rate Risk (Continued)

As of June 30, 2023, 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	0.130-3.000%	\$ 75,866,147	0.59
Government Agencies	0.250-4.880%	60,290,890	2.09
Corporate Notes	0.350-5.000%	50,315,263	2.25
Asset-Backed Securities	0.370-3.560%	2,237,986	3.55
Commercial Paper	5.10%	987,780	0.02
Negotiable CD's	0.400-5.000%	18,658,322	3.62
Cash Equivalents	Variable	1,327,141	-
CalTrust	Variable	502,223	-
CalCLASS	Variable	71,361,800	-
LAIF	Variable	987	-
CAMP	Variable	502,156	-
Total Investments		\$ 282,050,695	12.12

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	6.6%
Corporate Notes	BAA2 - AAA	BBB - AAA	17.8%
U.S. Agency	AAA	AA+	21.4%
U.S. Treasury	AAA	AA+	26.9%
Asset Backed Security	AAA	AAA	0.8%
Commercial Paper	N/A	N/A	0.4%
Cash Equivalents	N/A	N/A	0.5%
CalTrust	N/A	N/A	0.2%
CalCLASS	N/A	N/A	25.2%
Capital Asset Management Program (CAMP)	N/A	N/A	0.2%
Local Agency Investment Fund (LAIF)	N/A	N/A	0.0%
Total			100.00%

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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, 2023, that represent 5% or more of total County investments are as follows:

Investment Type	Amount Invested	Percentage of Investments
Federal Home Loan Bank	35,230,180	12%
Total	\$ 35,230,180	12%

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, 2023, the County's investment in LAIF valued at amortized cost was \$987 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 \$177.5 billion. Of that amount, 100.00% is invested in nonderivative financial products.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

E. County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's Pool at June 30, 2023:

	Internal Participants	External Participants	Total Pool
Statement of Net Position			
Cash on Hand	\$ 30,339	\$ -	\$ 30,339
Deposits (Less Outstanding Checks)	17,519,325	-	17,519,325
Investments	105,089,655	176,961,040	282,050,695
Net Position at June 30, 2023	<u>\$ 122,639,319</u>	<u>\$ 176,961,040</u>	<u>\$ 299,600,359</u>
Statement of Changes in Net Position			
Net Position at July 1, 2022	\$ 133,545,265	\$ 128,845,003	\$ 262,390,268
Net Changes in Investments by Pool Participants	(10,905,946)	48,116,037	37,210,091
Net Position at June 30, 2023	<u>\$ 122,639,319</u>	<u>\$ 176,961,040</u>	<u>\$ 299,600,359</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

	Restated Balance* July 1, 2022	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2023
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,014,926	\$ -	\$ -	\$ -	\$ 2,014,926
Infrastructure	195,308,983	69,450	-	-	195,378,433
Construction in Progress	57,391,830	19,016,478	(15,897)	(47,937)	76,344,474
Total Capital Assets, Not Being Depreciated	254,715,739	19,085,928	(15,897)	(47,937)	273,737,833
Capital Assets, Being Depreciated:					
Buildings and Improvements					
Buildings and Improvements	69,750,903	329,889	(56,889)	-	70,023,903
Equipment	29,718,423	2,329,425	(929,604)	(137,974)	30,980,270
Software	2,099,647	53,016	(51,671)	-	2,100,992
Total Capital Assets, Being Depreciated	101,568,973	2,712,330	(1,038,164)	(137,974)	103,105,165
Less Accumulated Depreciation for:					
Buildings and Improvements					
Buildings and Improvements	(26,438,040)	(1,351,947)	-	-	(27,789,987)
Equipment	(23,795,322)	(2,076,421)	981,275	(783,782)	(25,674,250)
Software	(1,673,876)	(67,310)	-	-	(1,741,186)
Total Accumulated Depreciation	(51,907,238)	(3,495,678)	981,275	(783,782)	(55,205,423)
Total Capital Assets, Being Depreciated, Net	49,661,735	(783,348)	(56,889)	(921,756)	47,899,742
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					
Structures	(367,947)	(379,770)	-	-	(747,717)
Equipment	(87,276)	(87,276)	-	-	(174,552)
Other	(4,200)	(4,200)	-	-	(8,400)
Total Accumulated Amortization	(459,423)	(471,246)	-	-	(930,669)
Total Right-to-Use Assets, Being Amortized, Net	2,691,734	(471,246)	-	-	2,220,488
SBITA Assets, Being Amortized	294,557	102,170	-	-	396,727
Less Accumulated Amortization for:					
SBITA Assets					
SBITA Assets	-	(157,403)	-	-	(157,403)
Total SBITA Assets, Being Amortized, Net	294,557	(55,233)	-	-	239,324
Governmental Activities Capital Assets, Net	<u>\$ 307,363,765</u>	<u>\$ 17,776,101</u>	<u>\$ (72,786)</u>	<u>\$ (969,693)</u>	<u>\$ 324,097,387</u>

*The beginning balance was restated due to the implementation of GASB Statement No. 96. Refer to Note 1.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2022	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2023
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)	(39,220)	-	(39,220)	(1,142,668)
Equipment	(8,615)	(2,320)	-	-	(10,935)
Total Accumulated Depreciation	(1,072,843)	(41,540)	-	(39,220)	(1,153,603)
Total Capital Assets, Being Depreciated, Net	633,570	(41,540)	-	(39,220)	552,810
Business-Type Activities Capital Assets, Net	<u>\$ 671,617</u>	<u>\$ (41,540)</u>	<u>\$ -</u>	<u>\$ (39,220)</u>	<u>\$ 590,857</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 349,595
Public Protection	1,347,139
Public Ways and Facilities	1,061,438
Health and Welfare	266,819
Public Assistance	269,484
Education	136,498
Culture and Recreation	62,263
Subtotal Governmental Funds	<u>3,493,236</u>

Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets

Total Depreciation Expense -	<u>2,442</u>
Governmental Activities	<u>\$ 3,495,678</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Amortization of Right-To-Use Assets

Amortization expense was charged to governmental activities as follows:

General Government	\$ 127,291
Public Protection	205,296
Health and Welfare	197,398
Public Assistance	<u>98,664</u>
Governmental Activities	<u><u>\$ 628,649</u></u>

Depreciation (Continued)

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

Tehama County Sanitation District #1	<u>\$ 41,540</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 41,540</u></u>

Construction in Progress

Construction in progress for governmental activities at June 30, 2023, 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, 2023:

	Due From Other Funds	Due To Other Funds
General Fund	<u>\$ 22,278,023</u>	\$ -
Road Fund	-	1,234,193
Health Services	-	19,222,730
Nonmajor Governmental Funds	-	1,265,358
Custodial Funds	-	<u>555,742</u>
Total	<u><u>\$ 22,278,023</u></u>	<u><u>\$ 22,278,023</u></u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5 INTERFUND TRANSACTIONS (CONTINUED)

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, 2023:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ 1,272,650	\$ -
Public Assistance	79,922	-
Health Services	-	2,813
Nonmajor Governmental Funds	634,000	634,000
Custodial Funds	-	169,759
Internal Service Funds	-	1,180,000
Total	<u>\$ 1,986,572</u>	<u>\$ 1,986,572</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,344,728	\$ 19,426,948
Road	3,580	13,925
Public Safety	16,631,155	1,400,000
Public Assistance	846,316	30,416
Health Services	51,436	401,725
Nonmajor Governmental Funds	1,399,323	3,524
Total	<u>\$ 21,276,538</u>	<u>\$ 21,276,538</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6 UNEARNED REVENUE

At June 30, 2023, the components of unearned revenue were as follows:

	Unearned
General Fund:	
American Rescue Plan Act Funding	
Received in Advance	\$ 8,814,942
Other Revenues Received But Not Earned	118,083
Public Safety:	
Other Revenues Received But Not Earned	179
Health Services:	
Opioid Abatement Revenues Received But Not Earned	389,404
Public Assistance:	
Social Services Revenues Received But Not Earned	1,840,519
Nonmajor Governmental Funds:	
Senior Nutrition Revenues Received But Not Earned	26,715
Total	\$ 11,189,842

