

County of Sutter
State of California

Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2022



Nathan M. Black, CPA
Auditor-Controller



The front cover features almonds in bloom and above picture shows dormant walnuts. Almonds and walnuts are among the primary crops of Sutter County and has exported to 83 countries in 2021. Additional information is available in their Annual Crop Report:

<https://www.suttercounty.org/government/county-departments/agricultural-department/crop-reports>

The photographs were shared by Agricultural Department of Sutter County.

County of Sutter
State of California

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2022



Nathan M. Black, CPA
Auditor-Controller

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Introductory Section

Introductory Section



County of Sutter

Nathan M. Black, CPA
Auditor-Controller

Sheeny L. Santos
Assistant Auditor-
Controller



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March 30, 2023

To the Citizens of Sutter County:

The Comprehensive Annual Financial Report (CAFR) of the County of Sutter (County) for the fiscal year ended June 30, 2022, is hereby submitted in compliance with Section 25250 and 25253 of the Government Code of the State California. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent auditors' report is located at the front of the financial section of this report. Lance, Soll & Lunghard, LLP, has issued an unmodified opinion on the County's financial statements for the year ended June 30, 2022. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of the five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets and appointing committees, the County Administrative Officer (CAO), and non-elected department directors. Supervisors are elected to four-year staggered terms with two supervisors elected in even-years and three supervisors elected in odd-years. The County has six elected department directors responsible for the offices of the Assessor, Auditor-Controller, Clerk-Recorder-Elections, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector. The following organization chart reflects the various functional categories reported in the governmentwide Statement of Activities as well as identifies principal officials.

Geography and Industry

The County, one of California's original 27 counties, is located in the heart of the Sacramento Valley approximately 45 miles north of the State Capitol. Sutter County encompasses approximately 600 square miles made up of nearly 90% prime agricultural land. The Feather and Sacramento rivers provide vast amounts of water for this agricultural community. The Sutter Buttes are a cluster of mountain peaks that rise in sharp relief to the surrounding valley floor. They are considered to be the "smallest mountain range in the world" having formed between 1.4 and 1.6 million years ago.

Two incorporated cities are within the County: Yuba City and Live Oak. The largest employment categories include government, trade, transportation and utilities, health services, and agriculture. The Mediterranean climate provides relatively mild winters while summers are generally hot and dry.

Policy & Executive



Nick Micheli
First District Supervisor



Dan Flores
Second District Supervisor



Mike Ziegenmeyer
Third District Supervisor



Karm Baines
Fourth District Supervisor



Mat Conant
Fifth District Supervisor

Steve Smith
County Administrative Officer (CAO)

Deborah Micheli
County Counsel

Public Protection

Brandon Barnes
Sheriff-Coroner

Amanda Hopper
District Attorney

Nicole Ritner
Probation

Michael Sullinger
Public Defender

John Shalowitz
Fire

Natalie Dillon
Child Support

Health & Sanitation

Sarah Eberhardt-Rios
Health and Human Services

Leah Northrop
Public Health

Rick Bingham
Behavioral Health

Public Assistance

David Nagra
Social Services

General Government

Nathan M. Black
Auditor-Controller

Todd Retzloff
Assessor

Nicholas Valencia
Treasurer-Tax Collector

Ken Sra
General Services

Donna Johnston
Clerk-Recorder

Gina Rowland
Human Resources

Public Ways & Facilities

Neal Hay
Development Services

Education, Recreation & Culture

James Ochsner
Library

Molly Bloom
Museum

Lisa Herbert
Agriculture Commissioner

Component Units

The County, approximately 972 full-time equivalent employees, provides a full range of services to its residents as the organization chart above depicts. Included in operations are various component units which provide specific services countywide or to distinct geographic areas within the County. They include: In-Home Supportive Services Public Authority, Children and Families Commission, Gilsizer County Drainage District, Sutter County Fish & Game, County Service Areas, and Lighting Districts.

While these entities are legally separate from the County, the County is financially accountable for them as their governing bodies are substantially the same as the County Board. Other entities, such as the Sutter County Resource Conservation District, various Levee Districts and Reclamation Districts, conduct their own day-to-day operations, answer to their own governing board, and thus are not included in the County's financial statements.

Budget

The County is required by state law to adopt a budget each year. This annual budget serves as the foundation for the County's financial planning and spending control. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The legal level of budgetary control is maintained at the fund, department, and object level with more stringent control over capital assets and fund balance categories, which are maintained at the line item level.

The Board must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to approve transfers of appropriations between object levels within the same department to the CAO.

Factors Affecting Economic Condition¹

The following highlights and graphs are evidence of the changing economy on a Countywide basis that includes both the unincorporated area and the two incorporated cities.

During Fiscal Year (FY) 2022, the County continued to see positive economic trends, with historically low unemployment and steady gains in home values.

Employment

- The County's average unemployment rate during FY 2022 dipped -3.2% from 9.1% to 5.9%.
- The June 2022 County unemployment rate of 5.9% was above the State unemployment rate of 4.2% and the national unemployment rate of 3.6%.

Income

- Per capita income for the Sutter County area for 2022 increased by 2.6% to \$46,708.

Retail Sales

- Countywide retail sales increased 8.3% to \$2.348 billion for FY 2022.
- California retail sales increased by 129.1 , or 16.3% over FY 2021.

Real Estate

- The Countywide median home value decreased to approximately \$376,950.
- Total assessed property valuation for FY 2022 was \$10.83 billion, a 4.48% increase over the prior year of \$10.36 billion.

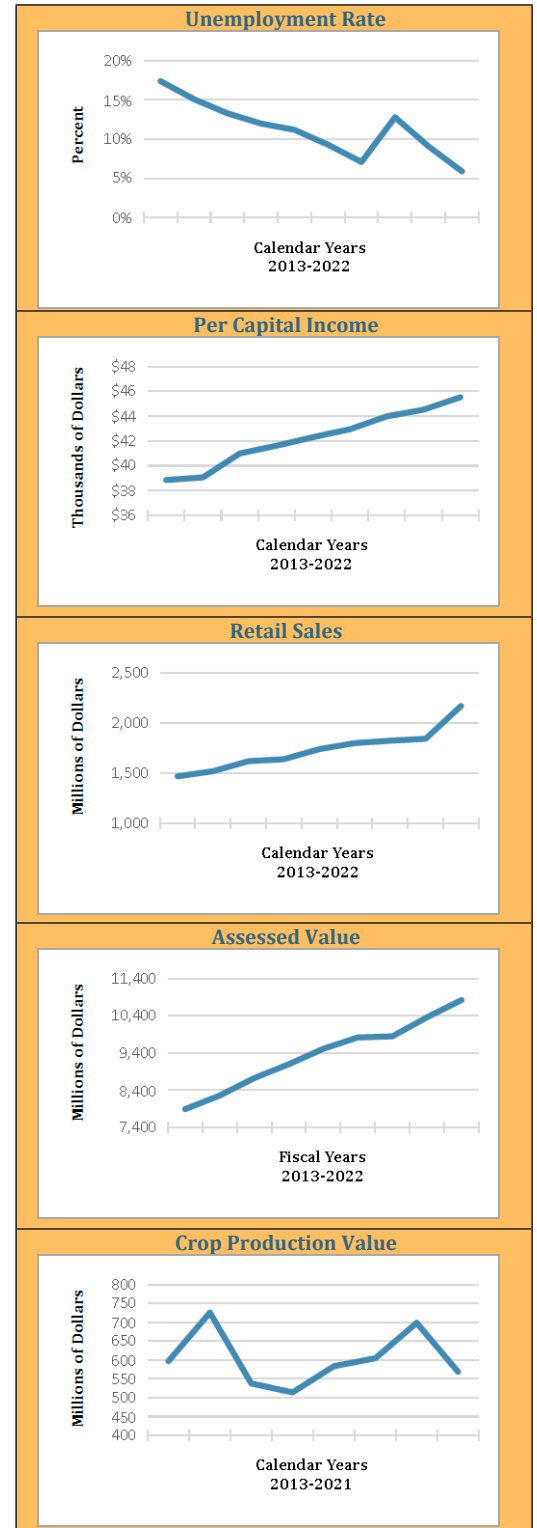
Agriculture

- Total acres harvested in 2021 decreased from 313,829 to 292,095, a -6.9% change.
- Total crop production value decreased from \$699 million to \$569 million.

Economic Indicators

According to the California Fiscal Outlook, the state is anticipating a surplus of \$31 billion as a result of higher revenues from the "meteoric rise in several measures of economic activity". The increase in revenues were attributed to the double-digit growth of retail sales during 2021, increased stock prices since the pandemic low, and higher collections of corporation taxes. The LAO has estimated that the budget's condition through 2025-26 has capacity for new commitments such as spending increase or tax reductions.

Sutter County is an agricultural community and thus the local economy is heavily reliant on strong agricultural commodity prices and availability of water. The reduction in farmed acreage in the 2021 growing season was due primarily to dramatic reductions in commodity prices for walnuts and prunes. Additionally, there remained challenges to water availability.



¹ General Note: Information about our local economy was derived from the California Employment Development Department and the Bureau of Labor Statistics as well from local sources such as the Sutter County Agricultural Commissioner.

Major Initiatives

Labor Market Concerns

In FY 2021-22, the County reached agreements with the Deputy Sheriff's Association and the Sutter County Peace Officer's Association, providing significant equity increases, cost of living adjustments, and one-time lump sum payments for certain classifications. The cost of these increases, most of which will come from General Fund, is in the millions of dollars annually. In January 2022, the County came to agreement with the Professional Fighters Association, providing equity adjustments and one-time lump sum payments. While the employees covered under this agreement are within CSA-F, dedicated funding in this special district is insufficient to sustain positions without an infusion of funding from the County General Fund. Additionally, the County is currently in negotiations with the Probation Officers' Association and the General, Supervisory, and Professional bargaining group, and the County can expect growing personnel costs in the budget and subsequent years. Notably, Sutter County's eroding place in the labor market due to low wage levels has impacted the ability to recruit and retain qualified staff. Most County jobs require at least some college education, with many requiring bachelor's and even advanced degrees. Qualified, trained staff are increasingly difficult to place in County positions, particularly in the areas of medical, counseling, social work, accounting, law enforcement, firefighting, and management positions. Department Head salaries are an average of 30% below our comparable counties, but with a similar workload. In order to stay reasonably close to the market and be able to recruit and retain quality staff, the County may have to raise wage levels while scaling back service levels to stay within its financial constraints.

County Facilities Master Plan

The County owns and/or leases over 30 facilities in different locations throughout the county. Over many years, the County has become a major property owner yet does not have sufficient staff and financial resources to maintain the buildings. This has translated into many facilities suffering from years, and in some cases decades, of deferred maintenance. Several County facilities are severely run-down and the cost to restore and/or repair them is more than abandoning these buildings and purchasing existing buildings elsewhere.

County staff continues to work with consultants on a comprehensive Facilities Master Plan to identify current and future facility needs. Once completed, this plan can be used as the basis for an AB 1600 Study, so the County can update its Development Impact Fees. The fees allow the County to begin collecting revenue to meet necessary future service needs.

In concept, the County's plan includes locating all the general administrative and support functions into a main "Government Campus" surrounding the main offices housed at 1130 and 1160 Civic Center Boulevard in Yuba City. In Spring 2019, the County purchased an office building at 1190 Civic Center Boulevard, furthering the Campus plan. This building will house the Assessor's Office within the budget year, freeing space for the Auditor-Controller and Treasurer-Tax Collector to move into 1160 Civic Center Boulevard by fall 2022. This project has been significantly delayed by a shortage of workers and supply chain issues.

A "Public Safety Campus" is recommended around the new State Courthouse located at 1175 Civic Center Boulevard and would include the Sheriff's Office, expanded Jail, District Attorney's Office, Probation, etc. A Health & Human Services Campus has been recommended for the Gray Avenue property purchased in May 2021. Other cluster campuses were recommended for other vital County uses.

Homelessness

The rise in the local homeless population (especially within the Feather River river-bottoms and throughout Downtown Yuba City) continues to present challenges for the broader community and local economy. As revealed in a recent Yuba City citywide survey, homelessness was, by far, ranked as the community's most serious concern. In response, the County continues to work closely with other local governments and service providers, including the following two bi-county working groups: 1) Bi-County Homeless Consortium; and, 2) Bi-County Homeless Services Program.

In November 2017, the Board of Supervisors adopted a formal Sutter County Long-Term Homeless Management Plan. As a part of implementing this plan, the County has moved forward with building a shelter complex at its Behavioral Health campus located at 1965 Live Oak Boulevard. Construction on the site was completed in September 2019. The plan was developed in partnership with other regional governments as well as community-based organizations to improve services and shelter operations. As always, the goal remains to address homeless individuals' barriers to stable living and get them into permanent housing. Over the past year, the County has used available state and federal funding, along with \$750,000 in General, to provide additional housing and support to individuals and families experiencing homelessness. For FY 2022-23, the General Fund contribution to the Homeless program is projected to increase to \$1.5 million, due to a reduction in state and federal funds. This doesn't include funding in other departments, such as Sheriff, Development Services, and General Services for enforcement and cleanup activities related to homelessness.

The County has seen significant success in several areas as a result of the activities. Better Way temporary housing has been successful in placing individuals in permanent housing and providing support to ensure that those individuals continue to a stable residence. Habitat for Humanity provides housing and supportive services to older adults and veterans at Harmony Village, a partnership between the County and Habitat for Humanity using state and federal funding to purchase and operate the former Baymont Motel south of Yuba City. The Sutter County Sheriff and Development Services have been successful at eliminating homeless campsites and abandoned vehicles and RVs along Second Street in Yuba City and in the Second Beach area in Robbins. These departments continue to monitor the area, ensuring that homeless individuals do not move back in. Finally, the County has begun to work with the Resource Conservation District on plans to revitalize the river bottom area along the Feather River for public recreational use.

The cost to continue the services is substantial. While funding is very likely to be available from the state and perhaps even the federal governments, the County will need to seek a long-term funding source to address homelessness or consider rolling back services provided to them.

American Rescue Plan Act (ARPA) Funding

In March 2021, the American Rescue Plan Act was passed, which included substantial funding for local governments to address the human and economic impact from COVID-19. Sutter County was awarded \$18,835,480 in funding. The first payment of \$9,417,740 has already been received in the County Treasury, and a second payment in the same amount was received in July 2022. Among the qualified uses is replacement of lost revenue to local governments. Using the US Treasury's formula for calculating the revenue reduction, Sutter County has identified \$28,952,601 in lost revenue, exceeding the ARPA allocation by over \$10 million. Thus, the Board of Supervisors has the flexibility to allocate funding for "governmental expenditures" excluding lump sum pension payments, funding reserves, and offsetting a local tax decrease. The Board of Supervisors previously committed approximately \$3.5 million in ARPA funding to Economic Resilience Grants paid in March, cybersecurity upgrades for the County, negotiated essential worker pay to Deputy Sheriff Association and Professional Firefighters, COVID-19 at-home test kits, and a one-time funding for the Sutter County Fire (CSA-F) budget.

Sutter Pointe Specific Plan Implementation

In Spring 2019, developers submitted a proposed first project phase comprising 873± acres located in the eastern portion of the plan area north of Riego Road and south of Sankey Road. This first phase will be called Lakeside at Sutter Pointe and it proposes to establish a total of 3,388 single-family and 399 multifamily homes, along with 44.8 acres of employment centers, 25 acres of commercial centers, 59.1 acres of parkland, 54.8 acres of open space along with up to two K-8 schools. The County continues to work with developers to establish the necessary public infrastructure and services needed to serve this mixed-use community and to ensure compliance with developer agreements, Sutter County's Federal Incidental Take Permit, and other environmental requirements.

Groundbreaking on the property was expected by the end of June 2022, and a construction of new homes and businesses in this area could commence by the end of 2023. As directed by the Board of Supervisors, this development is designed to be self-sustaining and to not have any new net costs to taxpayers outside of the plan area. At build-out of the entire 7,500-acre specific plan, Sutter Pointe provides for a maximum of 17,500 housing units, thousands of new jobs, and approximately 50,000 residents. This will also bring opportunity for construction of sales distribution centers that would increase County sales tax revenue. However, build-out is likely decades away as the "Sankey Gap" levee area currently does not provide flood protection for some areas of the specific plan.

Relevant Financial Policies

Annual Financial Forecasting

Following mid-year budget reviews, that aid in current year decisions and forecasting year-end results from operations.

Mid-Year Budget Review

The County performs mid-year budget reviews that aid in current year decisions and forecasting year-end results from operations.

Contingency Planning

The County does not maintain a formal contingency policy, however, approximately 1% of the General Fund is budgeted annually as a contingency against unforeseen adverse developments in county operations.

Nonrecurring Revenue

The County performs mid-year budget reviews that aid in current year decisions and forecasting year-end results from operations.

Debt Affordability

The County established a Debt Advisory Committee (DAC) made up of the County Administrator, Auditor-Controller, and Treasurer/Tax Collector. The purpose of the Committee is to provide advice to the Board of Supervisors on debt issuance and management. The DAC reviews all potential debt issuances and provides a report to the Board of Supervisors.

Capital and Maintenance Funding

The County has an informal pay-as-you-go policy for funding capital. However, the County has recently begun procurement of a facilities master plan that will aid in capital funding and address the aging and disparate facilities.

Financial Reporting Awards

This report is the County's fourth CAFR. We may seek consideration for financial reporting awards in the future.





INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors and Grand Jury
County of Sutter, California

Report on 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 County of Sutter, California, (the County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 date of the financial statements.



To the Board of Supervisors and Grand Jury
County of Sutter, California

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 the County'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 the County'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.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund and major special revenue funds, the schedule of changes in net pension liability and related ratios – miscellaneous plan, the schedule of pension plan contributions – miscellaneous plan, , the schedule of changes in net pension liability and related ratios – safety plan, the schedule of pension plan contributions – safety plan the schedule of changes in the total OPEB liability and related ratios, and the schedule of OPEB plan contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we 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.



To the Board of Supervisors and Grand Jury
County of Sutter, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements, and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules 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, statistical and glossary sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Sacramento, California
March 30, 2023

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Financial Highlights

The information in this section is not covered by the Independent Auditors' Report but is presented as required supplementary information for the benefit of the readers of the CAFR.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's Basic Financial Statements, which immediately follow this section. All dollar amounts are expressed in thousands.

Government-wide Financial Analysis

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$97,152 (See Summary of Net Position beginning on page 27):

- \$97,965 represents the County's investment in capital assets, less (1) accumulated depreciation, (2) related outstanding debt used to acquire those assets, and (3) related deferred inflows of resources,
- \$113,463 is available for the County's ongoing obligations related to programs with external restrictions, and;
- \$(114,277) in unrestricted net position is primarily the result of the County's unfunded pension and Other Postemployment Benefits (OPEB) liabilities.

The County's total net position increased by \$32,672 over the prior year:

- The \$1,827 increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt and deferred inflows of resources,
- The \$15,981 increase in restricted net position represents the change in resources that are subject to external restrictions on their use, and;
- The \$14,864 increase in unrestricted net position is the change available to fund County programs to citizens and debt obligations to creditors.

Financial Analysis of the County's Funds

The County's governmental funds' combined ending fund balance of \$124,881, was an increase of \$11,995 from the prior year ending fund balance of \$112,885. Amounts available for spending include Restricted, Committed, Assigned and Unassigned Fund Balances; these totaled \$122,744 or 98% of ending fund balance. Of this amount:

- \$94,964 is restricted by law or externally imposed requirements,
- \$15,999 is committed for specific purposes,
- \$312 is assigned fund balance, and;
- \$11,469 is unassigned fund balance.

Spendable fund balance for the General Fund increased \$3,672 to \$31,268, which equates to 1.12 of total General Fund expenditures for the year.

Description of the Basic Financial Statements

Management's Discussion and Analysis introduces the County's Basic Financial Statements. The County's Basic Financial Statements include three components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

Government-wide Financial Statements

The Government-wide Financial Statements provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

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 reported as Net Position.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

Over time, increases or decreases in Net Position are a useful indicator of an improving or deteriorating County financial condition.