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

Type of Indebtedness	Restated Balance* July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Certificates of Participation	\$ 8,340,000	\$ -	\$ (935,000)	7,405,000	\$ 965,000
Unamortized Premium	498,455	-	(29,321)	469,134	-
Certificates of Participation, Net	8,838,455	-	(964,321)	7,874,134	965,000
Lease Liability	2,657,219	-	(425,619)	2,231,600	437,053
SBITA Liability	285,707	102,169	(173,003)	214,873	152,075
Vehicle Financing	10,344	-	(8,817)	1,527	1,526
Claims Liability	1,504,666	3,857,328	(3,308,926)	2,053,068	2,053,069
Compensated Absences	4,326,789	3,691,371	(2,999,549)	5,018,611	4,506,179
Total Governmental Activities	<u>\$ 17,623,180</u>	<u>\$ 7,650,868</u>	<u>\$ (7,880,235)</u>	<u>\$ 17,393,813</u>	<u>\$ 8,114,902</u>
Business-Type Activities:					
Bonds	\$ 254,700	\$ -	\$ (21,500)	233,200	\$ 22,500
Total Business-Type Activities	<u>\$ 254,700</u>	<u>\$ -</u>	<u>\$ (21,500)</u>	<u>\$ 233,200</u>	<u>\$ 22,500</u>

*The beginning balance was restated due to the implementation of GASB Statement No. 96. Refer to Note 1.

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, 2023**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

All debt is direct borrowing. Individual issues of debt payable outstanding at June 30, 2023, 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

\$ 7,405,000		<u>7,405,000</u>
		<u>\$ 7,405,000</u>

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

\$ 233,200		<u>233,200</u>
		<u>\$ 233,200</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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.

Governmental Activities

<u>Year Ending June 30,</u>	Certificates of Participation		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	385,000	170,766	555,766
2029-2033	1,635,000	674,128	2,309,128
2034-2038	1,995,000	311,900	2,306,900
2039-2040	450,000	9,563	459,563
Total	<u>\$ 7,405,000</u>	<u>\$ 2,057,021</u>	<u>\$ 9,462,021</u>

Business-Type Activities

<u>Year Ending June 30,</u>	Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 22,500	\$ 10,451	\$ 32,951
2024	24,000	9,405	33,405
2025	25,000	8,303	33,303
2026	26,000	7,155	33,155
2027	27,000	5,963	32,963
2028-2032	103,700	11,318	115,018
2033	5,000	113	5,113
Total	<u>\$ 233,200</u>	<u>\$ 52,708</u>	<u>\$ 285,908</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 437,053	\$ 40,289
2025	338,847	35,648
2026	133,899	31,738
2027	129,542	29,305
2028	131,973	26,875
2029-2033	364,579	103,995
2034 and thereafter	695,707	203,546
Total Minimum Lease Payments	<u>\$ 2,231,600</u>	<u>\$ 471,396</u>

NOTE 9 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

SBITAs Payable

The County has entered into long term, noncancellable subscription-based information technology arrangements for the right-to-use software. These arrangements expire at various dates through 2024 and thereafter.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 152,075	\$ 4,700
2025	62,798	1,319
Total Minimum Lease Payments	<u>\$ 214,873</u>	<u>\$ 6,019</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 NET POSITION

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

- **Net investment in capital assets** – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net position** – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **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, 2023

NOTE 11 FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2023, 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, 2023**

NOTE 11 FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2023, were distributed as follows:

	General Fund	Road	Public Safety	Public Assistance	Health Services	Other Governmental Funds	Totals
Nonspendable:							
Prepaid Costs	\$ 81,053	\$ 150	\$ 194,933	\$ 173,157	\$ 3,890	\$ 127	\$ 453,310
Inventory	-	674,573	-	-	-	-	674,573
Subtotal	81,053	674,723	194,933	173,157	3,890	127	1,127,883
Restricted:							
Purpose of Fund	-	-	12,207,769	20,202,687	2,792,295	-	35,202,751
Local Innovation	537,901	-	-	-	-	-	537,901
Recorder Modernization	818,208	-	-	-	-	-	818,208
Safe Drinking Water	269,059	-	-	-	-	-	269,059
Underground Storage	101,173	-	-	-	-	-	101,173
Vital Health and Stats	156,771	-	-	-	-	-	156,771
Fish and Game	-	-	-	-	-	120,706	120,706
Fire	-	-	-	-	-	13,301,036	13,301,036
Child Support	-	-	-	-	-	294,690	294,690
Building and Safety	-	-	-	-	-	2,656,862	2,656,862
Senior Nutrition	-	-	-	-	-	98,292	98,292
Transportation Operations	-	-	-	-	-	-	-
Air Pollution	-	-	-	-	-	1,921,338	1,921,338
Los Molinos Lighting	-	-	-	-	-	113,543	113,543
Tehama County Flood	-	-	-	-	-	278,725	278,725
Tehama Power Authority	-	-	-	-	-	1,621,299	1,621,299
AB 923	-	-	-	-	-	5,801	5,801
Small Claim Fees	-	-	-	-	-	817,832	817,832
Community Block Grant	-	-	-	-	-	18,814	18,814
Impact Fees	-	-	-	-	-	4,405	4,405
Capital Projects	-	-	-	-	-	2,206,315	2,206,315
Debt Service	-	-	-	-	-	7,784,479	7,784,479
Tax Loss Reserve	-	-	-	-	-	1,435,918	1,435,918
Other Restrictions	2,315,071	-	-	-	-	-	2,315,071
Subtotal	4,198,183	-	12,207,769	20,202,687	2,792,295	32,680,055	72,080,989
Committed:							
Economic Uncertainty	5,821,577	-	-	-	-	-	5,821,577
Uniform Allowance	72,500	-	-	-	-	-	72,500
Subtotal	5,894,077	-	-	-	-	-	5,894,077
Assigned:							
Capital Projects	1,263,998	-	-	-	-	-	1,263,998
Other	2,598,068	-	-	-	-	-	2,598,068
Subtotal	3,862,066	-	-	-	-	-	3,862,066
Unassigned							
	18,085,106	(718,719)	-	-	-	(1,510,073)	15,856,314
Total	\$ 32,120,485	\$ (43,996)	\$ 12,402,702	\$ 20,375,844	\$ 2,796,185	\$ 31,170,109	\$ 98,821,329

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, 2023**

NOTE 11 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 12 PENSION PLAN

A. General Information About the Pension Plan

Plan Description

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

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

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, 2023**

NOTE 12 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, 2023, 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, 2023, 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	273	1435	665
Safety	55	238	130

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 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.

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
Miscellaneous	9.300%	7.000%	0.000% *
Miscellaneous PEPRA	9.300%	6.750%	0.000%
Safety	18.210%	9.000%	0.000% *
Safety PEPRA	18.210%	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, 2022, using annual actuarial valuations as of June 30, 2021 rolled forward to June 30, 2022 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, 2023**

NOTE 12 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, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
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 2019, that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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, 2023**

NOTE 12 PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (a)(b)</u>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Debt Market	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability

As of June 30, 2023, the changes in the net pension liability of the agent multiemployer defined benefit pension plan is as follows:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Miscellaneous:			
Balances at June 30, 2021	\$ 264,301,058	\$ 218,539,093	\$ 45,761,965
Changes in the Year:			
Service Cost	5,118,801	-	5,118,801
Interest on the Total Pension Liability	18,115,049	-	18,115,049
Changes of assumptions	7,334,735		7,334,735
Differences Between Expected and Actual Experience	(3,692,730)	-	(3,692,730)
Contributions - Employer	-	8,497,012	(8,497,012)
Contributions - Employee	-	2,113,500	(2,113,500)
Net Investment Income	-	(16,473,702)	16,473,702
Benefit Payments, Including Refunds of Employee Contributions	(15,075,716)	(15,075,716)	-
Administrative Expenses	-	(135,917)	135,917
Change in Allocation	(427,660)	(353,612)	(74,048)
Net Changes	<u>11,372,479</u>	<u>(21,428,435)</u>	<u>32,800,914</u>
Balances at June 30, 2022	<u>\$ 275,673,537</u>	<u>\$ 197,110,658</u>	<u>\$ 78,562,879</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Safety:			
Balances at June 30, 2021	\$ 103,548,933	\$ 80,860,892	\$ 22,688,041
Changes in the Year:			
Service Cost	2,160,807	-	2,160,807
Interest on the Total Pension Liability	7,041,285	-	7,041,285
Changes of assumptions	2,302,191		2,302,191
Differences Between Expected and Actual Experience	(2,277,947)	-	(2,277,947)
Contributions - Employer	-	3,868,138	(3,868,138)
Contributions - Employee	-	833,316	(833,316)
Net Investment Income	-	(6,157,500)	6,157,500
Benefit Payments, Including Refunds of Employee Contributions	(5,211,948)	(5,211,948)	-
Administrative Expenses	-	(50,372)	50,372
Other Miscellaneous Income (Expense)	-	-	-
Net Changes	<u>4,014,388</u>	<u>(6,718,366)</u>	<u>10,732,754</u>
Balances at June 30, 2022	<u>\$ 107,563,321</u>	<u>\$ 74,142,526</u>	<u>\$ 33,420,795</u>