The Statement of Activities presents the most recent fiscal year changes in the County's net position. 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 (Accrual Basis of Accounting). The statement reports items resulting from cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave) as revenues and expenses.

The Government-wide Financial Statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities grouped by function of the County include General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Recreation and Culture. The business-type activities of the County include Waterworks District #1.

Component Units are included in the financial statements and are legally separate entities for which the County is financially accountable. If a component unit's total debt is expected to be repaid entirely by the County, if the component unit provides services entirely to the County, or if the component unit has substantially the same governing board as the County and there is a financial benefit or burden relationship or County management has operational responsibility for a component unit, then the component will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements it will be presented as a discrete component unit. The following is a list of the County's blended component units:

1. In-Home Supportive Services Public Authority
2. Gilsizer County Drainage District
3. Sutter County Fish & Game Commission
4. County Service Areas
5. Lighting Districts
6. Children and Families' Commission

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The County's funds are divided into three types:

- Governmental funds
- Proprietary funds
- Fiduciary funds

Governmental Funds

Governmental funds 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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year (Modified Accrual Basis of Accounting). Such information may be useful in evaluating the County's near-term financing requirements. To understand the long-term impact of the County's near-term financing decisions, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains approximately 130 individual governmental funds combined into 20 funds for financial reporting purposes. The County segregates from the General Fund a number of significant functions in 5 major funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Bi-County Behavioral Health, Welfare, Public Safety/Trial Courts, Mental Health Services Act, and Public Safety Realignment, all considered major funds. Data for the other 14 governmental funds are provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its operating funds. The budget and actual comparison schedules provided for the General Fund and major special revenue funds demonstrate performance against this budget.

Pages 31 - 37 of this report display the Governmental Funds Financial Statements.

Proprietary Funds

The County maintains two types of proprietary funds: enterprise funds and internal service funds. The County has one enterprise fund which does not qualify as a major fund.

Enterprise Funds report the same functions presented as business-type activities in the Government-wide Financial Statements. The County uses an enterprise fund to account for Waterworks District #1.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service funds account for information technology services, fleet maintenance, employee wellness, and self-insurance programs. Since these services predominately benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Government-wide Financial Statements.

Proprietary funds provide the same type of information as the Government-wide Financial Statements, but in more detail. The proprietary funds financial statements provide separate information for the enterprise fund and the internal service funds. Data for the five internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

Page 38 - 40 of this report display the Proprietary Funds Financial Statements.

Fiduciary Funds

Fiduciary funds account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the County's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. Fiduciary funds report the external portions of the Treasurer's investment pool, a private-purpose trust fund, and custodial funds.

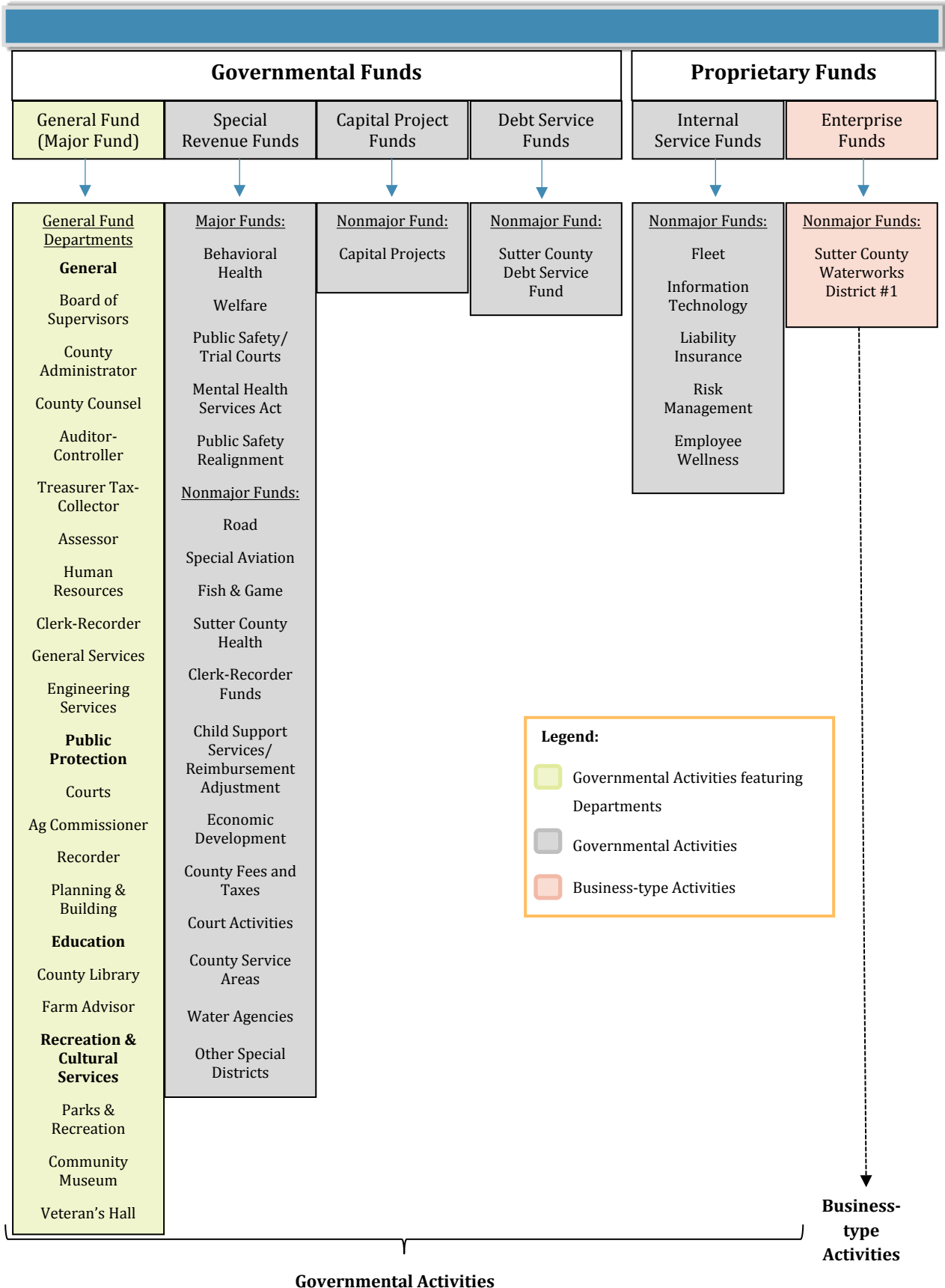
Pages 42 - 44 of this report display the Fiduciary Funds Financial Statements.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. Information in the Notes to the Financial Statements is described as follows:

- Note 1 provides a general description of the County's Significant Accounting Policies.
- Notes 2 to 13 provide detailed information on cash and investments, loans receivable, capital assets, lease commitments, long-term liabilities, deferred outflows of resources, interfund transactions, risk management, deferred inflows of resources, and fund balance classifications.
- Notes 14 and 15 provide detailed information on pension plans and other post employments benefits.
- Note 16 provides detailed information on the County's compensated absences liability.
- Note 17 provides other information such as construction commitments and contingent liabilities.
- Note 18 provides detailed information on prior period adjustments.

Notes to the Financial Statements start on Page 48 of this report.



Government-wide Financial Analysis

Condensed Statement of Net Position (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | | Total | |
|--------------------------------------|-------------------------|------------|--------------------------|----------|------------|------------|---------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | Dollar Change | % Change |
| | | | | | | | 2021 to 2022 | 2021 to 2022 |
| Current and other assets | \$ 180,439 | \$ 159,217 | \$ 342 | \$ 371 | \$ 180,781 | \$ 159,587 | \$ 21,193 | 13% |
| Capital assets | 111,431 | 107,268 | 2,243 | 2,373 | 113,673 | 109,640 | 4,033 | 4% |
| Total Assets | 291,869 | 266,485 | 2,584 | 2,743 | 294,454 | 269,228 | 25,226 | 9% |
| Deferred outflows of resources | | | | | | | | |
| Deferred OPEB | 862 | 1,465 | - | - | 862 | 1,465 | (602) | (41%) |
| Deferred pension | 23,671 | 29,453 | - | - | 23,671 | 29,453 | (5,782) | (20%) |
| Total deferred outflows of resources | 24,533 | 30,917 | - | - | 24,533 | 30,917 | (6,384) | (21%) |
| Current and other liabilities | 34,897 | 32,090 | 103 | 44 | 35,000 | 32,134 | 2,866 | 9% |
| Long term liabilities | 133,465 | 198,517 | 108 | 131 | 133,573 | 198,648 | (65,076) | (33%) |
| Total Liabilities | 168,362 | 230,607 | 210 | 176 | 168,572 | 230,782 | (62,210) | (27%) |
| Deferred inflows of resources | | | | | | | | |
| Leases | 773 | | | | 773 | | 773 | 100% |
| Deferred OPEB | 4,286 | 3,733 | - | - | 4,286 | 3,733 | 553 | 15% |
| Deferred pension | 48,204 | 1,150 | - | - | 48,204 | 1,150 | 47,054 | 4091% |
| Total deferred inflows of resources | 53,263 | 4,883 | - | - | 53,263 | 4,883 | 47,607 | 975% |
| Net investment in capital assets | 95,853 | 93,918 | 2,112 | 2,220 | 97,965 | 96,138 | 1,827 | 2% |
| Restricted | 113,463 | 97,483 | - | - | 113,463 | 97,483 | 15,981 | 16% |
| Unrestricted | (114,539) | (129,489) | 262 | 347 | (114,277) | (129,141) | 14,864 | (12%) |
| Total Net Position | \$ 94,778 | \$ 61,912 | \$ 2,374 | \$ 2,568 | \$ 97,152 | \$ 64,480 | \$ 32,672 | 51% |

As noted earlier, over time, net position may serve as a useful indicator of a government's financial condition. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$97,152 at the close of the current fiscal year.

Analysis of Net Position

The County's total net position increased by \$32,672, or 51%, during the fiscal year. As described below, the County experienced a net decrease mainly due to reductions in restricted net position and changes in net investment in capital assets.

Restricted net position

Restricted net position of \$113,463 represents resources that subject to external restrictions on their use or by enabling legislation. Due to the unique nature of funding sources and the unrestricted impact of the net pension and OPEB liabilities, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- \$31,664 (27.9%) for health and social services.
- \$28,407 (25.0%) for public protection.
- \$23,261 (20.5%) for public ways and facilities.
- \$2,435 (2.1%) for taxes and fees.
- \$6,038 (5.3%) for other restrictions.
- \$6,032 (5.3%) for general government.

Restricted net position increased \$15,981, or 16%.

Net investment in capital assets

The largest portion of the County's net position is invested in capital assets (e.g. land, buildings, roads, bridges, flood control channels, machinery, equipment, and intangible assets), less the related and outstanding debt used to acquire those assets and related deferred inflows of resources. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, 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.

| Governmental & Business-Type | Capital Assets (in thousands) | | Variance Amount | Percentage Change |
|---|-------------------------------|------------------|--------------------|----------------------|
| | 2022 | 2021 | | |
| Investment in capital assets (net of accumulated depreciation) | \$ 113,673 | \$ 109,640 | \$ 4,033 | 4% |
| Less: | | | | |
| Related Debt | (15,700) | (13,603) | (2,097) | 15% |
| Net Investment in Capital Assets | <u>\$ 97,974</u> | <u>\$ 96,037</u> | <u>\$ 1,936</u> | <u>2%</u> |

The \$1,827, or 1.9% increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt and deferred inflows of resources. The County recorded depreciation expense of \$4,730. Significant additions related to capital assets and associated debts are presented in the following pages.

Unrestricted net position

The negative unrestricted net position of \$(114,277) increased by \$14,864, or 11.5% from the prior year. The majority of negative unrestricted net position is primarily the result of the County's unfunded pension and OPEB liabilities offset by positive unrestricted net position predominately in the County's General Fund.

A summary of the changes in net position from 2021 to 2022 is presented below.

| | Changes in Net Position (in thousands) | | | | | | Total | |
|--|--|----------------|--------------------------|--------------|----------------|----------------|-----------------|--------------|
| | Governmental Activities | | Business-Type Activities | | Total | | Dollar Change | % Change |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2021 to 2022 | 2021 to 2022 |
| Program revenues: | | | | | | | | |
| Fees, fines & charges for services | \$ 26,189 | \$ 26,696 | \$ 211 | \$ 240 | \$ 26,400 | \$ 26,936 | \$ (537) | -2% |
| Operating grants | 156,175 | 153,137 | - | - | 156,175 | 153,137 | 3,038 | 2% |
| Capital grants | - | - | 89 | 76 | 89 | 76 | 13 | 17% |
| Total program revenues | 182,365 | 179,834 | 300 | 316 | 182,664 | 180,150 | 2,514 | 1% |
| General revenues: | | | | | | | | |
| Property taxes | 35,104 | 34,367 | - | - | 35,104 | 34,367 | 737 | 2% |
| Franchise taxes | 1,847 | 1,444 | - | - | 1,847 | 1,444 | 403 | 28% |
| Sales and use taxes | 5,925 | 4,236 | - | - | 5,925 | 4,236 | 1,689 | 40% |
| Transportation taxes | 1,018 | 886 | - | - | 1,018 | 886 | 131 | 15% |
| Transfer taxes | 728 | 654 | - | - | 728 | 654 | 74 | 11% |
| Other | 469 | 406 | - | - | 469 | 406 | 63 | 16% |
| Unrestricted interest and investment earnings | (5,548) | 1,215 | (12) | (3) | (5,560) | 1,212 | (6,772) | -559% |
| Tobacco settlement | 1,071 | 1,052 | - | - | 1,071 | 1,052 | 20 | 2% |
| Miscellaneous | 1,558 | 3,322 | 0 | - | 1,558 | 3,322 | (1,763) | -53% |
| Total general revenues | 42,173 | 47,581 | (12) | (3) | 42,161 | 47,578 | (5,417) | -11% |
| Total revenues | 224,538 | 227,415 | 288 | 313 | 224,826 | 227,728 | (2,902) | -1% |
| Expenses: | | | | | | | | |
| General government | 26,308 | 37,410 | - | - | 26,308 | 37,410 | (11,102) | -30% |
| Public protection | 50,427 | 55,592 | - | - | 50,427 | 55,592 | (5,166) | -9% |
| Public ways and facilities | 5,370 | 9,645 | - | - | 5,370 | 9,645 | (4,275) | -44% |
| Health and sanitation | 57,755 | 64,949 | - | - | 57,755 | 64,949 | (7,193) | -11% |
| Public assistance | 48,139 | 49,594 | - | - | 48,139 | 49,594 | (1,455) | -3% |
| Education | 1,646 | 1,615 | - | - | 1,646 | 1,615 | 31 | 2% |
| Recreation and culture | 644 | 586 | - | - | 644 | 586 | 57 | 10% |
| Community development | - | - | - | - | - | - | - | 0% |
| Interest and fiscal charges | 534 | 406 | - | - | 534 | 406 | 129 | 32% |
| Water Works District No. 1 | - | - | 482 | 461 | 482 | 461 | 21 | 5% |
| Total expenses | 190,824 | 219,797 | 482 | 461 | 191,305 | 220,258 | (28,953) | -13% |
| Excess (deficiency) of revenues over (under) expenses | 33,714 | 7,618 | (194) | (148) | 33,520 | 7,470 | 26,050 | 349% |
| Transfers | - | - | - | - | - | - | - | 0% |
| Change in Net Position | 33,714 | 7,618 | (194) | (148) | 33,520 | 7,470 | 26,050 | 349% |
| Net Position, beginning, restated | 61,064 | 54,295 | 2,568 | 2,715 | 63,631 | 57,010 | 6,622 | 12% |
| Net Position, ending | \$ 94,778 | \$ 61,912 | \$ 2,374 | \$ 2,568 | \$ 97,152 | \$ 64,480 | \$ 32,672 | 51% |

Analysis of Governmental Activities

Governmental activities increased the County's net position by \$33,714 to \$94,778. Revenues were unable to keep pace with operating expenditures due primarily to reduction in governmental revenues impacted by the COVID-19 pandemic.

Revenues

Total revenues for the County's Governmental Activities had an overall decrease from the prior year of \$(2,877), or 1.3%, to \$224,538. Revenues are divided into two categories: Program Revenues and General Revenues.

Program Revenues had an overall increase of \$2,531, or 1%, to \$182,365, from the prior year. As an arm of the State government, a significant portion of the charges for services and operating grants and contributions are tied to mandated programs such as welfare, health and behavioral health services. Total program revenues represent 81% of the County's funding for governmental activities.

- *Fees, fines and & charges for services* decreased \$(537), or 1.99%, to \$26,400.

- *Operating grants* (intergovernmental revenues) increased \$3,038, or 1.98%, to \$156,175.
- *Capital grants* (intergovernmental revenues) increased \$13, or 17%.

General Revenues had an overall decrease of \$(5,408), or 2%, to \$42,173, from the prior year. These revenues included general taxes which provided the Board of Supervisors with the most discretionary spending ability. Since the formation of California County government in the 1850’s, basic public safety services such as sheriff, fire, probation, and district attorney consume most of these resources. The increase in general revenues is due primarily to:

- *Sales and use tax* grew \$1,689, or 39.89%, to \$5,925.
- *Property taxes* increase 737, or 2.14%, to 35,104.
- *Franchise tax* increase \$403, or 28%, to \$1,847.

Expenses had an overall decrease for all activities of \$(28,953), or 13.14%, to \$191,305 from the prior year.

Analysis of Business-type Activities

The net position of business-type activities decreased by \$(194), or 8%, to \$2,374. For many years this enterprise activity has generated annual deficits, however, in the current year due to a large state grant the fund increase its net position. For example, capital grants of \$89, was 30% of total revenue. Although grant funding is regularly applied for and awarded due to the low per-capita income of the area residents, there is no guarantee that these funds will be received each year.

Financial Analysis of the County’s Fund Balance

Fund Balances (in thousands)

| | Nonspendable | Restricted | Committed | Assigned | Unassigned | Total | | Total | |
|---------------------------------|-----------------|------------------|------------------|---------------|------------------|-------------------|-------------------|------------------|--------------|
| | | | | | | 2022 | 2021 | Dollar Change | % Change |
| | | | | | | 2021 to 2022 | 2021 to 2022 | | |
| General Fund | \$ 1,993 | \$ 5,949 | \$ 13,850 | \$ - | \$ 11,469 | \$ 33,261 | \$ 29,996 | \$ 3,265 | 10.9% |
| Major Funds | | | | | | | | | |
| Bi-County Behavioral Health | 10 | 4,322 | - | - | - | 4,332 | 5,885 | (1,553) | (26.4%) |
| Welfare | 74 | 11,537 | - | - | - | 11,611 | 9,660 | 1,951 | 20.2% |
| Public Safety/Trial Courts | 44 | 5,766 | 32 | 312 | - | 6,153 | 6,667 | (514) | (7.7%) |
| Public Health | - | 5,091 | - | - | - | 5,091 | 4,011 | 1,080 | 26.9% |
| Public Safety Realignment | - | 21,680 | - | - | - | 21,680 | 19,112 | 2,568 | 13.4% |
| Other Governmental Funds | | | | | | | | | |
| | 16 | 40,619 | 2,117 | - | - | 42,753 | 37,555 | 5,198 | 13.8% |
| Total Fund Balances | <u>\$ 2,137</u> | <u>\$ 94,964</u> | <u>\$ 15,999</u> | <u>\$ 312</u> | <u>\$ 11,469</u> | <u>\$ 124,881</u> | <u>\$ 112,885</u> | <u>\$ 11,995</u> | <u>10.6%</u> |

Governmental Funds

The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources (modified accrual basis of accounting). Such information is useful in assessing the County’s financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government’s resources available for spending at the end of the fiscal year.

At June 30, 2022, the County's Governmental Funds reported total fund balance of \$124,881, a \$11,995 increase in comparison with the prior year's total ending fund balances. The components of total fund balance are as follows (for more information see Note 12 – Fund Balance Classifications):

- *Nonspendable Fund Balance*, \$2,137, are amounts that are not spendable in form, or are legally or contractually required to be maintained intact and are made up of (1) long-term receivables of \$1,983 and (2) prepaid expenses of \$154.
- *Restricted Fund Balance*, \$94,964, consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (i.e. flood control), (2) grants for capital outlay, and (3) legislated amounts reserved for healthcare.
- *Committed Fund Balance*, \$15,999, consists of amounts for specific purposes determined by the Board, which includes capital projects.
- *Unassigned Fund Balance*, \$11,469, represents the residual balance for the County's Governmental Funds.

Approximately 98%, or \$122,744 of the total fund balance is spendable which means it is available to meet the County's current and future needs provided that any external restrictions are met. With the approval of the Board, County management can earmark a portion of fund balance to a particular function, project or activity, and can also earmark it for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time.

General Fund

The General Fund is the main operating fund of the County. The General Fund's total fund balance decreased by 3,265, or 10.9%, to \$33,261 at June 30, 2022.

The spendable portion of fund balance decreased 31,268. The nonspendable portion of fund balance increased 1,993, to 16.9%.

As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 118.7% of total General Fund expenditures while spendable fund balance equates to 111.6% of total General Fund expenditures. Of the General Fund spendable fund balance, \$5,949, or 19.0%, is restricted, \$13,850 or 44% is committed, and \$11,469, or 37% is unassigned.

Major Funds

The County has five other major governmental funds. The Bi-County Behavioral Health fund has a total fund balance of \$4,332, the Welfare fund of \$11,611, the Public Safety/Trial Courts fund of \$6,153, Public Health Fund of \$5,091, and Public Safety Realignment fund of \$21,680 at the end of the year. The other governmental funds' fund balances decreased \$5,198, or 13.8%, to \$42,753. The five other major funds had changes in fund balances, including restatements, as follows: Bi-County Behavioral Health fund of \$(1,553), Welfare fund of \$1,951, Public Safety/Trial Courts of \$(514), Public Health fund of \$1,080, and Public Safety/Realignment of \$2,568.

Proprietary Funds

The enterprise funds total net position, which consists of Waterworks District No. 1, decreased \$(194), or 8% from the prior year. Operating Revenues remained steady at 211, while operating expenses decreased 42% to 482. Operating deficits have been experienced over the past couple of years; \$113 in 2018 and \$565 in 2019. However, grant monies received in 2019-\$178 and 2020-\$1,061 were sufficient to cover the operating deficits and increased net position. Accordingly, operating revenues may have to be raised, in the future to meet the operating expenses of the utility district.

Total internal service funds' net position increased by \$2,094, or 304%, and ended with a deficit balance of \$2,784.

Capital Assets & Debt

Capital Assets

Capital Assets (net of depreciation/amortization, in thousands)

| | Governmental | | Business-Type | | Total | | Total | |
|--|--------------|------------|---------------|----------|------------|------------|---------------|--------------|
| | Activities | | Activities | | Total | | Dollar Change | % Change |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2021 to 2022 | 2021 to 2022 |
| Land | \$ 6,285 | \$ 6,285 | \$ 58 | \$ 58 | \$ 6,343 | \$ 6,343 | \$ - | 0.0% |
| Easements | 5 | 5 | - | - | 5 | 5 | - | 100.0% |
| Construction in Progress | 21,646 | 36,901 | 1,065 | 1,065 | 22,711 | 37,966 | (15,255) | -40.2% |
| Capital assets, not being depreciated/amortized | 27,936 | 43,191 | 1,123 | 1,123 | 29,059 | 44,314 | (15,255) | -34.4% |
| Land Improvements | 870 | 867 | - | - | 870 | 867 | 3 | 0.3% |
| Structures and improvements | 44,477 | 28,178 | 1,120 | 1,249 | 45,596 | 29,428 | 16,169 | 54.9% |
| Equipment | 3,603 | 3,803 | - | - | 3,603 | 3,803 | (200) | -5.3% |
| Vehicles | 3,435 | 3,877 | - | - | 3,435 | 3,877 | (442) | -11.4% |
| Infrastructure | 26,398 | 26,925 | - | - | 26,398 | 26,925 | (527) | -2.0% |
| Software | 1,146 | 425 | - | - | 1,146 | 425 | 721 | 169.5% |
| Lease asset* | 3,566 | - | - | - | 3,566 | - | - | - |
| Capital assets, net of accumulated depreciation/amortization | 83,494 | 64,077 | 1,120 | 1,249 | 84,614 | 65,326 | 15,722 | 24.1% |
| Total | \$ 111,431 | \$ 107,268 | \$ 2,243 | \$ 2,373 | \$ 113,673 | \$ 109,640 | \$ 467 | 0.4% |

During the fiscal year, the County's investment in capital assets, net of accumulated depreciation, increased by \$467 or 0.4% from the prior year. This investment was in a range of capital assets including construction in progress (CIP), equipment, and vehicles. Major capital asset additions include:

- \$19,000 jail expansion and light fixtures
- \$986 for property tax software
- \$652 for road maintenance equipment and vehicles
- \$443 for other various vehicles

In addition to purchasing capital assets, the County constructs capital assets. If the asset has not been completed as of the end of the fiscal year, the costs incurred are added to Construction in Progress (CIP). Major additions to CIP include:

- \$980 for two roof projects for County buildings
- \$528 for jail perimeter fence and bed welding
- \$257 for Library Innovation project

Additional capital asset information, including depreciation, amortization, and outstanding CIP as of June 30, 2022, can be found in Note 5 of the Notes to the Financial Statements.

Debt

Outstanding Debt (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | | Total | |
|-----------------------------|-------------------------|------------------|--------------------------|---------------|------------------|------------------|-------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | Dollar Change | % Change |
| | | | | | | | 2021 to 2022 | 2021 to 2022 |
| Lease Commitments | \$ 3,687 | \$ 10,388 | \$ - | \$ 136 | \$ 3,687 | \$ 10,524 | \$ (6,837) | -65.0% |
| Other Long-Term Liabilities | 11,890 | 6,750 | 131 | 16 | 12,021 | 6,766 | 5,254 | 77.7% |
| Total | \$ 15,577 | \$ 17,138 | \$ 131 | \$ 152 | \$ 15,708 | \$ 17,290 | \$ (1,582) | -9.2% |

During the fiscal year, long-term debt outstanding decreased by \$(1,582), or 9.2% from the prior year which includes the recognition of lease liability from the implementation of GASB 87 - Leases. Total long-term debt outstanding was \$15,708 at June 30, 2022. This balance consists primarily of \$3,687 for lease commitments including the use of dark fiber network cabling; and other long-term liabilities of \$12,021 related to refinancing of Gray Avenue property and Energy Efficient Upgrade Project.

Additional lease and long-term debt information, including interest rates, future minimum lease payments, and outstanding balances as of June 30, 2022, can be found in Notes 6 and 7 of the Notes to the Financial Statements.

General Fund Budgetary Highlights

Over the course of the year, the Board of Supervisors revised the County’s budget. Each time a grant or specific revenue enhancement is made available to a county program that requires new appropriations a budget amendment is required. The County Administrators Office performs a mid-year review by analyzing each department’s expenditures and revenues.

Differences between the Adopted Budget and the Final Budget for the General Fund are summarized in the table below:

General Fund

| | Adopted | Final | Variance | |
|------------------------------------|-----------------|-----------------|-----------------|---------------|
| | Budget | Budget | Amount | Percent |
| Total revenues | \$ 75,646 | \$ 78,346 | \$ 2,701 | 3.6% |
| Total expenditures | (31,733) | (33,415) | (1,681) | 5.3% |
| Other financing sources (uses) | (37,891) | (39,297) | (1,405) | 3.7% |
| Net change in fund balances | \$ 6,021 | \$ 5,635 | \$ (386) | (6.4%) |

Differences between the Final Budget and actual amounts for the General Fund are summarized in the table below:

General Fund

| | Final | | Variance | |
|--------------------------------|-----------|-----------|-------------|---------|
| | Budget | Actual | Amount | Percent |
| Total revenues | \$ 78,346 | \$ 65,195 | \$ (13,151) | (16.8%) |
| Total expenditures | (33,415) | (28,018) | 5,397 | (16.2%) |
| Other financing sources (uses) | (39,297) | (33,913) | 5,384 | (13.7%) |
| Net change in fund balances | \$ 5,635 | \$ 3,265 | \$ (2,370) | (42.1%) |

Economic Factors and Next Year’s Budget and Rates

The following factors were considered in preparing the County’s operating budget for FY 2023:

General revenues include property taxes, fines, sales and use taxes, various revenues from the State, miscellaneous taxes, and other revenues, which are not accounted for in other budget units. For FY 2023, the County estimated an overall increase of \$6,215, or 0.57%, compared to the FY 2022 Adopted Budget. Of that increase, \$2,027 represents an overall increase from property tax revenues, property tax in lieu of vehicle license fee, estimated sales tax, and projected franchise fees.

The Countywide Recommended Budget provides a decrease in appropriations of \$(6,485), or -1.58%, totaling \$398,787 compared to the FY 2022 Adopted Budget. Of that, General Fund appropriations increased by \$441, or 0.57%, to \$77,359.

The State adopted a balanced and on-time budget that includes a spending plan of \$303 billion, a decrease of nearly \$5.5 billion from the 2021-22 revised budget. This decrease is attributable to the spending plan scoring new discretionary spending, particularly for capital outlay spending under the state appropriation limit, to 2021-22.

The County’s FY 2023 Recommended Budget can be found at:

<https://www.suttercounty.org/government/county-departments/county-administrator/county-budgets>

Requests for Information

The financial report is designed to provide a general overview of the County’s finances for all interested parties. Questions concerning any of the information provided in this reports or requests for additional information should be addressed to Sutter County Auditor-Controller, 1160 Civic Center Boulevard, Suite D, Yuba City, CA 95993. The County’s Comprehensive Annual Financial Report can also be found on the County’s website.



Basic Financial Statements

COUNTY OF SUTTER
Statement of Net Position
June 30, 2022

| | Primary Government | | Totals |
|---|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | |
| ASSETS | | | |
| Cash and investments (Note 3) | \$ 132,824,405 | \$ 315,631 | \$ 133,140,036 |
| Cash with fiscal agent (Note 3) | 16,083,908 | - | 16,083,908 |
| Accounts receivable | 2,098,366 | 31,372 | 2,129,737 |
| Due from other governments | 29,441,762 | - | 29,441,762 |
| less allowance for doubtful accounts | (7,002,124) | (6,026) | (7,008,150) |
| Interest receivable | 388,407 | 750 | 389,157 |
| Taxes receivable | 1,438,789 | - | 1,438,789 |
| Lease receivable | 785,179 | - | 785,179 |
| Prepaid expenses | 1,227,887 | - | 1,227,887 |
| Inventories | 29,246 | - | 29,246 |
| Loans receivable (Note 4) | 3,123,001 | - | 3,123,001 |
| Capital assets: | | | |
| Nondepreciable (Note 5) | 27,936,315 | 1,123,047 | 29,059,362 |
| Depreciable, net (Note 5) | 83,494,201 | 1,119,551 | 84,613,752 |
| Total Assets | <u>291,869,340</u> | <u>2,584,325</u> | <u>294,453,666</u> |
| DEFERRED OUTFLOWS OF RESOURCES (Note 8) | | | |
| Deferred related to OPEB | 862,164 | - | 862,164 |
| Deferred related to pension | 23,670,931 | - | 23,670,931 |
| Total Deferred Outflows of Resources | <u>24,533,095</u> | <u>-</u> | <u>24,533,095</u> |
| LIABILITIES | | | |
| Accounts payable | 10,536,244 | 74,605 | 10,610,849 |
| Salaries and benefits payable | 3,243,952 | - | 3,243,952 |
| Interest payable | 349,989 | 4,430 | 354,418 |
| Deposits from others | 7,164,875 | - | 7,164,875 |
| Unearned revenue | 4,954,473 | 736 | 4,955,209 |
| Compensated absences (Note 16) | 6,719,500 | - | 6,719,500 |
| Lease payable (Note 6) | 887,829 | - | 887,829 |
| Other Liabilities (Note 7) | 1,040,426 | 22,812 | 1,063,237 |
| Long-Term Liabilities: | | | |
| Compensated absences (Note 16) | 1,448,941 | - | 1,448,941 |
| Claims reserve for liability insurance (Note 10) | 2,119,088 | - | 2,119,088 |
| Claims reserve for workers compensation (Note 10) | 6,565,961 | - | 6,565,961 |
| Lease payable (Note 6) | 2,799,244 | - | 2,799,244 |
| Other Liabilities (Note 7) | 10,849,704 | 107,894 | 10,957,599 |
| Total OPEB liability (Note 15) | 11,474,878 | - | 11,474,878 |
| Net pension liability (Note 14) | 98,206,873 | - | 98,206,873 |
| Total Liabilities | <u>168,361,978</u> | <u>210,476</u> | <u>168,572,455</u> |
| DEFERRED INFLOWS OF RESOURCES (Note 11) | | | |
| Deferred related to Leases | 773,001 | - | 773,001 |
| Deferred related to OPEB | 4,285,765 | - | 4,285,765 |
| Deferred related to pension | 48,203,916 | - | 48,203,916 |
| Total Deferred Inflow of Resources | <u>\$ 53,262,682</u> | <u>\$ -</u> | <u>\$ 53,262,682</u> |

COUNTY OF SUTTER
Statement of Net Position
June 30, 2022

| | Primary Government | | Totals |
|----------------------------------|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | |
| NET POSITION | | | |
| Net investment in capital assets | \$ 95,853,313 | \$ 2,111,892 | \$ 97,965,205 |
| Restricted for (Note 13): | | | |
| Taxes and fees | 2,435,157 | - | 2,435,157 |
| General government | 6,032,178 | - | 6,032,178 |
| Public protection | 28,407,296 | - | 28,407,296 |
| Public ways and facilities | 23,261,250 | - | 23,261,250 |
| Health and sanitation | 31,663,792 | - | 31,663,792 |
| Public assistance | 15,625,171 | - | 15,625,171 |
| Other | 6,038,467 | - | 6,038,467 |
| Unrestricted | (114,538,849) | 261,957 | (114,276,892) |
| Total Net Position | <u>\$ 94,777,776</u> | <u>\$ 2,373,849</u> | <u>\$ 97,151,625</u> |

COUNTY OF SUTTER
Statement of Activities
For the Year Ended June 30, 2022

| Functions/Programs | Program Revenues | | | |
|----------------------------------|------------------|---------------------------------------|------------------------------------|----------------------------------|
| | Direct Expenses | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General government | \$ 27,156,260 | \$ 10,993,782 | \$ 1,638,533 | \$ - |
| Public protection | 49,578,383 | 864,061 | 34,041,668 | - |
| Public ways and facilities | 5,370,296 | 334,421 | 8,111,379 | - |
| Health and sanitation | 57,755,435 | 4,451,815 | 75,356,361 | - |
| Public assistance | 48,138,963 | 9,495,953 | 36,489,626 | - |
| Education | 1,646,444 | 47,858 | 537,897 | - |
| Recreation and culture | 643,689 | 1,249 | - | - |
| Interest on long-term debt | 534,285 | - | - | - |
| Total Governmental Activities | 190,823,755 | 26,189,137 | 156,175,464 | - |
| Business-Type Activities: | | | | |
| Waterworks District #1 | 481,684 | 210,620 | - | 89,194 |
| Total Business-type Activities | 481,684 | 210,620 | - | 89,194 |
| Total Primary Government | \$ 191,305,439 | \$ 26,399,757 | \$ 156,175,464 | \$ 89,194 |

General Revenues:

Taxes:

- Property taxes
- Franchise taxes
- Sales and use taxes
- Transportation taxes
- Transfer taxes
- Other

Unrestricted interest and investment earnings

Tobacco settlement

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, restated

Net Position - End of Year

Net (Expense) Revenue and
Changes in Net Position

| Primary Government | | |
|----------------------------|-----------------------------|----------------------|
| Governmental Activities | Business-Type Activities | Total |
| \$ (14,523,946) | \$ - | \$ (14,523,946) |
| (14,672,655) | - | (14,672,655) |
| 3,075,504 | - | 3,075,504 |
| 22,052,741 | - | 22,052,741 |
| (2,153,384) | - | (2,153,384) |
| (1,060,689) | - | (1,060,689) |
| (642,441) | - | (642,441) |
| (534,285) | - | (534,285) |
| <u>(8,459,154)</u> | <u>-</u> | <u>(8,459,154)</u> |
| - | (181,870) | (181,870) |
| - | (181,870) | (181,870) |
| <u>(8,459,154)</u> | <u>(181,870)</u> | <u>(8,641,024)</u> |
| 35,104,300 | - | 35,104,300 |
| 1,846,855 | - | 1,846,855 |
| 5,925,204 | - | 5,925,204 |
| 1,017,935 | - | 1,017,935 |
| 728,131 | - | 728,131 |
| 469,213 | - | 469,213 |
| (5,547,985) | (12,042) | (5,560,027) |
| 1,071,340 | - | 1,071,340 |
| 1,558,046 | 236 | 1,558,282 |
| <u>42,173,037</u> | <u>(11,805)</u> | <u>42,161,231</u> |
| 33,713,883 | (193,675) | 33,520,207 |
| <u>61,063,893</u> | <u>2,567,525</u> | <u>63,631,418</u> |
| <u>\$ 94,777,776</u> | <u>\$ 2,373,849</u> | <u>\$ 97,151,625</u> |