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

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

	1% Decrease in 5.90%	Discount Rate 6.90%	1% Increase in 7.90%
Miscellaneous	\$ 121,499,425	\$ 78,562,879	\$ 53,780,167
Safety	48,203,003	33,420,795	21,315,833

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, 2023**

NOTE 12 PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2023, the County recognized pension expense of \$12,007,749. At June 30, 2023, 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	\$ 9,068,984	\$ -
Changes of Assumptions	4,715,187	-
Difference Between Expected and Actual Experience	-	2,469,620
Difference Between Projected and Actual Earnings on Plan Investments	9,839,267	-
Total	<u>\$ 23,623,438</u>	<u>\$ 2,469,620</u>
<u>Safety Plan</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to the Measurement Date	\$ 4,091,315	\$ -
Changes of Assumptions	1,662,693	-
Difference Between Expected and Actual Experience	33,567	2,070,594
Difference Between Projected and Actual Earnings on Plan Investments	3,735,245	-
Total	<u>\$ 9,522,820</u>	<u>\$ 2,070,594</u>

Deferred outflows of resources related to contributions subsequent to the measurement date reported as \$13,160,299, 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	\$ 2,749,364	\$ 378,546	\$ 3,127,910
2023	2,421,429	367,189	2,788,618
2024	642,539	272,502	915,041
2025	6,271,502	2,342,674	8,614,176
Thereafter	-	-	-
Total	<u>\$ 12,084,834</u>	<u>\$ 3,360,911</u>	<u>\$ 15,445,745</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information About the OPEB Plan

Plan Description

The County's defined benefit OPEB plan (the Plan) provides OPEB for all permanent full-time general and public safety employees of the County. The Plan is an agent single-employer defined benefit plan administered by Alliant Insurance Services. The Board of Supervisors reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

Benefits Provided

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

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

Contributions

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

Employees Covered by Benefit Terms

At July 1, 2022, the most recent valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	5
Active Employees	611
Total	<u>616</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Total OPEB Liability

The County's total OPEB liability of \$612,868, was measured as of June 30, 2023, and was determined by the actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 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, 2022
Funding Method	Entry-Age, Level of Percent of Pay
Discount Rate	3.86%
Salary Increase	3.00%
Inflation Rate	2.50%
	6.00% for 2023, 5.50% for 2024, 5.25% for 2025-2029, 5.00% for 2030-2039, 4.75% for 2040-2049, 4.50% for 2050-2069, and 4.00% for 2070 and later years; Medicare ages: 4.50% for 2023-2029 and 4.00% for 2030 and later years.
Healthcare Cost Trend Rate	

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, 2022	June 30, 2022	3.69%	3.69%
June 30, 2023	June 30, 2023	3.86%	3.86%

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Total OPEB Liability

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balances at Fiscal Year	
Ending June 30, 2022	\$ 1,999,598
Changes for the Year:	
Service Cost	40,804
Interest	23,185
Changes of Assumptions	(1,259,954)
Differences Between Expected and Actual Experience	(128,373)
Contributions - Employer	-
Benefit Payments	(62,391)
Total Net Changes	(1,386,729)
Balances at Fiscal Year	
Ending June 30, 2023	\$ 612,869

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 2.86%	Current Rate 3.86%	1% Increase 4.86%
Total OPEB Liability	\$ 656,079	\$ 612,869	\$ 572,540

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	\$ 547,206	\$ 612,869	\$ 691,277

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13 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, 2023, the County recognized OPEB income of \$80,835. At June 30, 2023, 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	\$ 35,141	\$ 114,419
Change of Assumptions	129,588	1,323,370
Total	\$ 164,729	\$ 1,437,789

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
2024	\$ (144,824)
2025	(144,824)
2026	(149,265)
2027	(163,296)
2028	(176,617)
Thereafter	(494,234)
Total	\$ (1,273,060)

NOTE 14 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (Internal Service Funds) to finance its insured and uninsured risks of loss. The County's uninsured risk of loss is as follows: General liability \$100,000. The County is a member of the California State Association of Counties Excess Insurance Authority (CSACEIA), a public entity risk pool currently operating as a common risk management and insurance program for counties. Should actual loss among participants be greater than anticipated, the County will be assessed its pro rata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. Actual claims unpaid as of June 30, 2023, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2023, was as follows:

General Liability	\$ 1,950,423
Dental Insurance	88,826
Vision Insurance	13,819
Total	\$ 2,053,068

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14 RISK MANAGEMENT (CONTINUED)

All funds of the County participate in the program and make payments to the risk management funds based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$2,053,068 reported in the funds at June 30, 2023, 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, 2022 and 2023, 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, 2022	1,471,413	4,827,679	4,794,426	1,504,666
June 30, 2023	1,504,666	3,857,329	3,308,927	2,053,068

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

NOTE 15 RESTATEMENT OF NET POSITION

During the fiscal year ended June 30, 2023, the County restated beginning net position and fund balance to correct errors in the prior period. The restatements are summarized as follows:

	Government-Wide Statements		Governmental Fund Statements	Proprietary Fund Statements	Fiduciary Fund Statements
	Governmental Activities	Business Type Activities	General Fund	Nonmajor Enterprise Funds	Custodial Funds
Net Position / Fund Balance as of June 30, 2022, As Previously Reported	\$ 311,287,194	\$ 759,781	\$ 23,440,808	\$ 759,781	\$ 32,816,302
<u>Restatements</u>					
Restate beginning fund balance/net position to include PARS 115 Trust as part of General Fund in accordance with GASB 84.	567,116	-	567,116	-	(567,116)
Restate beginning net position to correct beginning accumulated depreciation for amounts not recorded in prior years.	-	(39,220)	-	(39,220)	-
Total Prior Period Adjustments	567,116	(39,220)	567,116	(39,220)	(567,116)
Net Position / Fund Balance as of July 1, 2022	<u>\$ 311,854,310</u>	<u>\$ 720,561</u>	<u>\$ 24,007,924</u>	<u>\$ 720,561</u>	<u>\$ 32,249,186</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 OTHER INFORMATION

A. Commitments and Contingencies

The County had active construction projects as of June 30, 2023. The estimated costs to be incurred for these projects is \$2,853,772.

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, 2023**

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, 2023**

Measurement Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Miscellaneous					
Total Pension Liability:					
Service Cost	\$ 5,260,697	\$ 5,377,346	\$ 5,061,793	\$ 4,998,466	\$ 5,118,801
Interest	16,955,993	17,963,362	17,451,893	17,947,297	18,115,049
Change in Assumptions	(1,282,339)	-	-	-	7,334,735
Difference Between Expected and Actual Experience	199,923	4,774,560	569,560	(287,633)	(3,692,730)
Benefit Payments, Including Refunds of Employee Contributions	(12,447,391)	(13,473,581)	(13,995,288)	(14,313,216)	(15,075,716)
Change in Allocation	-	-	(17,171,487)	(1,111,419)	(427,660)
NET CHANGE IN TOTAL PENSION LIABILITY	8,686,883	14,641,687	(8,083,529)	7,233,495	11,372,479
Pension Liability - Beginning of Year	241,822,522	250,509,405	265,151,092	257,067,563	264,301,058
PENSION LIABILITY - END OF YEAR (a)	\$ 250,509,405	\$ 265,151,092	\$ 257,067,563	\$ 264,301,058	\$ 275,673,537
Miscellaneous					
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 5,951,937	\$ 6,794,734	\$ 7,235,620	\$ 7,715,978	\$ 8,497,012
Contributions - Employee	2,233,073	2,278,146	2,177,073	2,040,349	2,113,500
Net Investment Income	14,676,525	12,077,725	8,891,000	41,035,669	(16,473,702)
Benefit Payments, Including Refunds of Employee Contributions	(12,447,391)	(13,473,581)	(13,995,288)	(14,313,216)	(15,075,716)
Plan to Plan Resource Movement	(427)	-	-	-	-
Administrative Expense	(271,448)	(131,181)	(252,314)	(182,049)	(135,917)
Change in Allocation	-	-	(12,394,135)	(791,337)	(353,612)
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	(21,428,435)
Plan Fiduciary Net Position - Beginning of Year	174,197,959	183,824,743	191,371,743	183,033,699	218,539,093
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	\$ 183,824,743	\$ 191,371,013	\$ 183,033,699	\$ 218,539,093	\$ 197,110,658
NET PENSION LIABILITY - END OF YEAR (a)-(b)	\$ 66,684,662	\$ 73,780,079	\$ 74,033,864	\$ 45,761,965	\$ 78,562,879
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.38%	72.17%	71.20%	82.69%	71.50%
Covered Payroll	\$ 33,123,640	\$ 33,849,590	\$ 34,385,642	\$ 34,431,014	\$ 31,826,186
Net Pension Liability as a Percentage of Covered Payroll	201.32%	217.96%	215.30%	132.91%	246.85%

**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, 2023**

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, 2023**

Measurement Date	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Safety					
Total Pension Liability:					
Service Cost	\$ 2,391,084	\$ 2,386,413	\$ 2,339,472	\$ 2,180,451	\$ 2,160,807
Interest	6,077,081	6,448,526	6,754,357	7,000,457	7,041,285
Change in Assumptions	233,130	-	-	-	2,302,191
Difference Between Expected and Actual Experience	(790,006)	704,907	(150,066)	(818,891)	(2,277,947)
Benefit Payments, Including Refunds of Employee Contributions	(3,789,702)	(4,161,674)	(4,606,445)	(4,900,482)	(5,211,948)
NET CHANGE IN TOTAL PENSION LIABILITY	4,121,587	5,378,172	4,337,318	3,461,535	4,014,388
Pension Liability - Beginning of Year	86,250,321	90,371,908	95,750,080	100,087,398	103,548,933
PENSION LIABILITY - END OF YEAR (a)	<u>\$ 90,371,908</u>	<u>\$ 95,750,080</u>	<u>\$ 100,087,398</u>	<u>\$ 103,548,933</u>	<u>\$ 107,563,321</u>
Safety					
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 2,654,860	\$ 2,938,957	\$ 3,334,489	\$ 3,572,786	\$ 3,868,138
Contributions - Employee	857,150	856,346	804,525	754,724	833,316
Net Investment Income	4,746,231	3,987,999	3,209,699	15,091,203	(6,157,500)
Benefit Payments, Including Refunds of Employee Contributions	(3,789,702)	(4,161,674)	(4,606,445)	(4,900,482)	(5,211,948)
Plan to Plan Resource Movement	(139)	-	-	-	-
Administrative Expense	(87,205)	(42,944)	(89,881)	(66,339)	(50,372)
Other Miscellaneous Expense	(165,603)	139	-	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	4,215,592	3,578,823	2,652,387	14,451,892	(6,718,366)
Plan Fiduciary Net Position - Beginning of Year	55,962,198	60,177,790	63,756,613	66,409,000	80,860,892
PLAN FIDUCIARY NET POSITION - END OF YEAR (b)	<u>\$ 60,177,790</u>	<u>\$ 63,756,613</u>	<u>\$ 66,409,000</u>	<u>\$ 80,860,892</u>	<u>\$ 74,142,526</u>
NET PENSION LIABILITY - END OF YEAR (a)-(b)	<u>\$ 30,194,118</u>	<u>\$ 31,993,467</u>	<u>\$ 33,678,398</u>	<u>\$ 22,688,041</u>	<u>\$ 33,420,795</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.59%	66.59%	66.35%	78.09%	68.93%
Covered Payroll	\$ 8,736,149	\$ 8,640,163	\$ 8,510,267	\$ 7,954,947	\$ 7,458,774
Net Pension Liability as a Percentage of Covered Payroll	345.62%	370.29%	395.74%	285.21%	448.07%

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS*
YEAR ENDED JUNE 30, 2023**

Fiscal Year	2014/2015	2015/2016	2016/2017	2017/2018
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, 2023**

Fiscal Year	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Miscellaneous					
Contractually Required Contributions (Actuarially Determined)	\$ 6,794,734	\$ 7,736,447	\$ 7,892,743	\$ 8,302,357	\$ 9,068,984
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>	<u>(9,068,984)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (343,594)</u>	<u>\$ -</u>
Covered Payroll	\$ 33,849,590	\$ 34,385,642	\$ 34,431,014	\$ 31,826,186	\$ 32,462,710
Contributions as a Percentage of Covered Payroll	20.07%	22.50%	22.92%	26.09%	27.94%
Safety					
Contractually Required Contributions (Actuarially Determined)	\$ 2,938,957	\$ 3,334,698	\$ 3,562,962	\$ 3,901,567	\$ 4,091,315
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>	<u>(4,091,315)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,429</u>	<u>\$ -</u>
Covered Payroll	\$ 8,640,163	\$ 8,510,267	\$ 7,954,947	\$ 7,458,947	\$ 7,608,126
Contributions as a Percentage of Covered Payroll	34.02%	39.18%	44.79%	52.31%	53.78%

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY PENSION PLAN
NOTES TO COUNTY PENSION PLAN
JUNE 30, 2023**

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

Benefits Change

The figures do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2022 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

For the June 30, 2023 reporting period (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. No changes were made for 2019, 2020, 2021 or 2022 reporting periods. 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.

**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, 2023**

	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
Total OPEB Liability:						
Service Cost	\$ 169,470	\$ 174,553	\$ 184,538	\$ 199,232	\$ 220,270	\$ 40,804
Interest	38,623	44,944	52,088	49,714	43,810	23,185
Actual and Expected Experience Difference	-	-	-	58,568	(275,978)	(128,373)
Change of Assumptions	-	54,759	87,320	122,842	-	(1,259,954)
Benefit Payments	(43,991)	(22,812)	(49,758)	(97,817)	(99,520)	(62,391)
NET CHANGE IN TOTAL OPEB LIABILITY	164,102	251,444	274,188	332,539	(111,418)	(1,386,729)
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>	<u>1,999,598</u>
TOTAL OPEB LIABILITY - END OF YEAR	<u>\$ 1,252,845</u>	<u>\$ 1,504,289</u>	<u>\$ 1,778,477</u>	<u>\$ 2,111,016</u>	<u>\$ 1,999,598</u>	<u>\$ 612,869</u>
Covered Employee Payroll	\$ 42,612,781	\$ 43,122,849	\$ 41,868,737	\$ 41,946,344	\$ 40,857,753	\$ 44,683,049
Total OPEB Liability as a Percentage of Covered Employee Payroll	2.94%	3.49%	4.25%	5.03%	4.89%	1.37%

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

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
COUNTY OPEB PLAN
NOTE TO COUNTY OPEB PLAN
YEAR ENDED JUNE 30, 2023**

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

Change of Assumptions

The discount rate was changed from 3.69% as of the June 30, 2022 measurement date to 3.86% as of the June 30, 2023 measurement date. 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, 2023**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

The assessed conditions report for the fiscal year ending June 30, 2023, 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, 2023, 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, 2023**

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, 2023, 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.