COUNTY OF SUTTER
Balance Sheet
Governmental Funds
June 30, 2022

| | General | Bi-County Behavioral Health | Welfare | Public Safety/ Trial Courts |
|--|----------------------|--------------------------------|----------------------|--------------------------------|
| Assets | | | | |
| Cash and investments | \$ 16,688,473 | \$ 10,786,060 | \$ 15,148,126 | \$ 11,901,929 |
| Cash with fiscal agent | 5,807,318 | - | - | - |
| Accounts receivable | 245,166 | 1,306,797 | 8,845 | 84,013 |
| Due from other governments | 2,891,157 | 16,086,281 | 1,463,257 | 3,501,651 |
| less allowance for doubtful accounts | - | (7,002,124) | - | - |
| Interest receivable | 66,058 | 3,337 | 35,075 | 35,726 |
| Taxes receivable | 1,277,940 | - | - | - |
| Lease receivable | 785,179 | - | - | - |
| Due from other funds | 8,256,924 | 1,686,422 | 2,726,152 | 3,074,980 |
| Prepaid expenses | 9,500 | 10,375 | 74,207 | 43,500 |
| Inventory | - | - | - | - |
| Advances to other funds | 1,858,826 | - | - | - |
| Loans receivable | 124,294 | - | - | - |
| Total Assets | \$ 38,010,835 | \$ 22,877,148 | \$ 19,455,662 | \$ 18,641,800 |
| Liabilities | | | | |
| Accounts payable | \$ 958,755 | \$ 3,935,391 | \$ 1,421,838 | \$ 1,408,158 |
| Salaries and benefits payable | 613,279 | 688,055 | 540,922 | 887,475 |
| Deposits from others | 36,245 | - | 2 | 4 |
| Due to other funds | 1,057,285 | 2,500,900 | 889,379 | 9,656,505 |
| Advances from other funds | - | 1,121,227 | - | - |
| Unearned revenue | 77,895 | - | 3,844,354 | 251,134 |
| Total Liabilities | 2,743,460 | 8,245,573 | 6,696,495 | 12,203,275 |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue | 1,233,766 | 10,299,415 | 1,147,842 | 285,656 |
| Deferred Inflows related to Leases | 773,001 | - | - | - |
| Total Deferred Inflows of | 2,006,767 | 10,299,415 | 1,147,842 | 285,656 |
| Fund Balances (Note 12) | | | | |
| Nonspendable | 1,992,620 | 10,375 | 74,207 | 43,500 |
| Restricted | 5,949,214 | 4,321,785 | 11,537,118 | 5,765,638 |
| Committed | 13,849,944 | - | - | 31,853 |
| Assigned | - | - | - | 311,879 |
| Unassigned | 11,468,829 | - | - | - |
| Total Fund Balances | 33,260,608 | 4,332,160 | 11,611,325 | 6,152,870 |
| Total Liabilities, Deferred Inflows Resources and Fund Balances | \$ 38,010,835 | \$ 22,877,148 | \$ 19,455,662 | \$ 18,641,800 |

| Public Health | Public Safety Realignment | Other Governmental | Total | |
|----------------------|------------------------------|-----------------------|-----------------------|---|
| \$ 12,872,438 | \$ 22,777,608 | \$ 39,131,261 | \$ 129,305,895 | Assets |
| - | - | 500 | 5,807,818 | Cash and investments |
| 302,929 | - | 111,228 | 2,058,979 | Cash with fiscal agent |
| 2,133,210 | 1,959,182 | 1,407,024 | 29,441,762 | Accounts receivable |
| - | - | - | (7,002,124) | Due from other governments less allowance for doubtful |
| 34,886 | 97,522 | 113,974 | 386,580 | Interest receivable |
| - | - | 160,849 | 1,438,789 | Taxes receivable |
| - | - | - | 785,179 | Lease receivable |
| 1,963,667 | 1,280,830 | 3,032,423 | 22,021,398 | Due from other funds |
| - | - | - | 137,582 | Prepaid expenses |
| - | - | 16,401 | 16,401 | Inventory |
| - | - | 60,763 | 1,919,589 | Advances to other funds |
| 500 | - | 2,998,207 | 3,123,001 | Loans receivable |
| <u>\$ 17,307,631</u> | <u>\$ 26,115,142</u> | <u>\$ 47,032,630</u> | <u>\$ 189,440,849</u> | Total Assets |
| | | | | Liabilities |
| \$ 288,818 | \$ 489 | \$ 1,707,426 | \$ 9,720,875 | Accounts payable |
| 268,888 | - | 160,751 | 3,159,369 | Salaries and benefits payable |
| 6,870,536 | - | 258,088 | 7,164,875 | Deposits from others |
| 2,234,217 | 4,434,765 | 1,199,432 | 21,972,483 | Due to other funds |
| - | - | 673,362 | 1,794,589 | Advances from other funds |
| 500,526 | - | 280,565 | 4,954,473 | Unearned revenue |
| <u>10,162,986</u> | <u>4,435,254</u> | <u>4,279,623</u> | <u>48,766,666</u> | Total Liabilities |
| | | | | Deferred Inflows of Resources |
| 2,053,817 | - | - | 15,020,496 | Unavailable revenue |
| - | - | - | 773,001 | Deferred Inflows related to Leases |
| <u>2,053,817</u> | <u>-</u> | <u>-</u> | <u>15,793,497</u> | Total Deferred Inflows of |
| | | | | Fund Balances (Note 12) |
| - | - | 16,401 | 2,137,104 | Nonspendable |
| 5,090,828 | 21,679,888 | 40,619,290 | 94,963,762 | Restricted |
| - | - | 2,117,316 | 15,999,113 | Committed |
| - | - | - | 311,879 | Assigned |
| - | - | - | 11,468,829 | Unassigned |
| <u>5,090,828</u> | <u>21,679,888</u> | <u>42,753,007</u> | <u>124,880,686</u> | Total Fund Balances |
| <u>\$ 17,307,631</u> | <u>\$ 26,115,142</u> | <u>\$ 47,032,630</u> | <u>\$ 189,440,849</u> | Total Liabilities, Deferred Inflows of Resources and Fund Balances |

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

| | | |
|---|---------------------|----------------------|
| Fund Balance - total governmental funds (pages 31-32) | | \$ 124,880,686 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Deferred OPEB and pension outflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | 23,867,633 |
| Deferred OPEB and pension inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | (51,361,145) |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheets. | | 110,559,040 |
| Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is recorded as unavailable revenue in the governmental funds. | | 15,020,496 |
| 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. | | (345,868) |
| Other long-term liabilities, including financing arrangements, are not due and payable in the current period, and therefore are not reported in the governmental funds. | | |
| Lease Commitments | (3,687,073) | |
| Other long-term liabilities | (11,762,023) | |
| Compensated absences | (7,851,889) | |
| Total OPEB liability | (11,279,917) | |
| Net pension liability | <u>(96,046,353)</u> | |
| | | (130,627,254) |
| Internal service funds are used by the County to charge the cost of its self-insurance risk management and management of fleet maintenance and information technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | <u>2,784,188</u> |
| Net position of governmental activities (page 27) | | <u>\$ 94,777,776</u> |



COUNTY OF SUTTER
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

| | General | Bi-County Behavioral Health | Welfare | Public Safety/ Trial Courts |
|--|----------------------|--------------------------------|----------------------|--------------------------------|
| Revenues: | | | | |
| Taxes | \$ 37,913,499 | \$ - | \$ - | \$ 22,839 |
| Licenses and permits | 3,827,773 | - | 1,444 | 13,037 |
| Fines, forfeitures and penalties | 108,885 | 9,513 | - | 894,897 |
| Use of money and property | (1,032,290) | (540,789) | (621,347) | (496,771) |
| Intergovernmental | 10,132,059 | 14,850,207 | 41,095,863 | 16,263,636 |
| Charges for services | 12,888,168 | 1,277,913 | 410,185 | 1,019,492 |
| Other revenues | 1,357,393 | 367,783 | 10 | 657,411 |
| Total Revenues | 65,195,486 | 15,964,628 | 40,886,156 | 18,374,542 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 15,439,649 | - | - | - |
| Public protection | 9,240,926 | - | - | 45,418,346 |
| Public ways and facilities | 169,602 | - | - | - |
| Health and sanitation | - | 46,908,312 | - | - |
| Public assistance | 225,492 | - | 51,042,819 | - |
| Education | 1,966,450 | - | - | - |
| Recreation and culture | 671,391 | - | - | - |
| Debt Service: | | | | |
| Principal: Leases | - | 141,114 | 460,897 | 81,394 |
| Principal: Other long-term liabilities | - | 12,946 | 21,383 | 2,654 |
| Interest | - | 79,704 | 78,912 | 631,391 |
| Capital outlay | 304,322 | 79,704 | 78,912 | 631,391 |
| Total Expenditures | 28,017,833 | 47,142,076 | 51,604,011 | 46,133,786 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 37,177,654 | (31,177,448) | (10,717,855) | (27,759,244) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 1,209,122 | 29,864,760 | 19,188,504 | 42,117,444 |
| Transfers out | (35,121,996) | (238,428) | (6,519,162) | (14,872,420) |
| Sale of capital assets | - | - | - | - |
| Proceeds from debt issuance | - | - | - | - |
| Total Other Financing Sources (Uses) | (33,912,874) | 29,626,333 | 12,669,342 | 27,245,023 |
| Net Changes in Fund Balances | 3,264,779 | (1,551,115) | 1,951,487 | (514,220) |
| Fund Balances, Beginning of Year | 29,995,829 | 5,883,275 | 9,659,837 | 6,667,090 |
| Fund Balances, End of Year | \$ 33,260,608 | \$ 4,332,160 | \$ 11,611,325 | \$ 6,152,870 |

| Public Health | Public Safety Realignment | Other Governmental | Total | |
|---------------|------------------------------|-----------------------|----------------|--|
| \$ - | \$ - | \$ 5,308,445 | \$ 43,244,782 | Revenues: |
| - | - | 647,966 | 4,490,220 | Taxes |
| 94,798 | - | 28,214 | 1,136,307 | Licenses and permits |
| (471,587) | (809,766) | (1,422,113) | (5,394,663) | Fines, forfeitures and penalties |
| 8,210,244 | 39,055,850 | 23,883,723 | 153,491,582 | Use of money and property |
| 2,923,338 | 1,501,958 | 1,689,020 | 21,710,075 | Intergovernmental |
| 3,729 | - | 165,414 | 2,551,741 | Charges for services |
| 10,760,523 | 39,748,041 | 30,300,668 | 221,230,045 | Other revenues |
| | | | | Total Revenues |
| | | | | Expenditures: |
| | | | | Current: |
| - | - | 1,197,280 | 16,636,930 | General government |
| - | 26,228 | 5,780,546 | 60,466,046 | Public protection |
| - | - | 5,855,698 | 6,025,300 | Public ways and facilities |
| 16,506,103 | - | 10,301 | 63,424,716 | Health and sanitation |
| - | - | 1,037 | 51,269,348 | Public assistance |
| - | - | 31 | 1,966,481 | Education |
| - | - | 474 | 671,865 | Recreation and culture |
| 26,574 | - | 59,757 | 769,735 | Debt Service: |
| 999 | - | 966,373 | 966,373 | Principal: Leases |
| 46,095 | - | 383,628 | 421,611 | Principal: Other long-term liabilities |
| 16,579,771 | 26,228 | 4,209,130 | 5,349,554 | Interest |
| | | | | Capital outlay |
| | | | | Total Expenditures |
| (5,819,248) | 39,721,814 | 11,836,413 | 13,262,085 | Excess (Deficiency) of Revenues Over (Under) Expenditures |
| 15,187,357 | 15,759,175 | 5,881,991 | 129,208,354 | Other Financing Sources (Uses): |
| (8,288,392) | (52,912,847) | (12,521,878) | (130,475,124) | Transfers in |
| | | | | Transfers out |
| | | | | Proceeds from debt issuance |
| 6,898,965 | (37,153,672) | (6,639,886) | (1,266,770) | Total Other Financing Sources (Uses) |
| 1,079,716 | 2,568,142 | 5,196,526 | 11,995,315 | Net Changes in Fund Balances |
| 4,011,112 | 19,111,746 | 37,556,480 | 112,885,371 | Fund Balances, Beg. of Year |
| \$ 5,090,828 | \$ 21,679,888 | \$ 42,753,007 | \$ 124,880,686 | Fund Balances, End of Year |

COUNTY OF SUTTER

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2022

| | | |
|--|--------------------|-----------------------------|
| Net change to fund balance - total governmental funds (pages 35-36) | | \$ 11,995,315 |
| 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 general capital assets, infrastructure, and other related capital assets adjustments | 6,008,482 | |
| Less: current year depreciation/amortization | <u>(5,244,075)</u> | 764,407 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. | | 2,683,256 |
| Repayment of long-term notes receivable are reported as revenues. However, in the statement of activities, this is not reported as an revenue. | | (7,384) |
| Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| Principal repayments related to leases | 769,735 | |
| Principal repayments related to other long term liabilities | 966,373 | |
| Interest payments | (112,674) | |
| Related to dark fiber optics remeasurement for GASB 87 | 524,589 | |
| Proceeds from long-term debt issuance | <u>-</u> | 2,148,023 |
| 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 | | (153,133) |
| Change in OPEB liability and deferred OPEB inflows/outflows | | (550,458) |
| Change in net pension liability and deferred pension inflows/outflows | | 14,739,173 |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. | | <u>2,094,682</u> |
| Change in net position of governmental activities (pages 28-29) | | <u><u>\$ 33,713,883</u></u> |

COUNTY OF SUTTER
Statement of Net Position
Proprietary Funds
June 30, 2022

| | Business-Type Activities Enterprise Fund | Governmental Activities |
|---------------------------------------|--|----------------------------|
| | Waterworks District No. 1 | Internal Service Funds |
| ASSETS | | |
| Current Assets: | | |
| Cash and investments | \$ 315,631 | \$ 3,518,510 |
| Cash with fiscal agent | - | 10,276,090 |
| Accounts receivable | 31,372 | 21,744 |
| less allowance for doubtful accounts | (6,026) | - |
| Interest receivable | 750 | 1,827 |
| Due from other funds | - | 11,300 |
| Prepaid expenses | - | 1,090,305 |
| Inventory | - | 12,845 |
| Total Current Assets | 341,727 | 14,932,620 |
| Noncurrent Assets: | | |
| Capital assets: | | |
| Non-depreciable | 1,123,047 | 28,417 |
| Depreciable, net | 1,119,551 | 843,060 |
| Total Noncurrent Assets | 2,242,598 | 871,477 |
| Total Assets | 2,584,325 | 15,804,097 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred related to pension | - | 650,814 |
| Deferred related to OPEB | - | 14,648 |
| Total Deferred Outflows of Resources | - | 665,462 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts payable | 56,962 | 815,369 |
| Salaries and benefits payable | - | 84,582 |
| Due to other funds | 17,642 | 42,573 |
| Compensated absences payable | - | 260,402 |
| Interest payable | 4,430 | 4,121 |
| Lease payable | - | - |
| Other liabilities | 22,812 | 16,666 |
| Unearned revenue | 736 | - |
| Total Current Liabilities | 102,582 | 1,223,712 |
| Long-Term Liabilities: | | |
| Compensated absences payable | - | 56,151 |
| Advance from other funds | - | 125,000 |
| Claims payable | - | 8,685,049 |
| Lease payable | - | - |
| Other liabilities | 107,894 | 111,442 |
| Net pension liability | - | 2,160,520 |
| Net OPEB liability | - | 194,961 |
| Total Long-Term Liabilities | 107,894 | 11,333,124 |
| Total Liabilities | 210,476 | 12,556,835 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred related to pension | - | 1,055,720 |
| Deferred related to OPEB | - | 72,816 |
| Total Deferred Inflows of Resources | - | 1,128,536 |
| NET POSITION | | |
| Net investment in capital assets | 2,111,892 | 743,369 |
| Unrestricted | 261,957 | 2,040,818 |
| Total Net Position | \$ 2,373,849 | \$ 2,784,188 |

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

| | Business-Type Activities | Governmental Activities |
|--|------------------------------|----------------------------|
| | Enterprise Fund | |
| | Waterworks District No. 1 | Internal Service Funds |
| Operating Revenues: | | |
| Charges for services | \$ 210,620 | \$ 10,889,326 |
| Other revenues | 236 | 86,113 |
| Total Operating Revenues | <u>210,856</u> | <u>10,975,439</u> |
| Operating Expenses: | | |
| Salaries and benefits | - | 2,865,886 |
| Services and supplies | 328,978 | 6,342,077 |
| Other charges | 15,487 | 597,952 |
| Depreciation | 129,925 | 189,897 |
| Total Operating Expenses | <u>474,389</u> | <u>9,995,811</u> |
| Operating Income (Loss) | <u>(263,533)</u> | <u>979,628</u> |
| Non-Operating Revenue (Expenses): | | |
| Investment income | (12,042) | (153,323) |
| Gain (Loss) on sale of capital assets | 1,000 | 1,608 |
| Interest expense | (8,143) | - |
| Fines and penalties | (152) | - |
| Total Non-Operating Revenue (Expenses) | <u>(19,336)</u> | <u>(151,715)</u> |
| Net Income (Loss) Before Capital Contributions and Transfers | <u>(282,869)</u> | <u>827,913</u> |
| Capital contributions | 89,194 | |
| Transfers in | | 1,295,776 |
| Transfers out | | <u>(29,006)</u> |
| Change in Net Position | <u>(193,675)</u> | <u>2,094,682</u> |
| Net Position - Beginning of Year | <u>2,567,525</u> | <u>689,505</u> |
| Net Position - End of Year | <u>\$ 2,373,849</u> | <u>\$ 2,784,188</u> |

COUNTY OF SUTTER
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

| | Business-Type Activities | Governmental Activities |
|--|------------------------------|----------------------------|
| | Enterprise Fund | |
| | Waterworks District No. 1 | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash receipts from customers | \$ 213,916 | \$ 11,853,107 |
| Cash paid to suppliers for goods and services | (307,740) | (6,872,741) |
| Cash paid to employees for services | - | (3,140,024) |
| Net Cash Provided (Used) by Operating Activities | <u>(93,824)</u> | <u>1,840,343</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Interfund loans received (paid) | 16,921 | 1,393,572 |
| Miscellaneous cash received (paid) | (152) | 8,597 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>16,770</u> | <u>1,402,169</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Capital Contributions | 123,618 | - |
| Principal repayments | (21,766) | (12,412) |
| Proceeds from sale of capital assets | 1,000 | - |
| Payments related to the acquisition of capital assets | - | (37,291) |
| Interest payments | (5,366) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>97,486</u> | <u>(49,702)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received (paid) | (12,698) | (152,672) |
| Net Cash Provided (Used) by Investing Activities | <u>(12,698)</u> | <u>(152,672)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 7,734 | 3,040,138 |
| Cash and Cash Equivalents, Beginning of Year | 307,898 | 10,754,462 |
| Cash and Cash Equivalents, End of Year | <u>\$ 315,631</u> | <u>\$ 13,794,600</u> |

continued

COUNTY OF SUTTER
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2022

| | Business-Type Activities | Governmental Activities |
|--|------------------------------|----------------------------|
| | Enterprise Fund | |
| | Waterworks District No. 1 | Internal Service Funds |
| Reconciliation of Operating Income (Loss) | | |
| to Net Cash Provided (Used) by Operating Activities: | | |
| Operating income (loss) | \$ (263,533) | \$ 979,628 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation | 129,925 | 189,897 |
| Loss on disposal of capital assets | - | 1,608 |
| Changes in assets, liabilities and deferred inflows/outflows: | | |
| (Increase) decrease in: | | |
| Accounts receivable | 2,768 | (4,604) |
| Deposits and prepaid expenses | - | (1,090,305) |
| Inventory | - | (1,182) |
| Increase (decrease) in: | | |
| Accounts payable | 36,724 | 758,120 |
| Salaries and benefits payable | - | (543) |
| Compensated absences payable | - | 1,736 |
| Claims liability | - | 1,287,790 |
| Interest payable | - | 1,473 |
| Unavailable/deferred revenue | - | (7,944) |
| Net pension liability | - | (249,005) |
| Net OPEB liability | - | (26,326) |
| Unearned revenue | 292 | - |
| Net Cash Provided (Used) by Operating Activities | \$ (93,824) | \$ 1,840,343 |

COUNTY OF SUTTER
Statement of Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2022

| | Investment Trust Funds |
|------------------------------------|---------------------------|
| Assets | |
| Cash and investments | \$ 205,666,065 |
| Cash with fiscal agent | - |
| Accounts receivable | 58,926 |
| Due From Other Governments | 801,030 |
| Interest receivable | 509,831 |
| Prepaid Expenses | 55,589 |
| Inventory | 334,146 |
| Amount to be provided Debt Service | 76 |
| Taxes receivable | 5,458,416 |
| Other assets | - |
| | 212,884,079 |
| Liabilities | |
| Accounts payable | 3,659,679 |
| Accrued salaries and benefits | 44,070 |
| Unearned revenues | 158,647 |
| Interest Payable | 1,139 |
| Loans payable | 76 |
| Deposits payable | - |
| Agency funds held for others | - |
| | 3,863,611 |
| Net position | |
| Net position restricted for | 209,020,468 |
| | 209,020,468 |
| Total Net Position | \$ 209,020,468 |

COUNTY OF SUTTER
Statement of Fiduciary Net Position
Private-Purpose and Custodial Trust Funds
For the Year Ended June 30, 2022

| | Private-Purpose Trust Funds | Custodial Funds |
|------------------------------------|-----------------------------------|-----------------|
| Assets | | |
| Cash and investments | \$ 11,372 | \$ 19,384,562 |
| Cash with fiscal agent | - | - |
| Accounts receivable | - | 40,676 |
| Due From Other Governments | - | 1,952,078 |
| Interest receivable | 1 | 1,031,866 |
| Prepaid Expenses | - | - |
| Inventory | - | - |
| Amount to be provided Debt Service | - | - |
| Taxes receivable | - | 16,710,599 |
| Other assets | 3,272 | 127,480 |
| | 14,645 | 39,247,262 |
| Liabilities | | |
| Accounts payable | - | 16,431,428 |
| Accrued salaries and benefits | - | (0) |
| Unearned revenues | - | 274,363 |
| Interest Payable | - | - |
| Loans payable | - | - |
| Deposits payable | 11,375 | 218,279 |
| Agency funds held for others | 2,839 | 11,088,219 |
| | 14,214 | 28,012,287 |
| Net position | | |
| Net position restricted for | 430 | 11,234,974 |
| Total Net Position | \$ 430 | \$ 11,234,974 |

COUNTY OF SUTTER
Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2022

| | Investment Trust Funds |
|---------------------------------------|---------------------------|
| Additions | |
| Contributions to pooled investments | \$ 65,782,136 |
| Interest and Investment income (loss) | (852,664) |
| Total Additions | 64,929,472 |
| Deductions | |
| Distributions from pooled investments | 14,683,708 |
| Total Deductions | 14,683,708 |
| Change in net position | 50,245,765 |
| Net Position - Beginning of Year, | 158,774,703 |
| Net Position - End of Year | \$ 209,020,468 |

COUNTY OF SUTTER
Statement of Changes in Fiduciary Net Position
Private-Purpose and Custodial Trust Funds
For the Year Ended June 30, 2022

| | Private-Purpose Trust Funds | Custodial Trust Funds |
|---------------------------------------|--------------------------------|--------------------------|
| Additions | | |
| Contributions to pooled investments | \$ - | \$ 8,156,848 |
| Interest and Investment income (loss) | (542) | (306,469) |
| Total Additions | (542) | 7,850,379 |
| Deductions | | |
| Distributions from pooled investments | - | 5,421,316 |
| Total Deductions | - | 5,421,316 |
| Change in net position | (542) | 2,429,063 |
| Net Position - Beginning of Year, | 972 | 8,805,911 |
| Net Position - End of Year | <u>\$ 430</u> | <u>\$ 11,234,974</u> |



**Notes to the
Financial Statements**

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1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a countywide basis including public safety, highway and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County defines its reporting entity in accordance with accounting principles generally accepted in the United States of America (GAAP), which provides guidance for determining which governmental activities, organizations and functions should be included in the reporting entity. The accompanying financial statements present information on the activities of the reporting entity, including all fund types of the County (the primary government) and its component units.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units; although legally separate entities, are in substance part of the County's operations and, therefore, data from these units is 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 of the following special districts as blended component units because their Board of Directors is composed of the same members as the County's board. These component units have not issued separate financial statements.