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, 2023**

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)

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 \$23 million for the 2022/2023 fiscal year. The average annual expenditures for each of the last five years was \$10.0 million. In addition, the County expended approximately \$20 million and \$2.6 million in fiscal year's 2022 and 2023, 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>
2022/2023	\$ 11,473,226	\$ 12,800,000
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
Total	<u>\$ 47,146,145</u>	<u>\$ 62,600,000</u>

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 26,830,457	\$ 27,632,628	\$ 27,718,848	\$ 86,220
Licenses and Permits	2,028,835	2,028,835	2,335,962	307,127
Fines and Forfeits	3,115,647	2,365,647	2,323,085	(42,562)
Use of Money and Property	551,141	552,436	2,071,753	1,519,317
Intergovernmental	4,182,828	7,761,896	7,843,687	81,791
Charges for Services	4,962,068	5,404,033	4,930,820	(473,213)
Other Revenues	425,150	694,727	534,374	(160,353)
Total Revenues	<u>42,096,126</u>	<u>46,440,202</u>	<u>47,758,529</u>	<u>1,318,327</u>
EXPENDITURES				
Current:				
General Government	10,889,976	14,087,627	11,201,491	2,886,136
Public Protection	7,580,526	7,978,246	7,048,020	930,226
Health and Welfare	1,065,278	1,184,279	1,050,130	134,149
Public Assistance	1,956,148	1,772,374	1,540,460	231,914
Education	987,738	996,316	948,219	48,097
Culture and Recreation	779,479	818,457	428,461	389,996
Debt Service:				
Principal	-	-	131,894	(131,894)
Interest and Other Charges	50,000	50,000	66,771	(16,771)
Capital Outlay	100	426,888	148,302	278,586
Total Expenditures	<u>23,309,245</u>	<u>27,314,187</u>	<u>22,563,748</u>	<u>4,750,439</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,786,881	19,126,015	25,194,781	6,068,766
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,344,728	2,344,728
Transfers Out	<u>(20,061,787)</u>	<u>(23,172,503)</u>	<u>(19,426,948)</u>	<u>3,745,555</u>
Total Other Financing Sources (Uses)	<u>(20,061,787)</u>	<u>(23,172,503)</u>	<u>(17,082,220)</u>	<u>6,090,283</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,274,906)</u>	<u>\$ (4,046,488)</u>	8,112,561	<u>\$ 12,159,049</u>
Fund Balances - Beginning of Year, Restated			<u>24,007,924</u>	
FUND BALANCES - END OF YEAR			<u>\$ 32,120,485</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 578,603	\$ 567,031	\$ 761,518	\$ 194,487
Licenses and Permits	12,000	9,735	10,930	1,195
Use of Money and Property	(10,000)	(4,367)	14,760	19,127
Intergovernmental	35,689,116	29,977,240	13,940,965	(16,036,275)
Charges for Services	515,000	345,937	216,321	(129,616)
Other Revenues	40,000	513,152	492,902	(20,250)
Total Revenues	<u>36,824,719</u>	<u>31,408,728</u>	<u>15,437,396</u>	<u>(15,971,332)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	37,910,223	30,631,649	17,114,630	13,517,019
Capital Outlay	-	1,320,222	457,781	862,441
Total Expenditures	<u>37,910,223</u>	<u>31,951,871</u>	<u>17,572,411</u>	<u>14,379,460</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,085,504)	(543,143)	(2,135,015)	(1,591,872)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	3,580	3,580	-
Transfers Out	-	(13,925)	(13,925)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(10,345)</u>	<u>(10,345)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,085,504)</u>	<u>\$ (553,488)</u>	(2,145,360)	<u>\$ (1,591,872)</u>
Fund Balances - Beginning of Year			<u>2,101,364</u>	
FUND BALANCES - END OF YEAR			<u>\$ (43,996)</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY- MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	\$ 2,780	\$ 2,910	\$ 3,854	\$ 944
Fines and Forfeitures	18,500	24,410	81,937	57,527
Use of Money and Property	-	3,615	225,818	222,203
Intergovernmental	14,334,134	16,059,645	18,326,911	2,267,266
Charges for Services	2,288,512	2,325,994	2,074,600	(251,394)
Other Revenues	91,350	436,799	404,603	(32,196)
Total Revenues	<u>16,735,276</u>	<u>18,853,373</u>	<u>21,117,723</u>	<u>2,264,350</u>
EXPENDITURES				
Current:				
Public Protection	37,043,785	39,749,381	35,430,624	4,318,757
Debt Service:				
Principal	-	-	178,875	(178,875)
Interest and Other Charges	-	-	3,394	(3,394)
Capital Outlay	303,178	1,356,113	978,800	377,313
Total Expenditures	<u>37,346,963</u>	<u>41,105,494</u>	<u>36,591,693</u>	<u>4,513,801</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,611,687)	(22,252,121)	(15,473,970)	6,778,151
OTHER FINANCING SOURCES (USES)				
Transfers In	19,103,932	21,300,901	16,631,155	(4,669,746)
Transfers Out	(90,908)	(1,490,908)	(1,400,000)	90,908
Total Other Financing Sources (Uses)	<u>19,013,024</u>	<u>19,809,993</u>	<u>15,231,155</u>	<u>(4,578,838)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,598,663)</u>	<u>\$ (2,442,128)</u>	(242,815)	<u>\$ 2,199,313</u>
Fund Balances - Beginning of Year			<u>12,645,517</u>	
FUND BALANCES - END OF YEAR			<u>\$ 12,402,702</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC ASSISTANCE – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES				
Use of Money and Property	\$ 23,079	\$ 25,479	\$ 56,947	\$ 31,468
Intergovernmental	46,865,713	52,251,071	47,696,556	(4,554,515)
Charges for Services	160,560	90,481	89,112	(1,369)
Other Revenues	244,474	234,474	332,767	98,293
Total Revenues	<u>47,293,826</u>	<u>52,601,505</u>	<u>48,175,382</u>	<u>(4,426,123)</u>
EXPENDITURES				
Current:				
Public Assistance	49,089,716	53,168,544	47,948,439	5,220,105
Debt Service:				
Principal	-	-	74,933	(74,933)
Interest and Other Charges	-	-	33,476	(33,476)
Capital Outlay	70,000	33,433	22,695	10,738
Total Expenditures	<u>49,159,716</u>	<u>53,201,977</u>	<u>48,079,543</u>	<u>5,122,434</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,865,890)	(600,472)	95,839	696,311
OTHER FINANCING SOURCES (USES)				
Transfers In	976,909	976,909	846,316	(130,593)
Transfers Out	-	(30,416)	(30,416)	-
Total Other Financing Sources (Uses)	<u>976,909</u>	<u>946,493</u>	<u>815,900</u>	<u>(130,593)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (888,981)</u>	<u>\$ 346,021</u>	911,739	<u>\$ 565,718</u>
Fund Balances - Beginning of Year			<u>19,464,105</u>	
FUND BALANCES - END OF YEAR			<u>\$ 20,375,844</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
HEALTH SERVICES – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -
Fines and Forfeitures	-	-	20,506	20,506
Use of Money and Property	-	-	(209,423)	(209,423)
Intergovernmental	24,894,806	25,138,163	21,086,009	(4,052,154)
Charges for Services	10,175,164	10,228,734	5,343,346	(4,885,388)
Other Revenues	384,158	406,954	183,001	(223,953)
Total Revenues	<u>35,454,128</u>	<u>35,773,851</u>	<u>26,423,439</u>	<u>(9,350,412)</u>
EXPENDITURES				
Current:				
Health and Welfare	33,571,850	36,011,221	26,958,363	9,052,858
Debt Service:				
Principal	-	-	207,698	(207,698)
Interest and Other Charges	-	-	9,039	(9,039)
Capital Outlay	-	127,000	-	127,000
Total Expenditures	<u>33,571,850</u>	<u>36,138,221</u>	<u>27,175,100</u>	<u>8,963,121</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,882,278	(364,370)	(751,661)	(387,291)
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	102,170	102,170
Transfers In	126,782	126,646	51,436	(75,210)
Transfers Out	(205,711)	(26,944)	(401,725)	(374,781)
Total Other Financing Sources (Uses)	<u>(78,929)</u>	<u>99,702</u>	<u>(248,119)</u>	<u>(347,821)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,803,349</u>	<u>\$ (264,668)</u>	(999,780)	<u>\$ (735,112)</u>
Fund Balances - Beginning of Year			<u>3,795,965</u>	
FUND BALANCES - END OF YEAR			<u>\$ 2,796,185</u>	

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2023**

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 36000+180Supervisors.

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, 2023**

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, 2023**

	Special Revenue				
	Fish and Game	Fire	Child Support	Building and Safety	Senior Nutrition
ASSETS					
Cash and Investments	\$ 120,706	\$ 13,223,707	\$ 334,478	\$ 2,692,891	\$ 20,813
Cash with Fiscal Agent	-	-	-	-	-
Receivables:					
Accounts	-	140,184	38	7,512	108,167
Intergovernmental	-	17,906	-	-	-
Advances to Other Funds	-	-	-	-	-
Prepaid Costs	-	127	-	-	-
	<u>-</u>	<u>127</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 120,706</u>	<u>\$ 13,381,924</u>	<u>\$ 334,516</u>	<u>\$ 2,700,403</u>	<u>\$ 128,980</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 53,052	\$ (6,628)	\$ 7,804	\$ 478
Salaries and Benefits Payable	-	9,803	46,454	16,931	3,495
Due to Other Governments	-	-	-	4,471	-
Other Liabilities	-	-	-	9,841	-
Unearned Revenues	-	-	-	-	26,715
Due to Other Funds	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>62,855</u>	<u>39,826</u>	<u>39,047</u>	<u>30,688</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	17,906	-	4,494	-
Total Deferred Inflows of Resources	<u>-</u>	<u>17,906</u>	<u>-</u>	<u>4,494</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	127	-	-	-
Restricted	120,706	13,301,036	294,690	2,656,862	98,292
Unassigned	-	-	-	-	-
Total Fund Balances	<u>120,706</u>	<u>13,301,163</u>	<u>294,690</u>	<u>2,656,862</u>	<u>98,292</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 120,706</u>	<u>\$ 13,381,924</u>	<u>\$ 334,516</u>	<u>\$ 2,700,403</u>	<u>\$ 128,980</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue				
	Transportation Operations	Air Pollution	Los Molinos Lighting	Tehama County Flood Control	Tehama County Flood Zone 3
ASSETS					
Cash and Investments	\$ (18,859)	\$ 2,057,447	\$ 113,543	\$ 920,486	\$ 989,284
Cash with Fiscal Agent	-	-	-	-	-
Receivables:					
Accounts	-	42,991	-	12,450	-
Intergovernmental	-	21,812	-	-	190,000
Advances to Other Funds	-	-	-	-	634,000
Prepaid Costs	-	-	-	-	-
Total Assets	<u>\$ (18,859)</u>	<u>\$ 2,122,250</u>	<u>\$ 113,543</u>	<u>\$ 932,936</u>	<u>\$ 1,813,284</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 225,856	\$ 166,531	\$ -	\$ 17,234	\$ -
Salaries and Benefits Payable	-	12,569	-	2,977	1,985
Due to Other Governments	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Due to Other Funds	1,265,358	-	-	-	-
Advances from Other Funds	-	-	-	634,000	-
Total Liabilities	<u>1,491,214</u>	<u>179,100</u>	<u>-</u>	<u>654,211</u>	<u>1,985</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	21,812	-	-	190,000
Total Deferred Inflows of Resources	<u>-</u>	<u>21,812</u>	<u>-</u>	<u>-</u>	<u>190,000</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	1,921,338	113,543	278,725	1,621,299
Unassigned	(1,510,073)	-	-	-	-
Total Fund Balances	<u>(1,510,073)</u>	<u>1,921,338</u>	<u>113,543</u>	<u>278,725</u>	<u>1,621,299</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ (18,859)</u>	<u>\$ 2,122,250</u>	<u>\$ 113,543</u>	<u>\$ 932,936</u>	<u>\$ 1,813,284</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue				
	Tehama Power Authority	AB 923	Small Claim Fees	Community Block Grant	Impact Fees
ASSETS					
Cash and Investments	\$ 5,801	\$ 796,346	\$ 18,814	\$ 4,405	\$ 2,206,315
Cash with Fiscal Agent	-	-	-	-	-
Receivables:					
Accounts	-	21,486	-	-	-
Intergovernmental	-	10,906	-	-	-
Advances to Other Funds	-	-	-	-	-
Prepaid Costs	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 5,801</u>	<u>\$ 828,738</u>	<u>\$ 18,814</u>	<u>\$ 4,405</u>	<u>\$ 2,206,315</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	-	10,906	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>10,906</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	5,801	817,832	18,814	4,405	2,206,315
Unassigned	-	-	-	-	-
Total Fund Balances	<u>5,801</u>	<u>817,832</u>	<u>18,814</u>	<u>4,405</u>	<u>2,206,315</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,801</u>	<u>\$ 828,738</u>	<u>\$ 18,814</u>	<u>\$ 4,405</u>	<u>\$ 2,206,315</u>

**COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023**

	Capital Projects Fund	Debt Service Fund	Totals
ASSETS			
Cash and Investments	\$ 5,045,080	\$ 318,050	\$ 28,849,307
Cash with Fiscal Agent	1,292,798	1,117,868	2,410,666
Receivables:			
Accounts	1,565,788	-	1,898,616
Intergovernmental	335,182	-	575,806
Advances to Other Funds	-	-	634,000
Prepaid Costs	-	-	127
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 8,238,848</u>	<u>\$ 1,435,918</u>	<u>\$ 34,368,522</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 116,270	\$ -	\$ 580,597
Salaries and Benefits Payable	2,917	-	97,131
Due to Other Governments	-	-	4,471
Other Liabilities	-	-	9,841
Unearned Revenues	-	-	26,715
Due to Other Funds	-	-	1,265,358
Advances from Other Funds	-	-	634,000
Total Liabilities	<u>119,187</u>	<u>-</u>	<u>2,618,113</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	<u>335,182</u>	<u>-</u>	<u>580,300</u>
Total Deferred Inflows of Resources	<u>335,182</u>	<u>-</u>	<u>580,300</u>
FUND BALANCES			
Nonspendable	-	-	127
Restricted	7,784,479	1,435,918	32,680,055
Unassigned	-	-	(1,510,073)
Total Fund Balances	<u>7,784,479</u>	<u>1,435,918</u>	<u>31,170,109</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,238,848</u>	<u>\$ 1,435,918</u>	<u>\$ 34,368,522</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2023**