Discretely Presented Component Units

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

Blended Component Units

The blended component units' governing bodies are substantially the same as the governing body of the primary government. Component units that are blended into the reporting activity types of the County's report are presented below:

Special Assessment Districts – The assessment districts are separate legal entities formed to provide various services within the County.

Lighting Districts – The lighting districts are separate legal entities formed to provide lighting services within the County.

Landscape Districts – The landscape districts are separate legal entities formed to provide landscape services within the County.

The accompanying financial statements include an Investment Trust Fund that holds assets of numerous self-governed school and special districts for which the County Treasurer-Tax Collector acts as custodian. The financial

reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments, and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. The County Auditor-Controller makes disbursements upon the request of the special district officers. Activities of the school and special districts are administered by separate boards and are independent of the County Board of Supervisors. The County Board of Supervisors has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or to appropriate surplus funds available in these entities. Sutter County Schools do not issue independent audited financial statements but report directly to the California Department of Education. The individual Sutter County Special Districts do have independent audited financial statements. Individuals interested in obtaining a copy of a district's report should contact the district directly.

The accompanying financial statements also include four different private purpose trust funds. These funds are mostly comprised of monies held on behalf of citizens by order of the courts until such time the courts release the monies. The County Board of Supervisors has no effective authority to govern, manage, assume financial accountability, or to appropriate surplus funds available in these entities.

New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 87
Summary of Statement

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the Statement, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible right-to-use lease asset (a capital asset hereinafter referred to as the lease asset), and a lease receivable and deferred inflow of resources, respectively.

The new lease standard also requires enhanced disclosure which include a general description of the leasing arrangement, the aggregate amount of resource inflows and outflows recognized from lease contracts, and the disclosure of the long-term effect of lease arrangement on a government's resources.

As a result of County's implementation of the Statement for fiscal year ended June 30, 2022, the beginning balance of lease assets is approximately \$4.3 million. Additional disclosures of the County's implementation with respect to Statement No. 87 are included in Notes 5 - Capital Assets and 6 - Lease Commitments.

Financial Statements

In accordance with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," the financial statements consist of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all of the nonfiduciary activities of the primary government and its component units. Generally, the effect of interfund intra-function activity has been eliminated from the government-wide financial statements. All internal balances in the Statement of Net Position that have been eliminated, except for those representing balances between the governmental activities and the business-type activities, are presented as internal balances and eliminated in the total government column.

The Statement of Activities presents functional revenue and expenses of governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the Statement of Activities, internal service funds' revenue and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities.

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

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 for 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. Program revenues include 1) charges paid by the recipients of goods and services offered by the program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the county of meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

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. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. 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 acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For the governmental funds financial statements, the County considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services and other miscellaneous revenue are all considered to be susceptible to accrual, and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All expenditure-driven grants are recorded at the time of receipt or earlier. If qualifying expenditures have been incurred and all other requirements are met, except for the timing requirement, a deferred inflow of resources is reported until time requirements have passed.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

In accordance with GAAP the County reports on each major governmental fund. By definition, the general fund is always considered a major fund. Governmental funds other than the general fund must be reported as major funds if they meet both the ten percent and five percent criterion, defined respectively, 1) An individual governmental fund reports at least ten percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures; 2) an individual governmental fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the ten percent criterion. In addition, a fund may be reported as major if it is believed to be of particular importance to financial statement users.

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 general government, public protection, public assistance, education, public ways and facilities, and culture and recreation services.
- The **Bi-County Behavioral Health Fund** is a special revenue fund used to account for revenues and expenditures for mental health activities.
- The **Welfare Fund** is a special revenue fund used to account for revenues and expenditures for social welfare programs.
- The **Public Safety/Trial Courts Fund** is a special revenue fund used to account for revenues and expenditures for public safety programs.
- The **Public Health Fund** is a special revenue fund used to account for revenues and expenditures for public health services and COVID programs.
- The **Public Safety Realignment Fund** is a special revenue fund used to account for the realignment of revenues and expenditures for public safety programs.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services.

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

The County reports the following proprietary funds:

- An Enterprise Fund accounts for Water Works District No. 1 activities related to the provision of water services.
- Internal Service Funds account for the County's fleet maintenance, information technology, employee

wellness, and self-insurance programs which provide services to other departments on a cost reimbursement basis.

Fiduciary funds include private purpose trust, investment trust and custodial funds. All Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds.

The County reports the following fiduciary funds:

- The Private-Purpose Trust Funds account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments such as escheat property.
- The Investment Trust Funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school and community college districts, other special districts governed by local boards, regional boards and authorities, and pass-through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The Custodial Funds account for assets held on behalf of governmental agencies outside of the County in a fiduciary capacity and do not meet criteria for being held in private-purpose trust funds or investment trust funds. They hold the resources until disbursement is made to authorized recipients or entities.

Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the enterprise and internal service funds consider their equity in the County Treasurer's Investment pool along with all highly liquid investments having a maturity of three months or less at the time of purchase to be cash equivalents.

The Treasurer's Investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow.

Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptance, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund.

Investment transactions are recorded on the trade date at cost. 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. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

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. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements, as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2022, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accounts such as taxes, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the full accrual basis of accounting. Interest and investment earnings are included in the current fiscal year if they are collected within 60 days of fiscal year end.

Proprietary fund major receivables consist of all revenues earned at year-end and not yet received. User fee receivable and interest earnings compose the majority of proprietary fund receivables. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Interfund Transactions

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

- Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.
- 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 treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in 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.

Inventory and Prepaid Expenses

Inventories are stated at cost (first-in, first-out basis) for governmental funds and proprietary funds. Inventory recorded by governmental funds includes expendable supplies held for consumption. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that portion of fund balance not available for future appropriation. Certain payments to vendors reflect costs applicable to future accounting periods and are therefore considered prepaid expenses.

Loans Receivable

Loans receivable are comprised of mortgage subsidies and long-term loans to other agencies.

Capital Assets

Capital assets include property, plant, equipment, infrastructure assets (roads, bridges, sidewalks, water, sewer, and similar items) and right-to-use lease assets (per GASB no. 87). Capital assets are defined by the County as equipment with a cost of \$5,000 or more, structures and improvements with a cost of \$60,000 or more, infrastructure with a cost of \$100,000 or more, and all land regardless of cost. Equipment reported in the financial statements is at actual historical cost. Structures and improvements and land are reported at actual cost when available or estimated historical cost. Estimated historical cost was arrived at by a variety of methods including the use of factors and comparative sales. Infrastructure assets, including bridges and roads, are reported at estimated historical cost.

Estimated historical cost for bridges was arrived at by developing a listing of all bridges constructed after 1980 and multiplying total square footage by the average cost per square foot and the price level factor for the Price Trends for Federal-Aid Highway Construction. Estimated historical cost for roads was arrived at by multiplying the number of land-miles constructed since 1980 for asphalt with curb and gutter by the average cost per lane-mile and the price level factor from the Price Trends for Federal-Aid Highway Construction. The county has determined the cost of gravel and dirt roads to be minimal and has elected not to capitalize these road types. Contributed capital assets are recorded at estimated fair market value at the date of donation.

Capital assets that are used in governmental fund operations are reported in the government-wide financial statements. Property, plant, equipment and infrastructure are accounted for as capital assets. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Capital assets used in the proprietary fund operations are reported on their respective propriety statement of net

position. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| <u>Depreciable Asset</u> | <u>Estimated Lives</u> |
|-----------------------------|------------------------|
| Equipment | 3-20 years |
| Software | 3-10 years |
| Structures and improvements | 15-39 years |
| Infrastructure | 15-75 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.

Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net position, governmental funds, and enterprise funds defer revenue recognition for resources that have been received at year-end, but not yet earned. Assets recognized before the earning process is complete are offset by a corresponding liability as unearned revenues.

Deferred Outflows/Inflows of Resources

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

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 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 deferred inflows of resources related to unavailable revenues report under the modified accrual basis of accounting in the governmental funds balance sheet and related to pensions, OPEB and leases in its government-wide statements.

The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

The County's policy regarding compensated absences is to permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The County includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of loans payable and financed purchase agreements.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Fund Balances/Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as follows:

- 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 or other governments; (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “investment in capital assets.”

When both restricted and unrestricted net position are available, restricted resources are depleted first before the restricted resources are used.

Under GASB Statement No. 54, governmental fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – This component includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.
- Committed – This component includes amount that can only be used for the specific purposes determined by a formal action of the County’s Board of Supervisors taking the same formal action that imposed the constraint originally.
- Assigned – This component comprises amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the County’s Board of Supervisors or (b) a body (for example: a budget or finance committee) or official to which the County’s Board of Supervisors has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the County’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

Fund Balance/Net Position Deficit

The following funds had deficit fund balances at June 30, 2022:

| | Deficit Amount |
|-------------------|-------------------|
| General Liability | \$ 49,718 |
| Fleet Management | 226,663 |

The deficits in these funds are expected to be eliminated through future years’ revenues.

Property Tax Levy, Collection and Maximum Rates

The State of California’s (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market, value, as defined by Article XIII A; and may be adjusted by no more than 2% per 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 Sutter assesses properties and bills for and collects property taxes as follows:

| | Secured | Unsecured |
|----------------------|--|-----------|
| Valuation/lien dates | January 1 | January 1 |
| Levy dates | October 1 | July 1 |
| Due Dates | November 1 (1 st installment) February 1 (2 nd installment) | July 1 |
| Delinquent dates | Dec. 10 (1 st installment) April 10 (2 nd installment) | August 31 |

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the personal property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end.

The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed in Section 4717 of the California Revenue and Taxation code. Under this method of apportionment, penalties and interest collected on delinquent secured taxes are required to be held in trust in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County has elected to follow the procedures authorized by Revenue and Taxation Code 4703.2 which requires that the tax losses reserve fund shall be maintained at not less than 25 percent of the local delinquent secured taxes and assessments for participating entities in the County as calculated at the end of the fiscal year. The net balance in the TLRF was \$1,145,181 at June 30, 2022. The County’s management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s Teeter Plan and accounted for in a custodial fund.

Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditures and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, governmental fund report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources. Expenditure/expenses are classified as follows:

- Government Funds – By Character
 - Current (further classified by function)
 - Debt Service
 - Capital Outlay
- Proprietary Fund – By Operating and Nonoperating

Use of 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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Gann Spending Limitation

Under Article XIII B of the California Constitution (the Gann spending Limitation), the County is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. The allowed appropriations for the Gann Limit for the fiscal year ended June 30, 2022 were \$256,749,350. The appropriations subject to this limit were \$45,102,462, which is \$211,646,888 below the appropriations limit. Accordingly, the appropriations subject to this legal restriction were only 17.6% of the maximum allowed by law.

3. CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by California Government Code Section 53635 and by the County’s investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6, § 27131 of California Government Code. The oversight committee and the Board of Supervisors reviews and approves the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investment in the pool, maturity dates, par value, actual cost and fair value.

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 Fund which does 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.

At June 30, 2022, total County cash and investments were as follows:

| | |
|--------------------------------|----------------------------------|
| <i>Cash:</i> | |
| Cash on hand | \$ 4,405 |
| Bank deposits | 16,868,057 |
| Outstanding warrants | <u>(11,814,763)</u> |
| Total Cash | <u>5,057,699</u> |
| <i>Investments:</i> | |
| Investment pool | 353,129,336 |
| External to investment pool | <u>16,098,908</u> |
| Total investments | <u>369,228,244</u> |
| Total cash and investments | <u><u>\$ 374,285,943</u></u> |

Total cash and investments at June 30, 2022 were presented on the County’s financial statements as follows:

| | |
|-----------------------------|----------------------------------|
| Primary government | \$ 149,223,944 |
| Investment trust fund | 205,666,065 |
| Private purpose trust funds | 11,372 |
| Custodial fund | <u>19,384,562</u> |
| Total | <u><u>\$ 374,285,943</u></u> |

Investments

The table below identifies the investment types that are authorized for the County by California Government Code Section 53635 or the County’s investment policy, where more restrictive. The table also identifies certain provisions of the County’s investment policy that address interest rate risk, credit risk, and concentration risk. The

County annually adopts a “Statement of Investment Policy.” The policy is based on criteria established by government code and adds further restrictions as to the types of investments allowed, concentration limits and maximum terms.

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment of One Issuer</u> |
|--|--|--|---|
| Federal Agency Obligations | 5 years | None | None |
| U.S. Treasury Bills | 5 years | None | None |
| Banker's Acceptances | 180 days | 30% | 30% |
| Commercial Paper | 270 days, but dollar weighted average may not exceed 31 days | 10% | 15% |
| Negotiable Certificates of Deposit | 5 years | None | None |
| Non-Negotiable Certificates of Deposit | 5 years | None | None |
| Repurchase Agreements | 1 year | None | None |
| Medium-Term Corporate Notes | 5 years | 10% | None |
| Money Market Mutual Funds | N/A | 10% | 10% |
| Local Agency Investment Fund | N/A | None | \$75M |
| California Asset Management Program | N/A | None | None |

At June 30, 2022, the County had the following investments:

| | Interest Rates | Maturities | Par | Fair Value | Weighted Average Maturity (Years) |
|--|-------------------|---------------------|--------------------|--------------------|--|
| Primary Investment Pool | | | | | |
| Federal Agency Issues - Coupon | .22% - 2.17% | 11/29/21 - 06/30/26 | \$ 200,900,000 | \$ 188,585,476 | 2.94 |
| Medium Term Corporate Notes | 0.40%-3.75% | 06/26/22-06/15/26 | 94,495,000 | 89,096,653 | 2.41 |
| LAIF State Pool/Sac | Variable | On Demand | 63,028,124 | 63,028,124 | - |
| California Asset Management | Variable | On Demand | <u>12,419,083</u> | <u>12,419,083</u> | - |
| Total | | | <u>370,842,207</u> | <u>353,129,336</u> | 2.67 |
| Investments Outside Investment Pool | | | | | |
| Bank Accounts Held Outside the Treasury | | | 10,291,590 | 10,291,590 | - |
| Cash with Retirement Agencies | | | <u>5,807,318</u> | <u>5,807,318</u> | - |
| Total | | | <u>16,098,908</u> | <u>16,098,908</u> | |

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The County manages its exposure to declines in fair values by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to provide the necessary cash flow and liquidity needed for operations. The County monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Credit Risk

Generally, 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. State law limits investments in commercial paper to the rating of A1 by Standards & Poor’s or P-1 by Moody’s Investors Service. State law also limit investments in corporate bonds to the rating of A by Standard & Poor’s and Moody’s Investors Service. The County does not have credit limits on governmental agency securities.

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool’s value at June 30, 2022:

| | Moody's | Standard & Poor's Rating | % of Portfolio |
|-------------------|---------|--------------------------|----------------|
| Agency Notes | Aaa | AA+ | 54.55% |
| Medium Term Notes | Aa1 | AA+ | 0.55% |
| Medium Term Notes | A3 | AA- | 0.59% |
| Medium Term Notes | A1 | A+ | 3.27% |
| Medium Term Notes | A2 | A- | 13.31% |
| Medium Term Notes | A3 | A- | 7.40% |
| CAMP | Unrated | AAAm | 3.35% |
| LAIF | Unrated | Unrated | 16.98% |
| Total | | | <u>100.00%</u> |

At June 30, 2022, the County has the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

| | Amount | % of Portfolio |
|----------------------------------|---------------|----------------|
| Federal Home Loan Mortgage Corp. | \$ 64,636,056 | 17.41% |
| Federal Farm Credit Bank (FFCB) | 50,223,596 | 13.53% |
| Fannie | 50,005,656 | 13.47% |
| Federal | 36,000,000 | 9.70% |
| Laif-State | 59,404,090 | 16.00% |

Custodial Credit Risk

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County’s investment pool had no securities exposed to custodial credit risk.

Local Agency Investment Fund

The County’s investment pool maintains an investment in the State of California Local Agency Investment Fund (LAIF). LAIF is part of the Pooled Money Investment Account (PMIA), an investment pool consisting of funds held by the state in addition to those deposited with LAIF. All PMIA funds are managed by the Investment Division of the State Treasurer’s Office. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2022, the County’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$63.0 million, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$234.5 billion. Of that amount, 1.88% was invested in structured notes and asset-backed securities with the remaining 98.12% invested in other non-derivative products.