	Special Revenue				
	Fish and Game	Fire	Child Support	Building and Safety	Senior Nutrition
REVENUES					
Taxes and Assessments	\$ -	\$ 4,569,449	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	1,816,848	-
Fines and Forfeits	779	-	-	21,587	-
Use of Money and Property	1,476	114,990	3,498	1,305	302
Intergovernmental	-	148,100	2,092,828	-	361,772
Charges for Services	-	974,395	-	9,132	32,609
Other Revenues	-	946	394	87	44,004
Total Revenues	<u>2,255</u>	<u>5,807,880</u>	<u>2,096,720</u>	<u>1,848,959</u>	<u>438,687</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Protection	4,346	5,091,010	-	1,004,347	-
Public Ways and Facilities	-	-	-	-	-
Health and Welfare	-	-	-	-	468,127
Public Assistance	-	-	1,977,130	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	58	-	-	-	-
Total Expenditures	<u>4,404</u>	<u>5,091,010</u>	<u>1,977,130</u>	<u>1,004,347</u>	<u>468,127</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,149)	716,870	119,590	844,612	(29,440)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	35,000
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
NET CHANGE IN FUND BALANCES	(2,149)	716,870	119,590	844,612	5,560
Fund Balances - Beginning of Year	<u>122,855</u>	<u>12,584,293</u>	<u>175,100</u>	<u>1,812,250</u>	<u>92,732</u>
FUND BALANCES - END OF YEAR	<u>\$ 120,706</u>	<u>\$ 13,301,163</u>	<u>\$ 294,690</u>	<u>\$ 2,656,862</u>	<u>\$ 98,292</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue				
	Transportation Operations	Air Pollution	Los Molinos Lighting	Tehama County Flood Control	Tehama County Flood Zone 3
REVENUES					
Taxes and Assessments	\$ 1,641,267	\$ -	\$ 17,878	\$ 540,462	\$ 137,070
Licenses and Permits	-	787,125	-	-	-
Fines and Forfeits	-	55,453	-	-	-
Use of Money and Property	(14,060)	14,766	1,043	(9,192)	12,447
Intergovernmental	398,903	355,503	202	314,530	259,004
Charges for Services	1,333	-	-	1	-
Other Revenues	-	547	-	-	5
Total Revenues	<u>2,027,443</u>	<u>1,213,394</u>	<u>19,123</u>	<u>845,801</u>	<u>408,526</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Protection	-	1,145,491	10,730	466,803	148,151
Public Ways and Facilities	2,959,185	-	-	-	-
Health and Welfare	-	-	-	-	-
Public Assistance	-	-	-	-	-
Debt Service:					
Principal	-	2,100	-	3,124	-
Interest and Other Charges	-	-	-	6	-
Capital Outlay	-	-	-	525	-
Total Expenditures	<u>2,959,185</u>	<u>1,147,591</u>	<u>10,730</u>	<u>470,458</u>	<u>148,151</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(931,742)	65,803	8,393	375,343	260,375
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	(3,524)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,524)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(931,742)	62,279	8,393	375,343	260,375
Fund Balances - Beginning of Year	<u>(578,331)</u>	<u>1,859,059</u>	<u>105,150</u>	<u>(96,618)</u>	<u>1,360,924</u>
FUND BALANCES - END OF YEAR	<u>\$ (1,510,073)</u>	<u>\$ 1,921,338</u>	<u>\$ 113,543</u>	<u>\$ 278,725</u>	<u>\$ 1,621,299</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue				
	Tehama Power Authority	AB 923	Small Claim Fees	Community Block Grant	Impact Fees
REVENUES					
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	118,645	-	-	-
Fines and Forfeits	-	-	-	-	-
Use of Money and Property	65	5,398	211	582	16,300
Intergovernmental	-	-	-	75,238	-
Charges for Services	-	-	-	-	240,576
Other Revenues	-	-	-	-	-
Total Revenues	<u>65</u>	<u>124,043</u>	<u>211</u>	<u>75,820</u>	<u>256,876</u>
EXPENDITURES					
Current:					
General Government	-	-	-	79,239	-
Public Protection	-	-	-	-	-
Public Ways and Facilities	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Public Assistance	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,239</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	65	124,043	211	(3,419)	256,876
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	65	124,043	211	(3,419)	256,876
Fund Balances - Beginning of Year	<u>5,736</u>	<u>693,789</u>	<u>18,603</u>	<u>7,824</u>	<u>1,949,439</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,801</u>	<u>\$ 817,832</u>	<u>\$ 18,814</u>	<u>\$ 4,405</u>	<u>\$ 2,206,315</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Capital Projects Fund	Debt Service Fund	Totals
REVENUES			
Taxes and Assessments	\$ 665	\$ -	\$ 6,906,791
Licenses and Permits	-	-	2,722,618
Fines and Forfeits	-	209,420	287,239
Use of Money and Property	187,250	87,165	423,546
Intergovernmental	8,244,342	-	12,250,422
Charges for Services	-	-	1,258,046
Other Revenues	-	-	45,983
Total Revenues	<u>8,432,257</u>	<u>296,585</u>	<u>23,894,645</u>
EXPENDITURES			
Current:			
General Government	131,539	2,224	213,002
Public Protection	-	-	7,870,878
Public Ways and Facilities	-	-	2,959,185
Health and Welfare	-	-	468,127
Public Assistance	-	-	1,977,130
Debt Service:			
Principal	-	935,000	940,224
Interest and Other Charges	-	470,209	470,215
Capital Outlay	10,148,377	-	10,148,960
Total Expenditures	<u>10,279,916</u>	<u>1,407,433</u>	<u>25,047,721</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,847,659)	(1,110,848)	(1,153,076)
OTHER FINANCING SOURCES (USES)			
Transfers In	227,069	1,137,254	1,399,323
Transfers Out	-	-	(3,524)
Total Other Financing Sources (Uses)	<u>227,069</u>	<u>1,137,254</u>	<u>1,395,799</u>
NET CHANGE IN FUND BALANCES	(1,620,590)	26,406	242,723
Fund Balances - Beginning of Year	<u>9,405,069</u>	<u>1,409,512</u>	<u>30,927,386</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,784,479</u>	<u>\$ 1,435,918</u>	<u>\$ 31,170,109</u>

NONMAJOR PROPRIETARY FUNDS

- **Enterprise Funds**

**COUNTY OF TEHAMA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2023**

	<u>Health Center</u>	<u>Tehama County Sanitation District #1</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Investments	\$ 1,301	\$ 394,641	\$ 395,942
Total Current Assets	<u>1,301</u>	<u>394,641</u>	<u>395,942</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	-	38,047	38,047
Depreciable, Net	-	552,810	552,810
Total Noncurrent Assets	<u>-</u>	<u>590,857</u>	<u>590,857</u>
Total Assets	1,301	985,498	986,799
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	8,854	8,854
Salaries and Benefits Payable	-	1,550	1,550
Accrued Interest Payable	-	2,913	2,913
Bonds Payable	<u>-</u>	<u>22,500</u>	<u>22,500</u>
Total Current Liabilities	-	35,817	35,817
Noncurrent Liabilities			
Bonds Payable	<u>-</u>	<u>210,700</u>	<u>210,700</u>
Total Noncurrent Liabilities	<u>-</u>	<u>210,700</u>	<u>210,700</u>
Total Liabilities	-	246,517	246,517
NET POSITION			
Net Investment in Capital Assets	-	357,657	357,657
Unrestricted	<u>1,301</u>	<u>381,324</u>	<u>382,625</u>
Total Net Position	<u>\$ 1,301</u>	<u>\$ 738,981</u>	<u>\$ 740,282</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023

	Health Center	Tehama County Sanitation District #1	Totals
OPERATING REVENUES			
Charges for Services	\$ -	\$ 208,026	\$ 208,026
Other Revenues	-	45	45
Total Operating Revenues	<u>-</u>	<u>208,071</u>	<u>208,071</u>
OPERATING EXPENSES			
Salaries and Benefits	-	51,497	51,497
Services and Supplies	-	67,401	67,401
Professional Services	-	4,716	4,716
Insurance	-	15,698	15,698
Depreciation	-	41,540	41,540
Total Operating Expenses	<u>-</u>	<u>180,852</u>	<u>180,852</u>
OPERATING INCOME	-	27,219	27,219
NONOPERATING REVENUE (EXPENSES)			
Intergovernmental Revenue	-	-	-
Interest Income	15	3,127	3,142
Interest Expense	-	(10,640)	(10,640)
Total Nonoperating Revenue (Expenses)	<u>15</u>	<u>(7,513)</u>	<u>(7,498)</u>
CHANGE IN NET POSITION	15	19,706	19,721
Net Position - Beginning of Year, Restated	<u>1,286</u>	<u>719,275</u>	<u>720,561</u>
NET POSITION - END OF YEAR	<u>\$ 1,301</u>	<u>\$ 738,981</u>	<u>\$ 740,282</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023**

	Health Center	Tehama County Sanitation District #1	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ -	\$ 208,071	\$ 208,071
Payments to Suppliers	-	(85,444)	(85,444)
Payments to Employees	-	(49,947)	(49,947)
Net Cash Provided by Operating Activities	-	72,680	72,680
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	-	(21,500)	(21,500)
Interest Paid on Capital Debt	-	(10,640)	(10,640)
Net Cash Used by Capital and Related Financing Activities	-	(32,140)	(32,140)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	15	3,127	3,142
Net Cash Flows Used by Investing Activities	15	3,127	3,142
NET DECREASE IN CASH AND CASH EQUIVALENTS	15	43,667	43,682
Cash and Cash Equivalents - Beginning of Year	1,286	350,974	352,260
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,301</u>	<u>\$ 394,641</u>	<u>\$ 395,942</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023**

	<u>Health Center</u>	<u>Tehama County Sanitation District #1</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ -	\$ 27,219	\$ 27,219
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	-	41,540	41,540
Increase (Decrease) in:			
Accounts Payable	-	2,709	2,709
Salaries and Benefits Payable	-	1,550	1,550
Accrued Interest	-	(338)	(338)
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ 72,680</u>	<u>\$ 72,680</u>