County Investment Pool Condensed Financial Information

The following represents a condensed statement of net position and changes in net position for the County’s primary investment pool and bond investment pool as of June 30, 2022:

Statement of Net Position

| | |
|---|---------------------------|
| Net position held for pool participants | <u>\$ 353,129,336</u> |
| Equity of internal pool participants | 144,938,866 |
| Equity of external pool participants | <u>208,190,470</u> |
| Total net position | <u>\$ 353,129,336</u> |

Statement of Changes in Net Position

| | |
|---|---------------------------|
| Net position at July 1, 2021 | \$ 283,143,449 |
| Net changes in investments by pool participants | <u>69,985,887</u> |
| Net position at June 30, 2022 | <u>\$ 353,129,336</u> |

Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2022:

| | Amount | Fair Value Measurement Using | | |
|--|----------------|--|---|--|
| | | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Observable Inputs (Level 3) |
| Investments measured at fair value: | | | | |
| Government agency obligations | \$ 188,585,476 | \$ 188,585,476 | \$ - | \$ - |
| Corporate and medium term notes | 89,096,653 | 89,096,653 | - | - |
| Total investments measured at fair value | \$ 277,682,129 | \$ 277,682,129 | \$ - | \$ - |
| Investments measured at amortized cost: | | | | |
| LAIF State Pool/Sac | 63,028,124 | - | - | - |
| California Asset Management | 12,419,083 | - | - | - |
| Total investments measured at amortized cost | \$ 75,447,207 | \$ - | \$ - | \$ - |
| Investments outside investment pool | | | | |
| Bank Accounts Held Outside the Treasury | 10,291,590 | | | |
| Cash with Retirement Agencies | 5,807,318 | \$ - | \$ - | \$ - |
| | \$ 16,098,908 | \$ - | \$ - | \$ - |
| Total investments | \$ 369,228,244 | \$ 277,682,129 | \$ - | \$ - |

4. LOANS RECEIVABLE

Loans receivable at June 30, 2022 consisted of the following:

| | General Fund | Mental Health Services Act | Other Governmental Funds | Total |
|---|-------------------|----------------------------------|--------------------------------|---------------------|
| Governmental Funds | | | | |
| Loan to City of Live Oak | \$ 14,031 | \$ - | \$ - | \$ 14,031 |
| Loan to City of Yuba City | 110,263 | - | - | 110,263 |
| Loan to Sutter-Yuba Housing Authority | - | 874,458 | - | 874,458 |
| Deposit with Others-Yuba Co Juvenile Hall | - | | 634,280 | 634,280 |
| Housing Rehabilitation loans | - | | 1,489,969 | 1,489,969 |
| Total Loans Receivable | \$ 124,294 | \$ 874,458 | \$ 2,124,249 | \$ 3,123,001 |

5. CAPITAL ASSETS

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

| | Balance, July 1, 2021 | Additions/ Adjustments | Retirements/ Transfers | Balance, June 30, 2022 |
|--|--------------------------|---------------------------|---------------------------|---------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 6,284,972 | \$ - | \$ - | \$ 6,284,972 |
| Easements | 5,000 | - | - | 5,000 |
| Construction in Progress | 36,901,061 | 4,833,316 | (20,088,035) | 21,646,343 |
| Total capital assets, not being depreciated/amortized | <u>43,191,034</u> | <u>4,833,316</u> | <u>(20,088,035)</u> | <u>27,936,315</u> |
| Capital assets, being depreciated/amortized | | | | |
| Land improvements | 922,946 | 75,000 | - | 997,946 |
| Structures and improvements | 51,868,205 | 122,223 | 18,318,170 | 70,308,597 |
| Equipment | 15,344,944 | 476,131 | 43,435 | 15,864,510 |
| Vehicles | 14,337,951 | 369,721 | (235,418) | 14,472,253 |
| Infrastructure | 105,248,807 | - | - | 105,248,807 |
| Intangible assets - Software | 1,406,119 | 665,411 | 363,726 | 2,435,256 |
| Lease asset* | 4,399,308 | - | - | 4,399,308 |
| Total capital assets, being depreciated/amortized | <u>193,528,280</u> | <u>1,708,485</u> | <u>18,489,912</u> | <u>213,726,677</u> |
| Less accumulated depreciation/amortization for | | | | |
| Land improvements | (55,522) | (72,363) | - | (127,885) |
| Structures and improvements** | (23,689,921) | (2,262,775) | 120,816 | (25,831,880) |
| Equipment | (11,542,010) | (1,118,245) | 398,316 | (12,261,939) |
| Vehicles | (10,460,705) | (1,159,535) | 582,962 | (11,037,278) |
| Infrastructure | (78,323,368) | (527,247) | - | (78,850,615) |
| Intangible assets - Software | (980,808) | (308,427) | - | (1,289,235) |
| Lease asset* | - | (833,643) | - | (833,643) |
| Total accumulated depreciation/amortization | <u>(125,052,334)</u> | <u>(6,282,235)</u> | <u>1,102,093</u> | <u>(130,232,476)</u> |
| Total capital assets, being depreciated/amortized, net | <u>68,475,946</u> | <u>(4,573,750)</u> | <u>19,592,006</u> | <u>83,494,201</u> |
| Governmental activities, capital assets, net | <u>\$ 111,666,979</u> | <u>\$ 259,566</u> | <u>\$ (496,029)</u> | <u>\$ 111,430,516</u> |

continued

continued

| | Balance, July 1, 2021 | Additions/ Adjustments | Retirements/ Transfers | Balance, June 30, 2022 |
|--|--------------------------|---------------------------|---------------------------|---------------------------|
| Business-Type Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 58,000 | \$ - | \$ - | \$ 58,000 |
| Construction in progress | 1,065,047 | - | - | 1,065,047 |
| Total capital assets, not being depreciated/amortized | <u>1,123,047</u> | <u>-</u> | <u>-</u> | <u>1,123,047</u> |
| Capital assets, being depreciated/amortized | | | | |
| Structures and Improvements | 3,575,676 | - | - | 3,575,676 |
| Equipment | 17,826 | - | - | 17,826 |
| Total capital assets, being depreciated/amortized | <u>3,593,502</u> | <u>-</u> | <u>-</u> | <u>3,593,502</u> |
| Less accumulated depreciation/ amortization for | | | | |
| Structures and improvements | (2,326,200) | (129,925) | - | (2,456,125) |
| Equipment | (17,826) | - | - | (17,826) |
| Total accumulated depreciation/amortization | <u>(2,344,026)</u> | <u>(129,925)</u> | <u>-</u> | <u>(2,473,950)</u> |
| Total capital assets, being depreciated/amortized, net | <u>1,249,476</u> | <u>(129,925)</u> | <u>-</u> | <u>1,119,551</u> |
| Business-type activities, capital assets, net | <u>\$ 2,372,523</u> | <u>\$ (129,925)</u> | <u>\$ -</u> | <u>\$ 2,242,598</u> |

* Implementation of GASB 87, Leases

** Changes in the accumulated depreciation includes the restatement related to Main Jail expansion (see Note 18)

Depreciation

Depreciation expense was charged to governmental functions as follows:

| | |
|--|--------------------------------|
| General government | \$ 991,470 |
| Public protection | 2,770,485 |
| Public ways and facilities | 934,234 |
| Health and sanitation | 345,722 |
| Public assistance | 136,301 |
| Education | 37,028 |
| Recreation and culture | 43,457 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | <u>189,897</u> |
| Total | <u><u>\$ 5,448,592</u></u> |

Depreciation expense was charged to the business-type functions as follows:

| | |
|---------------------------|--------------------------|
| Waterworks District No. 1 | <u><u>\$ 129,925</u></u> |
|---------------------------|--------------------------|

Construction in Progress

Construction in progress related primarily to work performed on the various construction projects within the County including bridge and building improvement projects.

Amortization

The following is a summary of the amount of lease assets by major classes of underlying assets as a result of the implementation of GASB no. 87:

Governmental activities:

| | |
|-------------------------------|--------------------------------|
| Lease asset: | |
| Lease building | \$ 3,797,017 |
| Less accumulated amortization | <u>(758,356)</u> |
| Lease building, net | 3,038,660 |
| Lease infrastructure | 602,291 |
| Less accumulated amortization | <u>(75,287)</u> |
| Lease infrastructure, net | 527,005 |
| Total lease assets | <u><u>\$ 3,565,665</u></u> |

6. LEASE COMMITMENTS

Under GASB Statement No. 87, an implicit rate is calculated for each individual lease based on estimated incremental borrowing rate. That method measures cash flows as well as actual beginning and projected ending FMV of the underlying asset. The present value of the leases is aggregated on a fund basis. All funds record lessee receivables on the fund level Statement of Net Position (Balance Sheet for the governmental funds), and are rolled into the government-wide Statement of Net Position.

The County’s threshold for leases follows similar guidelines for capital assets and the lease must be longer than one year including possible extensions. The threshold is measured as the present value (PV) of the lease payments using applicable implicit rate.

County as Lessee

The following table provides a summary of the County’s lease commitments with year-end balances. As of June 30, 2022, the County has five financing leases where it acts as the Lessee.

The following table provides a summary of the changes in the County’s lease commitments during the year:

| | Balance July 1, 2021 | Additions/ Adjustments | Retirements | Balance June 30, 2022 | Amounts Due Within One Year |
|-------------------------|-------------------------|---------------------------|-------------------|--------------------------|-----------------------------------|
| Governmental Activities | \$ 4,459,065 | \$ (2,257) | \$ 769,735 | \$ 3,687,073 | \$ 887,829 |
| Total | <u>\$ 4,459,065</u> | <u>\$ (2,257)</u> | <u>\$ 769,735</u> | <u>\$ 3,687,073</u> | <u>\$ 887,829</u> |

As of June 30, 2022, future minimum lease payments under capital leases are as follows:

| June 30 | Governmental Activities | | |
|-----------|-------------------------|------------------|---------------------|
| | Principal | Int Portion | Total |
| 2023 | \$ 887,829 | \$ 28,421 | \$ 916,250 |
| 2024 | 818,253 | 21,092 | 839,345 |
| 2025 | 826,207 | 13,755 | 839,963 |
| 2026 | 549,955 | 7,231 | 557,186 |
| 2027 | 355,890 | 3,698 | 359,588 |
| 2028-2032 | 248,939 | 18,787 | 267,726 |
| Total | <u>\$ 3,687,073</u> | <u>\$ 92,983</u> | <u>\$ 3,780,057</u> |

County as Lessor

As of June 30, 2022, the County has four financing leases where it acts as the Lessor. Under GASB Statement No. 87, an implicit interest rate is calculated for each individual lease using the estimated incremental borrowing rate. All funds record lessee receivables on the governmental funds balance sheet and are rolled into the Government-Wide Statement of Net Position.

The Gray Avenue Building: Provides commercial space for small businesses and a vacant space for future County offices. There are three leasing agreements associated with the building that have terms greater than one year. The combined present value of the lease receivable is approximately \$560 thousand as of fiscal year-end June 30, 2022.

The Cell Tower: Is a lessee constructed tower in 2019. Upon completion, the ownership was transferred to the County in exchange of lease abatement of \$500 for 150 months. The present value of the lease receivable inclusive of extensions that we believe will be exercised is \$220 thousand as of fiscal year-end June 30, 2022.

| June 30 | Governmental Activities | | |
|-----------|-------------------------|-----------|------------|
| | Revenue | Interest | Total |
| 2023 | \$ 251,396 | \$ 2,008 | \$ 253,404 |
| 2024 | 237,215 | 1,942 | 239,157 |
| 2025 | 85,879 | 1,905 | 87,784 |
| 2026 | 5,037 | 1,863 | 6,900 |
| 2027 | 5,083 | 1,817 | 6,900 |
| 2028-2032 | 28,225 | 8,372 | 36,596 |
| 2033-2037 | 63,231 | 6,360 | 69,591 |
| 2038-2042 | 73,709 | 3,252 | 76,960 |
| 2043-2045 | 35,404 | 342 | 35,746 |
| Total | \$ 785,179 | \$ 27,861 | \$ 813,040 |

7. LONG-TERM LIABILITIES

Long-term debt, excluding lease liabilities (see Note 6), at June 30, 2022 consisted of the following:

| | Date of Issue | Date of Maturity | Interest Rates | Annual Principal Installments | Original Issue Amount | Outstanding at June 30, 2022 |
|-------------------------------------|---------------|------------------|----------------|-------------------------------|-----------------------|------------------------------|
| Governmental Activities | | | | | | |
| Financing Agreement | | | | | | |
| 850 Gray Ave. | 2021 | 2036 | 2.66% | \$385,000 - \$525,000 | \$ 6,750,000 | \$ 6,365,000 |
| Energy Efficient Upgrade Project | 2014 | 2029 | 3.71% | 330,514-981,676 | 8,920,306 | 5,525,130 |
| Total Governmental Activities | | | | | <u>\$ 15,670,306</u> | <u>\$ 11,890,130</u> |
| Business-Type Activities | | | | | | |
| Energy Efficient Upgrade Project | | | 3.71% | 9,000-22,000 | 189,140 | 122,373 |
| Loan Payable | | | | | | |
| State Water Resources Control Board | 1998 | 2022 | 2.80% | \$5,506 - \$8,333 | 151,000 | 8,333 |
| Total Business-Type Activities | | | | | <u>\$ 340,140</u> | <u>\$ 130,706</u> |

The following is a summary of all long-term liabilities transactions, excluding lease transactions, for the year ended June 30, 2022:

| | Balance July 1, 2021 | Additions/ Adjustments | Retirements | Balance June 30, 2022 | Amounts Due Within One Year |
|---|----------------------|------------------------|-------------------|-----------------------|-----------------------------|
| Governmental Activities | | | | | |
| 850 Gray Ave. | \$ 6,750,000 | \$ - | \$ 385,000 | \$ 6,365,000 | \$ 390,000 |
| Energy Efficient Upgrade Project | 6,118,452 | | 593,323 | 5,525,130 | 650,426 |
| Total Governmental Activities - Long-Term Liabilities | <u>\$ 12,868,452</u> | <u>\$ -</u> | <u>\$ 978,323</u> | <u>\$ 11,890,130</u> | <u>\$ 1,040,426</u> |
| Business-Type Activities | | | | | |
| Wasterwater Loan | \$ 16,439 | \$ - | \$ 8,106 | \$ 8,333 | \$ 8,333 |
| Energy Efficient Upgrade Project | 136,033 | | 13,660 | 122,373 | 14,479 |
| Total Business-Type Activities Long-Term Liabilities | <u>\$ 152,472</u> | <u>\$ -</u> | <u>\$ 21,766</u> | <u>\$ 130,706</u> | <u>\$ 22,812</u> |

As of June 30, 2022, annual debt service requirements of governmental activities to maturity are as follows:

| Year Ended June 30, | Governmental Activities | |
|------------------------|-------------------------|------------------|
| | Payables | |
| | Principal | Interest |
| 2023 | 1,040,426 | 349,989 |
| 2024 | 1,110,795 | 316,977 |
| 2025 | 1,103,442 | 281,500 |
| 2026 | 1,178,770 | 246,438 |
| 2027 | 1,258,320 | 208,727 |
| 2028 | 1,337,328 | 168,210 |
| 2029 | 1,426,048 | 124,836 |
| 2030 | 460,000 | 78,318 |
| 2031 | 470,000 | 67,830 |
| 2032 | 480,000 | 57,114 |
| 2033 | 490,000 | 46,170 |
| 2034 | 500,000 | 34,998 |
| 2035 | 510,000 | 23,598 |
| 2036 | 525,000 | 11,970 |
| Total | <u>\$ 11,890,130</u> | <u>\$ 46,170</u> |

Annual debt service requirements of business-type activities to maturity are as follows:

| Year Ended June 30, | Business Activities | |
|------------------------|---------------------|------------------|
| | Loans Payable | |
| | Principal | Interest |
| 2023 | 22,812 | 4,663 |
| 2024 | 15,784 | 3,908 |
| 2025 | 15,409 | 3,338 |
| 2026 | 16,822 | 2,782 |
| 2027 | 18,326 | 2,174 |
| 2028 | 19,926 | 1,510 |
| 2029 | 21,628 | 786 |
| Total | <u>\$ 130,706</u> | <u>\$ 19,162</u> |

8. DEFERRED OUTFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” the County recognized deferred outflows of resources in the Government-wide and proprietary fund statements. These items are a consumption of net assets by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The County has two items that are reportable on the Government-wide Statement of Net Position. The first item relates to outflows from changes in net OPEB liability (Note 15). The second item relates to outflows from changes in net pension liability (Note 14). In addition, deferred outflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

Deferred outflows of resources balances for the year ended June 30, 2022 were as follows:

| | Governmental Activities | Business-Type Activities |
|--|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Government-wide Deferred Outflows of Resources | | |
| OPEB | \$ 862,164 | \$ - |
| Pensions | 23,670,931 | - |
| Total Government-wide Deferred Outflows of Resources | <u>\$ 24,533,095</u> | <u>\$ -</u> |

9. INTERFUND TRANSACTIONS

Due To/From Other Funds

Operating receivables and payables between funds are classified as due from or due to other funds. These interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds are made. The following are due to and due from balances as of June 30, 2022:

| Receivable | Payable | Amount |
|----------------------------------|-----------------------------------|-----------|
| General Fund | Welfare | \$ 1,450 |
| | Bi-County Behavioral Health | - |
| | Public Safety/Trial Courts | 6,617,379 |
| | Public Health | 1,028,911 |
| | Nonmajor Governmental Funds | 565,816 |
| | Debt Service | - |
| | Internal Service Funds | 14,028 |
| | Nonmajor Enterprise Fund | 17,642 |
| | Capital Project Funds | 11,698 |
| | Total General Fund | 8,256,924 |
| Bi-County Behavioral Health | General Fund | 1,725 |
| | Welfare | 87,821 |
| | Public Health | 49 |
| | Public Safety Realignment | 1,065,937 |
| | Nonmajor Governmental Funds | 530,890 |
| | Debt Service | - |
| | Total Bi-County Behavioral Health | 1,686,422 |
| Welfare | General Fund | 121,122 |
| | Welfare | 629,487 |
| | Bi-County Behavioral Health | 180,000 |
| | Public Safety Realignment | 1,795,543 |
| | Nonmajor Governmental Funds | - |
| | Debt Service | - |
| Total Welfare | 2,726,152 | |
| Public Safety/Trial Courts | General Fund | 41,545 |
| | Bi-County Behavioral Health | 32 |
| | Public Safety/Trial Courts | 2,595,798 |
| | Public Health | - |
| | Public Safety Realignment | 437,605 |
| | Nonmajor Governmental Funds | - |
| | Debt Service | - |
| Total Public Safety/Trial Courts | 3,074,980 | |

continued

continued

County Health

| | |
|------------------------|------------------|
| General Fund | 716,050 |
| Welfare | 24,697 |
| Public Health | 1,194,375 |
| Internal Service Funds | 28,545 |
| Total County Health | <u>1,963,667</u> |

Public Safety Realignment

| | |
|---------------------------------|------------------|
| General Fund | - |
| Welfare | 141,711 |
| Public Safety/Trial Courts | 3,440 |
| Public Safety Realignment | 1,135,679 |
| Total Public Safety Realignment | <u>1,280,830</u> |

Nonmajor Special Revenue Funds

| | |
|-----------------------------|------------------|
| Bi-County Behavioral Health | 2,273,307 |
| Public Health | 10,882 |
| Nonmajor Governmental Funds | 72,372 |
| Capital Project Funds | 15,427 |
| Debt Service | - |
| Total Special Revenue Funds | <u>2,371,988</u> |

Internal Service Funds

| | |
|-----------------------------|---------------|
| General Fund | - |
| Welfare | - |
| Bi-County Behavioral Health | - |
| Public Health | - |
| Public Safety/Trial Courts | 11,300 |
| Nonmajor Governmental Funds | - |
| Internal Service Funds | - |
| Total Debt Service Funds | <u>11,300</u> |

Nonmajor Capital Project Funds

| | |
|-----------------------------|----------------|
| General Fund | 176,843 |
| Welfare | 4,213 |
| Bi-County Behavioral Health | 47,561 |
| Public Safety/Trial Courts | 428,588 |
| Nonmajor Governmental Funds | 3,229 |
| Internal Service Funds | - |
| Total Capital Project Fund | <u>660,435</u> |

Total \$ 22,032,698

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans to address cash flow needs and are offset by a fund balance nonspendable account in applicable governmental funds to indicate they are not available for appropriations and are not expendable available financial resources. The following are advances to/from other funds as of June 30, 2022:

| Advances to Other Funds | Advances from Other Funds | Amount |
|----------------------------|-----------------------------|---------------------|
| General Fund | Bi-County Behavioral Health | \$ 1,060,464 |
| | Nonmajor Governmental Funds | 673,362 |
| | Internal Service Funds | 125,000 |
| | | <u>1,858,826</u> |
| Mental Health Services Act | Bi-County Behavioral Health | <u>60,763</u> |
| | | <u>\$ 1,919,589</u> |

In 2002, the Board of Supervisors approved an advance of \$985,000 from the General Fund to County Service Area F to fund the construction costs of a new station. The loan has a variable interest rate that is based on the pooled treasury rate and has payments due August 1st of each year in the amount of \$50,550. On December 14, 2021, the Board of Supervisor approved the forgiveness of the remaining balance of \$368,426, plus accrued interest for FY 2021-22, owed by County Service Area F to the County General Fund.

In August of 2012, the Board of Supervisors agreed to a 30-year loan from the Health/Social Services Impact Fee fund, it then transferred to the General fund in 2017, in the amount of \$677,500 for half of the County’s share of the new Animal Control building to be repaid over a 30-year period from new animal control impact fees on new development. Interest is charged quarterly at a variable rate based on the pooled treasury rate. The loan was originally issued at \$607,841. To date no payments have been made on the advance. The balance at June 30, 2022 was \$673,362.

On June 30, 2015, the General Fund advanced the Bi-County Behavioral Health Fund \$973,705 to provide funding for the Chevron energy improvements project. The loan has a variable interest rate that is based on the pooled treasury rate. To date no payments have been made on the advance. The outstanding balance at year-end was \$1,060,464.