INTERNAL SERVICE FUNDS

**COUNTY OF TEHAMA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023**

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Totals
ASSETS					
Current Assets:					
Cash and Investments	\$ 2,363,768	\$ 370,276	\$ 297,090	\$ 54,567	\$ 3,085,701
Cash With Fiscal Agent	-	60,900	-	-	60,900
Accounts Receivable	60	-	-	-	60
Prepaid Costs	-	1,733	1,135,214	410	1,137,357
Deposits with Others	3,250,343	-	-	-	3,250,343
Total Current Assets	<u>5,614,171</u>	<u>432,909</u>	<u>1,432,304</u>	<u>54,977</u>	<u>7,534,361</u>
Noncurrent Assets:					
Capital Assets:					
Depreciable, Net	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	5,614,171	432,909	1,432,304	54,977	7,534,361
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Adjustments	182,867	-	-	-	182,867
Deferred OPEB Adjustments	1,382	-	-	-	1,382
Total Deferred Outflows of Resources	<u>184,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,249</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	7,866	52,715	-	6,126	66,707
Accrued Payroll and Benefits	17,374	-	-	-	17,374
Due to Other Funds	-	-	-	-	-
Compensated Absences	-	-	-	-	-
Estimated Claims Liability	1,950,423	88,826	-	13,819	2,053,068
Total Current Liabilities	<u>1,975,663</u>	<u>141,541</u>	<u>-</u>	<u>19,945</u>	<u>2,137,149</u>
Noncurrent Liabilities:					
Advances From Other Funds	-	-	1,180,000	-	1,180,000
Compensated Absences	11,747	-	-	-	11,747
Net Pension Liability	608,149	-	-	-	608,149
Total OPEB Liability	5,142	-	-	-	5,142
Total Noncurrent Liabilities	<u>625,038</u>	<u>-</u>	<u>1,180,000</u>	<u>-</u>	<u>1,805,038</u>
Total Liabilities	2,600,701	141,541	1,180,000	19,945	3,942,187
DEFERRED INFLOWS OF RESOURCES					
Deferred OPEB Adjustments	12,061	-	-	-	12,061
Deferred Pension Adjustments	19,117	-	-	-	19,117
Total Deferred Inflows of Resources	<u>31,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,178</u>
NET POSITION					
Net Investment in Capital Assets	-	-	-	-	-
Unrestricted	3,166,541	291,368	252,304	35,032	3,745,245
Total Net Position	<u>\$ 3,166,541</u>	<u>\$ 291,368</u>	<u>\$ 252,304</u>	<u>\$ 35,032</u>	<u>\$ 3,745,245</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Totals
OPERATING REVENUES					
Charges for Services	\$ 5,647,898	\$ 523,230	\$ 13,080,741	\$ 95,254	\$ 19,347,123
Other Revenues	878,859	-	-	-	878,859
Total Operating Revenues	<u>6,526,757</u>	<u>523,230</u>	<u>13,080,741</u>	<u>95,254</u>	<u>20,225,982</u>
OPERATING EXPENSES					
Salaries and Benefits	665,782	-	-	-	665,782
Services and Supplies	90,877	51,641	3,970	13,232	159,720
Insurance	4,264	532,956	13,091,445	83,430	13,712,095
Self-Insurance Claims	3,857,329	-	-	-	3,857,329
Depreciation	2,442	-	-	-	2,442
Total Operating Expenses	<u>4,620,694</u>	<u>584,597</u>	<u>13,095,415</u>	<u>96,662</u>	<u>18,397,368</u>
OPERATING INCOME (LOSS)	1,906,063	(61,367)	(14,674)	(1,408)	1,828,614
NONOPERATING REVENUE (EXPENSES)					
Interest Income	29,720	7,054	8,617	704	46,095
Operating Grants	-	-	-	-	-
Total Nonoperating Revenue (Expenses)	<u>29,720</u>	<u>7,054</u>	<u>8,617</u>	<u>704</u>	<u>46,095</u>
CHANGE IN NET POSITION	1,935,783	(54,313)	(6,057)	(704)	1,874,709
Net Position - Beginning of Year	<u>1,230,758</u>	<u>345,681</u>	<u>258,361</u>	<u>35,736</u>	<u>1,870,536</u>
NET POSITION - END OF YEAR	<u>\$ 3,166,541</u>	<u>\$ 291,368</u>	<u>\$ 252,304</u>	<u>\$ 35,032</u>	<u>\$ 3,745,245</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023**

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 7,393,501	\$ 523,230	\$ 13,080,741	\$ 95,254	\$ 21,092,726
Payments to Suppliers	(7,235,784)	(592,896)	(13,152,243)	(95,643)	(21,076,566)
Payments to Employees	(96,114)	-	-	-	(96,114)
Net Cash Provided (Used) by Operating Activities	61,603	(69,666)	(71,502)	(389)	(79,954)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants	-	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends	29,720	7,054	8,617	704	46,095
Net Cash Flows Provided by Investing Activities	29,720	7,054	8,617	704	46,095
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	91,323	(62,612)	(62,885)	315	(33,859)
Cash and Cash Equivalents - Beginning of Year	2,272,445	493,788.00	359,975	54,252	3,180,460
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,363,768</u>	<u>\$ 431,176</u>	<u>\$ 297,090</u>	<u>\$ 54,567</u>	<u>\$ 3,146,601</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 1,906,063	\$ (61,367)	\$ (14,674)	\$ (1,408)	\$ 1,828,614
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	-	-	-	-
(Increase) Decrease in:					
Accounts Receivable	866,744	(38)	-	-	866,706
Prepaid Costs	-	-	(56,828)	(84)	(56,912)
Deferred Pension Adjustments - Deferred Outflows of Resources	(118,771)	-	-	-	(118,771)
Deferred OPEB Adjustments - Deferred Outflows of Resources	(136)	-	-	-	(136)
Increase (Decrease) in:					
Accounts Payable	(30,529)	275	-	588	(29,666)
Salaries and Benefits Payable	4,823	-	-	-	4,823
Deposits with Others	(3,250,343)	-	-	-	(3,250,343)
Compensated Absences Payable	(2,468)	-	-	-	(2,468)
Estimated Claims Liability	556,423	(8,536)	-	515	548,402
Deferred Inflows of Resources	(126,123)	-	-	-	(126,123)
Net Pension Liability	262,721	-	-	-	262,721
Total OPEB Liability	(6,801)	-	-	-	(6,801)
Net Cash Provided (Used) by Operating Activities	<u>\$ 61,603</u>	<u>\$ (69,666)</u>	<u>\$ (71,502)</u>	<u>\$ (389)</u>	<u>\$ (79,954)</u>

FIDUCIARY FUNDS

**COUNTY OF TEHAMA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 JUNE 30, 2023**

	Special Districts Governed by Local Boards	School Districts	Totals
ASSETS			
Cash and Investments	\$ 8,150,477	\$ 168,810,563	\$ 176,961,040
Total Assets	\$ 8,150,477	\$ 168,810,563	\$ 176,961,040
NET POSITION			
Net Position Held in Trust for Pool Participants	\$ 8,150,477	\$ 168,810,563	\$ 176,961,040
Total Net Position	\$ 8,150,477	\$ 168,810,563	\$ 176,961,040

**COUNTY OF TEHAMA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 INVESTMENT TRUST FUNDS
 YEAR ENDED JUNE 30, 2023**

	Special Districts Governed by Local Boards	School Districts	Totals
ADDITIONS			
Contributions to Investment Pool	\$ 11,996,526	\$ 481,951,417	\$ 493,947,943
Investment Earnings	187,123	-	187,123
Total Additions	<u>12,183,649</u>	<u>481,951,417</u>	<u>494,135,066</u>
DEDUCTIONS			
Distributions from Investment Pool	11,014,270	435,004,759	446,019,029
Total Deductions	<u>11,014,270</u>	<u>435,004,759</u>	<u>446,019,029</u>
CHANGE IN NET POSITION	1,169,379	46,946,658	48,116,037
Net Position - Beginning of Year	<u>6,981,098</u>	<u>121,863,905</u>	<u>128,845,003</u>
NET POSITION - END OF YEAR	<u><u>\$ 8,150,477</u></u>	<u><u>\$ 168,810,563</u></u>	<u><u>\$ 176,961,040</u></u>



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