On March 26, 2010, the Mental Health Services Act Fund advanced \$2,000,000 to Bi-County Behavioral Health to meet cash flow needs. Interest is charged at a variable rate based on the pooled treasury rate. A payment of \$2.12 million was made in FY 2019-20. The balance at June 30, 2022 was \$60,763.

On September 29, 2020, the General Fund advanced \$125,000 to the Employee Wellness Internal Service Fund to meet cash flow needs. No interest is charged on the advance. To date no payments have been made on the advance. The balance at June 30, 2022 was \$125,000.

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies or various County operations and re-allocations of special revenues. The following are the interfund transfers for fiscal year ended June 30, 2022:

| Transfers From | Transfers To | Amount |
|-----------------------------|-----------------------------|----------------------|
| General Fund | Welfare | \$ 1,001,338 |
| | Public Safety/Trial Courts | 20,719,839 |
| | Public Health | 9,194,593 |
| | Nonmajor Governmental Funds | 4,206,227 |
| | | <u>35,121,996</u> |
| Bi-County Behavioral Health | Public Safety/Trial Courts | 107,506 |
| | Nonmajor Governmental Funds | 130,921 |
| | | <u>238,428</u> |
| Welfare | General Fund | 1,450 |
| | Welfare | 6,197,845 |
| | Public Health | 141,150 |
| | Public Safety/Trial Courts | 72,000 |
| | Nonmajor Governmental Funds | 106,717 |
| | | <u>6,519,162</u> |
| Public Safety/Trial Court | Public Health | 1,225 |
| | Public Safety/Trial Courts | 14,004,282 |
| | Nonmajor Governmental Funds | 855,614 |
| | Internal Service Funds | 11,300 |
| | | <u>14,872,420</u> |
| Public Health | General Fund | 898,170 |
| | Welfare | 136,010 |
| | Public Safety/Trial Courts | 262,324 |
| | Public Health | 5,607,492 |
| | Nonmajor Governmental Funds | 99,920 |
| | Internal Service Funds | 1,284,476 |
| | <u>8,288,392</u> | |
| Public Safety Realignment | Bi-County Behavioral Health | 17,980,715 |
| | Welfare | 11,853,312 |
| | Public Safety Realignment | 15,759,175 |
| | Public Safety/Trial Courts | 6,951,492 |
| | Nonmajor Governmental Funds | 153,800 |
| | Public Health | 214,352 |
| | | <u>\$ 52,912,847</u> |

continued

continued

| | | |
|-----------------------------|-----------------------------|------------------------------|
| Nonmajor Governmental Funds | General Fund | \$ 309,502 |
| | Bi-County Behavioral Health | 11,884,045 |
| | Nonmajor Governmental Funds | <u>328,331</u> |
| | | <u>12,521,878</u> |
| Internal Service Funds | Nonmajor Governmental Funds | 461 |
| | Public Health | <u>28,545</u> |
| | | <u>29,006</u> |
| | Total | <u><u>\$ 130,504,130</u></u> |

10. 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 account for and finance its uninsured risks of loss for general liability and workers' compensation. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$100,000 for each general liability claim and up to \$300,000 for each workers' compensation claim. The County is a member of two joint powers authorities (JPA) called Trindel Insurance Fund (Trindel) and PRISM Risk (PRISM). The County pays annual premiums to Trindel and to PRISM for excess liability insurance coverage, excess workers' compensation coverage and various other insurance programs.

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, insurance premiums and to fund future liability losses through reserving. The Board of Supervisors adopted a policy that the claims liability will be adjusted annually to not less than the 70% confidence level and not more than the 90% confidence level as determined by the actuary.

At June 30, 2022, the General Liability fund had a Net Position deficit of \$(49,718) and the Workers' Compensation fund had a Net Position of \$2,187,823. The claims liability of \$2,119,088 reported in the General Liability fund and claims liability of \$6,565,961 reported in the Workers' Compensation fund at fiscal year ended are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated.

The following represents the amount of the outstanding liabilities determined by the actuaries.

General Liability Fund – The change in the County's general liability claims reserve amount for fiscal year ending 2022 was as follows:

| Fiscal Year Ending | Balance at Beginning of Fiscal Year | Current Year Claims and Changes in Estimates | Claims Payments | Balance at End of Fiscal Year |
|--------------------------|---|---|--------------------|-------------------------------------|
| June 30, 2020 | \$497,566 | 1,002,426 | 224,456 | 1,275,536 |
| June 30, 2021 | 1,275,536 | 1,120,704 | 676,333 | 1,719,907 |
| June 30, 2022 | 1,719,907 | 785,756 | 386,575 | 2,119,088 |

Workers' Compensation Fund – The change in the County's workers' compensation claims reserve amount for fiscal year ending 2022 was as follows:

| Fiscal Year Ending | Balance at Beginning of Fiscal Year | Current Year Claims and Changes in Estimates | Claims Payments | Balance at End of Fiscal Year |
|--------------------------|---|---|--------------------|-------------------------------------|
| June 30, 2020 | 5,440,228 | 848,605 | 812,123 | 5,476,710 |
| June 30, 2021 | 5,476,710 | 1,018,685 | 818,043 | 5,677,352 |
| June 30, 2022 | 5,677,352 | 1,548,121 | 659,511 | 6,565,961 |

11. DEFERRED INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* and GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities,”* the County recognized deferred inflows or resources in the government-wide, governmental fund, and proprietary fund statements. These items are an acquisition of net assets by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The County has three items that are reportable on the Government-wide Statement of Net Position. The first item relates to inflows from changes in Other Post Employment Benefits (OPEB) (Note 15). The second item relates to inflows from changes in the net pension liability (Note 14). The third item relates to inflows from leases (Note 11). Additionally, deferred inflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

Deferred inflows of resources for the year ended June 30, 2022 were as follows:

| | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| Government-wide Deferred Inflows of Resources | | |
| Lease related | 773,001 | |
| OPEB | \$ 4,285,765 | \$ - |
| Pensions | 48,203,916 | - |
| Total Government-wide Deferred Inflows of Resources | <u>\$ 53,262,682</u> | <u>\$ -</u> |

12. FUND BALANCE CLASSIFICATIONS

Fund balance classifications for the governmental funds as of June 30, 2022 are presented below:

| | General | Bi-County Behavioral Health | Welfare | Public Safety/ Trial Courts |
|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|
| Nonspendable: | | | | |
| Prepaid expenses | \$ 9,500 | \$ 10,375 | \$ 74,207 | \$ 43,500 |
| Inventory | - | - | - | - |
| Advances and loans receivables | 1,983,120 | - | - | - |
| Permanent funds | - | - | - | - |
| Subtotal | <u>1,992,620</u> | <u>10,375</u> | <u>74,207</u> | <u>43,500</u> |
| Restricted for: | | | | |
| Taxes and fees | - | - | - | - |
| General government | - | - | - | - |
| Public protection | - | - | - | 5,765,638 |
| Public ways & facilities | - | - | - | - |
| Health & sanitation | - | 4,321,785 | - | - |
| Public assistance | - | - | 11,537,118 | - |
| Other | 5,949,214 | - | - | - |
| Subtotal | <u>5,949,214</u> | <u>4,321,785</u> | <u>11,537,118</u> | <u>5,765,638</u> |
| Committed to: | | | | |
| Capital projects | 4,890,546 | - | - | - |
| Public protection | 1,388,000 | - | - | 31,853 |
| Public facilities | - | - | - | - |
| Health & sanitation | - | - | - | - |
| Pension & OPEB | 387,090 | - | - | - |
| Future vehicle purchase | 45,000 | - | - | - |
| Other | 7,139,309 | - | - | - |
| Subtotal | <u>13,849,944</u> | <u>-</u> | <u>-</u> | <u>31,853</u> |
| Assigned to: | | | | |
| Public protection | - | - | - | 311,879 |
| Health & sanitation | - | - | - | - |
| Other | - | - | - | - |
| Subtotal | <u>-</u> | <u>-</u> | <u>-</u> | <u>311,879</u> |
| Unassigned | <u>11,468,829</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 33,260,608</u> | <u>\$ 4,332,160</u> | <u>\$ 11,611,325</u> | <u>\$ 6,152,870</u> |

| Public Health | Public Safety/ Realignment | Other Governmental | Total Governmental Funds | |
|---------------------|-------------------------------|-----------------------|--------------------------------|--------------------------------------|
| \$ - | \$ - | \$ 16,401 | \$ 153,983 | Nonspendable: |
| - | - | - | - | Prepaid expenses |
| - | - | - | - | Inventory |
| - | - | - | 1,983,120 | Advances and loans receivables |
| - | - | - | - | Permanent funds |
| - | - | 16,401 | 2,137,104 | Subtotal |
| - | - | 2,435,157 | 2,435,157 | Restricted for: |
| - | - | 4,993,056 | 4,993,056 | Taxes and fees |
| - | 21,679,888 | 710,044 | 28,155,570 | General government |
| - | - | 23,032,676 | 23,032,676 | Public protection |
| 5,090,828 | - | 9,359,104 | 18,771,717 | Public ways & Health & sanitation |
| - | - | - | 11,537,118 | Public assistance |
| - | - | 89,253 | 6,038,467 | Other |
| 5,090,828 | 21,679,888 | 40,619,290 | 94,963,762 | Subtotal |
| - | - | 1,961,876 | 6,852,422 | Committed to: |
| - | - | - | 1,419,853 | Capital Projects |
| - | - | - | - | Public protection |
| - | - | - | - | Public facilities |
| - | - | - | - | Health & sanitation |
| - | - | - | 387,090 | Pension & OPEB |
| - | - | - | 45,000 | Future vehicle |
| - | - | 155,439 | 7,294,748 | Other |
| - | - | 2,117,316 | 15,999,113 | Subtotal |
| - | - | - | 311,879 | Assigned to: |
| - | - | - | - | Public Protection |
| - | - | - | - | Health & sanitation |
| - | - | - | - | Other |
| - | - | - | 311,879 | Subtotal |
| - | - | - | 11,468,829 | Unassigned |
| <u>\$ 5,090,828</u> | <u>\$ 21,679,888</u> | <u>\$ 42,753,007</u> | <u>\$ 124,880,686</u> | Total |

13. RESTRICTED COMPONENT OF NET POSITION – GOVERNMENT-WIDE

The restricted component of net position are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

The restricted component of net position at June 30, 2022 for governmental activities is as follows:

| | | |
|---|-------------------|------------------------------|
| Restricted for General Government: | | |
| Taxes and fees | \$ 2,435,157 | |
| General government | <u>6,032,178</u> | |
| | | \$ 8,467,335 |
| Restricted for Public Protection: | | |
| Public Safety/Trial Courts | 5,765,638 | |
| Public Safety/Realignment | 21,965,544 | |
| Child Support Srvc Reimb/Adj | <u>676,114</u> | |
| | | 28,407,296 |
| Restricted for Public Ways & Facilities: | | |
| Road | 15,526,059 | |
| County Service Areas | 2,467,401 | |
| Water Agencies | 2,482,261 | |
| Other Special Districts | <u>2,785,529</u> | |
| | | 23,261,250 |
| Restricted for Health & Sanitation: | | |
| Bi-County Behavioral Health | 15,160,043 | |
| Mental Health Services Act | 11,412,921 | |
| Public Health | <u>5,090,828</u> | |
| | | 31,663,792 |
| Restricted for Public Assistance: | | |
| Welfare/Social Services | <u>15,625,171</u> | |
| | | 15,625,171 |
| Restricted for Other Government Services: | | |
| General | 5,949,214 | |
| Fish & Game | <u>\$ 89,253</u> | |
| | | 6,038,467 |
| Total restricted component of position - governmental | | <u><u>\$ 113,463,311</u></u> |

14. EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pensions Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's Safety or Miscellaneous Plans. The County's Safety Plan and the Miscellaneous Plan are both agent multiple-employer defined benefit pension plans. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (PERS), a public employee retirement system which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by State statute and County resolution. The County's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. The County selects optional benefit provisions by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues a separate comprehensive annual financial report; however, separate reports for the County's Safety and Miscellaneous Plans are not available. Copies of CalPERS annual financial reports which include required supplementary information (RSI) for each plan may be obtained from CalPERS Executive Offices, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Benefits Provided

All pension plans provide benefits, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing five years of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within a prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected and actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are provided to safety members and are based on final compensation. Non-service related disability benefits are provided to both safety and miscellaneous members. The benefit is based on final compensation, multiplied by service, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service.

Death benefits are based upon a variety of factors including whether the participant was retired or not. Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans. COLAs are granted to retired members each May based upon the Bureau of Labor Statistics Average Consumer Price Index for All Urban Consumers for the previous calendar year and is subject to a maximum of 2% per annum.

The Plans’ provisions and benefits in effect at June 30, 2022, are summarized as follows:

| | Miscellaneous | | |
|--------------------------------------|--------------------|--------------------|--------------------|
| | Prior to | On or after | On or after |
| Hire Date | Nov. 16, 2011 | Nov. 16, 2011 | Jan. 1, 2013 |
| Benefit formula | 2.7%@55 | 2%@60 | 2%@62 |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50-55 | 50-63 | 52-67 |
| Monthly benefits, as % of eligible | 2.00%-2.70% | 1.09%-2.42% | 1.00%-2.50% |
| Required employee contribution rates | 8% | 7% | 6.25% |
| Required employer contribution rates | 32.78% | 32.78% | 32.78% |
| Status | Closed | Closed | Open |

| | Safety | | |
|--------------------------------------|--------------------|--------------------|--------------------|
| | Prior to | On or after | On or after |
| Hire Date | Nov. 16, 2011 | Nov. 16, 2011 | Jan. 1, 2013 |
| Benefit formula | 3@50 | 2%@50 | 2.7@57 |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 | 50-55 | 50-55 |
| Monthly benefits, as % of eligible | 3.00% | 2.00% - 2.70% | 2.00% - 2.70% |
| Required employee contribution rates | 9% | 9% | 12% |
| Required employer contribution rates | 50.84% | 50.84% | 50.84% |
| Status | Closed | Closed | Open |

Employees Covered

At June 30, 2021, the following employees were covered by the benefit terms for the Miscellaneous Plan and Safety Plan.

| Employee Status | Miscellaneous | Safety |
|-----------------|---------------|--------|
| Active | 840 | 167 |
| Transferred | 357 | 70 |
| Separated | 521 | 47 |
| Retired | 1,153 | 222 |
| Total | 2,871 | 506 |

Contributions

Section 20814c of the California Public Employees’ Retirement Law requires 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 both 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.

B. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an

annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

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

| | <u>Miscellaneous</u> | <u>Safety</u> |
|--|--|---------------|
| Valuation Date | June 30, 2020 | June 30, 2020 |
| Measurement Date | June 30, 2021 | June 30, 2021 |
| Actuarial Cost Method | Entry-Age Normal | |
| Actuarial Assumptions: | | |
| Discount Rate | 7.15% | 7.15% |
| Inflation | 2.50% | 2.50% |
| Payroll Growth | 2.75% | 2.75% |
| Projected Salary Increase | Varies by Entry Age and Service | |
| Investment Rate of Return ¹ | 7.15% | 7.15% |
| Mortality | Derived using CalPERS' Membership Data for All Funds | |

(1) Net of pension plan investment expenses; includes

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a January 2020 actuarial experience study for the period 1997 to 2007. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each Plan. 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. There 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.

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 the historical returns of all the fund’s 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 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 calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rates of return by asset class:

| Asset Class (a) | Assumed Asset Allocation | Real Return Years 1 - 10(b) | Real Return Years 11 + (c) |
|------------------|--------------------------------|--------------------------------|-------------------------------|
| Global equity | 50.0% | 4.80% | 5.98% |
| Fixed income | 28.0% | 1.00% | 2.62% |
| Inflation assets | 0.0% | 0.77% | 1.81% |
| Private equity | 8.0% | 6.30% | 7.23% |
| Real assets | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| | 100.0% | | |

(a) In CalPERS' Comprehensive Annual Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the County’s Miscellaneous Plan and Safety Plan follows:

| | Miscellaneous Plan | | |
|--|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2020 | \$ 429,377,247 | \$ 305,918,167 | \$ 123,459,080 |
| Changes in the year: | | | |
| Service cost | 8,024,532 | - | 8,024,532 |
| Interest on total pension liability | 29,956,669 | - | 29,956,669 |
| Changes of assumptions | - | - | - |
| Differences between expected and actual experience | (2,470,990) | - | (2,470,990) |
| Net plan to plan resources movement | - | - | - |
| Contributions from the employer | - | 14,641,685 | (14,641,685) |
| Contributions from employees | - | 3,478,532 | (3,478,532) |
| Net Investment Income | - | 68,126,672 | (68,126,672) |
| Benefit payments, including refunds of employee contributions | (22,261,666) | (22,261,666) | - |
| Administrative expenses | - | (305,015) | 305,015 |
| Other Miscellaneous Income/(Expense) | - | - | - |
| Net Changes | 13,248,545 | 63,680,208 | (50,431,663) |
| Balance at June 30, 2021 (MD) | \$ 442,625,791 | \$ 369,598,375 | \$ 73,027,416 |
| | | | |
| | Safety Plan | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2020 | \$ 149,481,325 | \$ 106,909,804 | \$ 42,571,521 |
| Changes in the year: | | | |
| Service cost | 3,284,500 | - | 3,284,500 |
| Interest on total pension liability | 10,472,420 | - | 10,472,420 |
| Changes of assumptions | - | - | - |
| Differences between expected and actual experience | (800,245) | - | (800,245) |
| Net plan to plan resource movement | - | - | - |
| Contributions from the employer | - | 5,193,635 | (5,193,635) |
| Contributions from employees | - | 1,350,937 | (1,350,937) |
| Net Investment Income | - | 23,910,963 | (23,910,963) |
| Other adjustments | - | - | - |
| Benefit payments, including refunds of employee contributions | (7,711,831) | (7,711,831) | - |
| Administrative expenses | - | (106,796) | 106,796 |
| Other miscellaneous income/(expense) | - | - | - |
| Net Changes | 5,244,844 | 22,636,908 | (17,392,064) |
| Balance at June 30, 2021 (MD) | \$ 154,726,169 | \$ 129,546,712 | \$ 25,179,457 |

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

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

| Plan’s Net Pension Liability / (Asset) | 1% Decrease | Current Discount | 1% Increase |
|--|----------------|------------------|---------------|
| | 6.15% | Rate 7.15% | 8.15% |
| Miscellaneous Plan | \$ 128,692,710 | \$ 72,793,568 | \$ 26,335,356 |
| Safety Plan | \$ 46,156,895 | \$ 25,179,457 | \$ 7,930,451 |

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2022, the County recognized pension expense of \$6,210,551. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Changes in assumptions | \$ - | \$ (51,790) |
| Differences between expected and actual experience | 1,988,359 | (2,623,775) |
| Net differences between projected and actual earnings on pension plan investments | - | (45,528,351) |
| Adjustment due to differences in proportions | - | - |
| County contributions subsequent to the measurement | 21,682,572 | - |
| Total | \$ 23,670,931 | \$ (48,203,916) |

The \$21,682,572 reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Measurement Period Ended June 30</u> | <u>Deferred Outflows/(Inflows) of Resources</u> |
|---|---|
| 2022 | \$ (11,412,488) |
| 2023 | (11,006,852) |
| 2024 | (11,176,325) |
| 2025 | <u>(12,619,892)</u> |
| Total | <u>\$ (46,215,556)</u> |

15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description

The County of Sutter provides postemployment benefits and contributes to the miscellaneous plan of the County of Sutter and the safety plan of the County of Sutter (plans) which are part of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office - 400 P Street, Sacramento, CA 95814. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefits Provided

The County provides medical, dental and vision insurance to retirees under an approved County ordinance. Employees that meet the following requirements are eligible for coverage under the County of Sutter Retiree Healthcare Plan: 1) the employee retires directly from the County under CalPERS; or 2) participates in the Tri County Schools Insurance Group (TCSIG) plan. The County has elected to contribute a percentage toward the cost of premiums for the retiree and spouse based on years of service.

The County contributes a monthly subsidy for retirees who participate in the medical plan offered by the County. The amounts are determined based on date of retirement.

- Employees who retire before 12/24/2005 receive a monthly amount of \$16, regardless of age.
- Employees who retire on or after 12/24/2005 receive a monthly amount of:
 - \$55 as of 1/1/2018 (before 1/1/2018, this amount was \$16 per month), if they are 65 or older, and
 - Prior to age 65, an amount based on years of County service, as shown in the chart below.

| Years of Service | Monthly Subsidy |
|------------------|-----------------|
| 5-9 | \$16 |
| 10-14 | 56 |
| 15-19 | 96 |
| 20-24 | 136 |
| 25-29 | 176 |
| 30+ | 216 |

- Subsidies end with the death of the retiree, though a surviving spouse may continue coverage by paying the full monthly premiums. In addition, if the retiree reaches age 65 prior to his or her covered spouse, the spouse may continue coverage until age 65 by paying the full monthly premium, even if the retiree discontinues coverage on the County's plan.

Employees Covered by Benefit Terms

At the OPEB liability measurement date of June 30, 2021, the following employees were covered by the benefit terms:

| | |
|--|--------------------|
| Active employees | 888 |
| Inactive employees or beneficiaries currently receiving benefit payments | 108 |
| Inactive employees entitled to but not yet receiving benefit payments | <u>49</u> |
| | <u><u>1045</u></u> |

Contributions

The contribution requirements of the plan members and the County are established and may be amended by the County. The contribution is based on pay-as-you-go financing requirements. For fiscal year 2021/2022, the County contributed \$501,841, or 96.9%, of the actuarially required contributions to the Retiree Healthcare Plan.

Total OPEB Liability

At June 30, 2022, the County reported a total OPEB liability of 11,474,878. The total OPEB liability was measured as of June 30, 2021 and determined by an actuarial valuation as of June 30, 2021.

Actuarial Methods and Assumptions

The total OPEB liability measured as of June 30, 2021 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------------------|---|
| Salary increase rate | 3.00% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years. |
| Assumed wage inflation | 2.50% per year; used to determine amortization payments if developed on a level percent of pay basis. |
| General inflation rate | 2.50% per year |
| Discount rates | 2.18% on June 30, 2021 and 2.66% on June 30, 2020. Changes based on the published change in return for the applicable municipal bond index. |
| Healthcare trend | Medical plan premiums and claims costs by age are assumed to increase once each year. |
| Future retiree plan election | Depending on years of service with the County from less than 10 years-25% elect coverage to more than 30 years-100% elect coverage. It is assumed that 20% of future retirees are to continue coverage after age 65, regardless of their years of County service. |

The actuarial “demographic” assumptions (i.e. rates of retirement, death, disability or other termination of

employment) used in the actuarial report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation of the retirement plans covering County employees. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or the actuarial’s best estimate of expected future experience.

Changes in the Total OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position and the net OPEB liability during the measurement period ending on June 30, 2021 for the County’s proportionate share.

| For reporting at fiscal year end | June 30, 2021 | June 30, 2022 | Change |
|---|-----------------------------|-----------------------------|--------------------------|
| <i>Measurement date</i> | <u>June 30, 2020</u> | <u>June 30, 2021</u> | During |
| OPEB Liability | \$ 12,106,362 | \$ 11,474,878 | \$ (631,485) |
| <i>Deferred resource (outflows) inflows due to:</i> | | | |
| Assumption changes | 1,535,779 | 1,194,535 | (341,245) |
| Plan experience | 1,922,905 | 2,728,731 | 805,826 |
| Investment experience | - | - | - |
| Contributions made subsequent to the measurement date | <u>(1,190,700)</u> | <u>(499,664)</u> | <u>691,036</u> |
| Net deferred (outflows) inflows | <u>2,267,985</u> | <u>3,423,601</u> | <u>1,155,617</u> |
| Impact on Statement of Net Position | <u><u>\$ 14,374,347</u></u> | <u><u>\$ 14,898,479</u></u> | <u><u>\$ 524,132</u></u> |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.18%) or one percentage point higher (3.18%) than the current discount rate:

| | <u>Change in Discount Rate</u> | | |
|-----------------------|-------------------------------------|--------------------------------|-------------------------------------|
| | <u>Current - 1%</u> <u>1.18%</u> | <u>Current</u> <u>2.18%</u> | <u>Current + 1%</u> <u>3.18%</u> |
| Total OPEB Liability | \$12,588,172 | \$11,474,878 | \$10,468,536 |
| Increase (decrease) | \$1,113,294 | | \$(1,006,342) |
| % increase (decrease) | 9.7% | | -8.7% |

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using the healthcare cost trend rate that is one percentage lower or one percentage point higher than the current trend rate:

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, the County recognized OPEB expense of \$517,777. OPEB expense represents the change in the total OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2022, The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Changes in assumptions | \$ 362,500 | \$ (1,553,148) |
| Differences between expected and actual experience | - | (2,732,617) |
| Net difference between projected and actual earnings on retirement plan investments | - | - |
| County contributions subsequent to the measurement | 499,664 | - |
| | <u>\$ 862,164</u> | <u>\$ (4,285,765)</u> |

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

| For the Fiscal Year Ending June 30 | Recognized Net Deferred Outflows (inflows) of Resources |
|---|--|
| 2022 | (553,870) |
| 2023 | (553,870) |
| 2024 | (553,870) |
| 2025 | (524,863) |
| 2026 | (486,968) |
| Thereafter | (1,249,972) |

16. COMPENSATED ABSENCES

As of June 30, 2022 , compensated absences were the following:

| | Balance July 1, 2021 | Additions/ Adjustments | Retirements | Balance June 30, 2022 | Amounts Due Within One Year |
|-------------------------|-------------------------|---------------------------|--------------|--------------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated absences | \$ 8,013,573 | \$ 6,411,314 | \$ 6,256,446 | \$ 8,168,441 | \$ 6,719,500 |

Compensated absences typically have been liquidated by the General and Special Revenue Funds.

17. OTHER INFORMATION

A. Construction Commitments

At June 30, 2022, the County has commitments of approximately \$945,054 for construction contracts, awarded but not completed.

B. Contingent Liabilities

Grants

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 of expenditures which may be disallowed by the grantor cannot be determined at this time; although the County expects any such amounts to be immaterial.

Other Claims

The County is subject to various lawsuits, inverse condemnation cases, personnel actions, disputes over tax assessments, and other actions incidental to the ordinary course of County operations. For fiscal year ending June 30, 2022, the estimated loss from potential litigations against the County not covered by insurance is \$500,000.

C. Joint Agencies

Public Risk Innovation, Solutions, and Management: PRISM (formerly CSAC Excess Insurance Authority) is a joint powers authority organized to develop and fund excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty-member counties.

Completed audited financial statements for PRISM can be obtained from the Authority's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630.

18. PRIOR PERIOD ADJUSTMENTS

As part of preparing the 2022 financial statements, the County identified errors in the accounting for capital assets related to the Main Jail expansion. The project was completed in 2019, but the asset was not reported in service until 2021 which caused an understatement of depreciation expense and overstatement of net position in the prior year. Accordingly, the beginning net position is restated to account for the depreciation expense through 2021.

| | <u>Governmental Activities</u> | |
|---|--------------------------------|--------------------------|
| Net position at July 1, 2021 | \$ | 61,912,157 |
| Depreciation Expense for Jail Expansion | | <u>(848,264)</u> |
| Net position at July 1, 2021, as restated | \$ | <u><u>61,063,893</u></u> |

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

| | <i>Reporting Fiscal Year</i> | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|------------------------------|--------------|----------------|----------------|----------------|----------------|
| | <i>Measurement Date</i> | (2021) | (2020) | (2019) | (2018) | (2017) |
| Total Pension Liability | | | | | | |
| Service cost | \$ | 8,024,531 | \$ 8,076,624 | \$ 7,943,753 | \$ 8,296,160 | \$ 8,205,868 |
| Interest on total pension liability | | 29,956,669 | 29,088,449 | 27,983,797 | 26,370,436 | 25,503,728 |
| Changes of assumptions | | - | - | - | (2,891,060) | 20,548,597 |
| Differences between expected and actual experience | | (2,470,990) | (482,944) | 7,599,929 | 139,300 | (4,859,263) |
| Benefit payments, including refunds of employee contributions | | (22,261,666) | (21,161,945) | (20,180,176) | (17,885,341) | (16,628,756) |
| Other differences | | - | - | (493,075) | (1,293,181) | - |
| Net Change in total pension liability | | 13,248,544 | 15,520,184 | 22,854,228 | 12,736,314 | 32,770,174 |
| Total pension liability - beginning | | 428,767,544 | 413,247,360 | 390,393,132 | 377,656,818 | 344,886,644 |
| Total pension liability - ending (a) | | 442,016,088 | 428,767,544 | 413,247,360 | 390,393,132 | 377,656,818 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - employer | | 14,641,685 | 13,357,642 | 12,159,667 | 11,138,700 | 10,537,924 |
| Contributions - employee | | 3,478,532 | 3,494,476 | 3,392,287 | 3,461,729 | 3,511,374 |
| Net investment income | | 68,126,672 | 14,742,851 | 18,423,762 | 22,611,818 | 26,759,576 |
| Changes in assumptions | | - | - | - | - | - |
| Benefit payments, including refunds of employee contributions | | (22,261,666) | (21,161,945) | (20,180,176) | (17,885,341) | (16,628,756) |
| Other differences | | | 5,961 | (355,577) | (1,588,890) | (4,976) |
| Administrative expenses | | (305,015) | (416,896) | (201,021) | (411,250) | (356,165) |
| Net plan to plan resources movement | | - | - | - | (655) | - |
| Adjustment for Courts | | - | - | - | - | (99,688) |
| Net change in plan fiduciary net position | | 63,680,208 | 10,022,089 | 13,238,942 | 17,326,111 | 23,719,289 |
| Plan fiduciary net position - beginning | | 305,308,464 | 295,286,375 | 282,047,433 | 264,721,322 | 241,002,033 |
| Plan fiduciary net position - ending (b) | | 368,988,672 | 305,308,464 | 295,286,375 | 282,047,433 | 264,721,322 |
| Net pension liability - ending (a) - (b) | \$ | 73,027,416 | \$ 123,459,080 | \$ 117,960,985 | \$ 108,345,699 | \$ 112,935,496 |
| Plan Fiduciary Net Position as a Percentage of the | | | | | | |
| Total Pension Liability | | 83.48% | 71.21% | 71.46% | 72.25% | 70.10% |
| Covered Payroll | \$ | 46,787,577 | \$ 46,899,704 | \$ 47,193,631 | \$ 46,847,175 | \$ 45,415,339 |
| Plan Net Pension Liability(Asset) as a Percentage of Payroll | | 156.08% | 263.24% | 249.95% | 231.27% | 248.67% |
| Schedule of Pension Plan Contributions - Miscellaneous Plan | | | | | | |
| | | 2022 | 2021 | 2020 | 2019 | 2018 |
| Actuarially determined contribution | \$ | 13,188,975 | \$ 12,403,931 | \$ 11,290,917 | \$ 9,909,936 | \$ 10,537,924 |
| Contributions in relation to the actuarially determined contributions | | (13,188,975) | (12,403,931) | (11,290,917) | (9,909,936) | (10,537,924) |
| Contributions deficiency (excess) | \$ | - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ | 48,253,350 | \$ 46,787,577 | \$ 46,899,704 | \$ 47,193,631 | \$ 46,847,175 |
| Contributions as a percentage of covered payroll | | 27.33% | 26.51% | 24.07% | 21.00% | 22.49% |

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

| 2017 (2016) | 2016 (2015) | 2015 (2014) | <i>Reporting Fiscal Year Measurement Date</i> |
|-----------------------|----------------------|----------------------|---|
| | | | Total Pension Liability |
| \$ 7,788,731 | \$ 7,663,051 | \$ 7,829,813 | Service cost |
| 26,037,033 | 23,502,852 | 21,710,089 | Interest on total pension liability |
| - | (5,579,922) | - | Changes of assumptions |
| 594,644 | (4,578,918) | - | Differences between expected and actual experience |
| (16,994,611) | (14,200,697) | (13,296,051) | Benefit payments, including refunds of employee contributions |
| - | 12,259,060 | - | Other differences |
| 17,425,797 | 19,065,426 | 16,243,851 | Net Change in total pension liability |
| 327,460,847 | 308,395,421 | 292,151,570 | Total pension liability - beginning |
| 344,886,644 | 327,460,847 | 308,395,421 | Total pension liability - ending (a) |
| | | | Plan Fiduciary Net Position |
| 9,882,242 | 8,531,146 | 8,238,602 | Contributions - employer |
| 3,460,310 | 3,268,310 | 3,198,949 | Contributions - employee |
| 1,370,408 | 5,352,021 | 35,852,926 | Net investment income |
| - | - | (15,546,563) | Changes in assumptions |
| (16,994,611) | (14,200,697) | (13,296,051) | Benefit payments, including refunds of employee contributions |
| 3,578,664 | 12,049,033 | 428,607 | Other differences |
| (155,561) | (274,515) | - | Administrative expenses |
| - | - | - | Net plan to plan resources movement |
| - | - | - | Adjustment for Courts |
| 1,141,452 | 14,725,298 | 18,876,470 | Net change in plan fiduciary net position |
| 239,860,581 | 225,135,283 | 206,258,813 | Plan fiduciary net position - beginning |
| 241,002,033 | 239,860,581 | 225,135,283 | Plan fiduciary net position - ending (b) |
| \$ 103,884,611 | \$ 87,600,266 | \$ 83,260,138 | Net pension liability - ending (a) - (b) |
| | | | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
| 69.88% | 73.25% | 73.00% | Covered Payroll |
| \$ 45,934,148 | \$ 45,337,632 | \$ 46,145,585 | |
| 226.16% | 193.22% | 180.43% | Plan Net Pension Liability(Asset) as a Percentage of Payroll |

Schedule of Pension Plan Contributions - Miscellaneous Plan

| 2017 | 2016 | 2015 | |
|---------------|---------------|---------------|---|
| \$ 942,074 | \$ 8,548,295 | \$ 8,238,602 | Actuarially determined contribution |
| (942,074) | (8,548,295) | (8,238,602) | Contributions in relation to the actuarially determined contributions |
| \$ - | \$ - | \$ - | Contributions deficiency (excess) |
| \$ 45,415,339 | \$ 45,934,148 | \$ 45,337,632 | Covered payroll |
| 2.07% | 18.61% | 18.17% | Contributions as a percentage of covered payroll |

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios - Safety Plan

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

| | Reporting Fiscal Year Measurement Date | 2022 (2021) | 2021 (2020) | 2020 (2019) | 2019 (2018) | 2018 (2017) |
|---|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | |
| Service cost | | \$ 3,284,500 | \$ 3,223,170 | \$ 3,050,002 | \$ 3,095,372 | \$ 3,136,101 |
| Interest on total pension liability | | 10,472,420 | 10,110,530 | 9,603,238 | 8,916,900 | 8,647,227 |
| Changes of assumptions | | - | - | - | (742,338) | 7,324,925 |
| Differences between expected and actual experience | | (800,245) | 1,303,112 | 3,712,528 | (1,864,269) | (629,979) |
| Benefit payments, including refunds of employee contributions | | (7,711,831) | (7,293,592) | (6,602,299) | (5,603,664) | (5,165,757) |
| Net change in total pension liability | | 5,244,844 | 7,343,220 | 9,763,469 | 3,802,001 | 13,312,517 |
| Total pension liability - beginning | | 149,481,325 | 142,138,105 | 132,374,636 | 128,572,635 | 115,260,118 |
| Total pension liability - ending (a) | | 154,726,169 | 149,481,325 | 142,138,105 | 132,374,636 | 128,572,635 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - employer | | 5,193,635 | 4,693,945 | 4,169,389 | 3,970,392 | 3,722,574 |
| Contributions - employee | | 1,350,937 | 1,371,169 | 1,334,452 | 1,255,295 | 1,019,846 |
| Net investment income | | 23,910,963 | 5,158,159 | 6,465,706 | 7,773,766 | 9,131,684 |
| Benefit payments, including refunds of employee contributions | | (7,711,831) | (7,293,592) | (6,602,299) | (5,603,664) | (5,165,757) |
| Administrative Expense | | (106,796) | (145,382) | (69,812) | (141,558) | 6,407 |
| Net plan to plan resources movement | | - | - | - | (227) | - |
| Other differences | | - | - | 227 | (268,821) | (121,436) |
| Net change in plan fiduciary net position | | 22,636,908 | 3,784,299 | 5,297,663 | 6,985,183 | 8,593,318 |
| Plan fiduciary net position - beginning | | 106,909,804 | 103,125,505 | 97,827,842 | 90,842,659 | 82,249,341 |
| Plan fiduciary net position - ending (b) | | 129,546,712 | 106,909,804 | 103,125,505 | 97,827,842 | 90,842,659 |
| Net pension liability - ending (a) - (b) | | \$ 25,179,457 | \$ 42,571,521 | \$ 39,012,600 | \$ 34,546,794 | \$ 37,729,976 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | | | | | | |
| | | 83.73% | 71.52% | 72.55% | 73.90% | 70.65% |
| Covered Payroll | | \$ 11,420,500 | \$ 11,393,396 | \$ 11,198,333 | \$ 11,197,562 | \$ 10,751,719 |
| Plan Net Pension Liability(Asset) as a Percentage of Payroll | | 220.48% | 373.65% | 348.38% | 308.52% | 350.92% |

Schedule of Pension Plan Contributions - Safety Plan

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution | \$ 8,493,597 | \$ 7,906,327 | \$ 7,233,038 | \$ 6,361,945 | \$ 3,722,574 |
| Contributions in relation to the actuarially determined contributions | (8,493,597) | (7,906,327) | (7,233,038) | (6,361,945) | (3,722,574) |
| Contributions deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 11,844,573 | \$ 11,420,500 | \$ 11,393,396 | \$ 11,198,333 | \$ 11,197,562 |
| Contributions as a percentage of covered payroll | 71.71% | 69.23% | 63.48% | 56.81% | 33.24% |

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios - Safety Plan

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

| 2017 (2016) | 2016 (2015) | 2015 (2014) | <i>Reporting Fiscal Year Measurement Date</i> |
|---|----------------------|----------------------|---|
| Total Pension Liability | | | |
| \$ 2,720,184 | \$ 2,878,691 | \$ 2,913,157 | Service cost |
| 8,268,025 | 7,994,762 | 7,636,180 | Interest on total pension liability |
| - | (1,998,906) | - | Changes of assumptions |
| (2,485,971) | (1,437,908) | - | Differences between expected and actual experience |
| <u>(4,893,514)</u> | <u>(4,578,828)</u> | <u>(4,229,813)</u> | Benefit payments, including refunds of employee contributions |
| 3,608,724 | 2,857,811 | 6,319,524 | Net change in total pension liability |
| <u>111,651,394</u> | <u>108,793,583</u> | <u>102,474,059</u> | Total pension liability - beginning |
| <u>115,260,118</u> | <u>111,651,394</u> | <u>108,793,583</u> | Total pension liability - ending (a) |
| Plan Fiduciary Net Position | | | |
| 3,354,947 | 3,205,510 | 3,060,634 | Contributions - employer |
| 1,026,877 | 1,004,397 | 946,187 | Contributions - employee |
| 417,478 | 1,803,726 | 12,013,249 | Net investment income |
| (4,893,514) | (4,578,828) | (4,229,813) | Benefit payments, including refunds of employee contributions |
| 2,537 | (92,691) | - | Administrative Expense |
| - | - | - | Net plan to plan resources movement |
| <u>(50,213)</u> | <u>-</u> | <u>-</u> | Other differences |
| <u>(141,888)</u> | <u>1,342,114</u> | <u>11,790,257</u> | Net change in plan fiduciary net position |
| <u>82,391,229</u> | <u>81,049,115</u> | <u>69,258,858</u> | Plan fiduciary net position - beginning |
| <u>82,249,341</u> | <u>82,391,229</u> | <u>81,049,115</u> | Plan fiduciary net position - ending (b) |
| <u>\$ 33,010,777</u> | <u>\$ 29,260,165</u> | <u>\$ 27,744,468</u> | Net pension liability - ending (a) - (b) |
| Plan Fiduciary Net Position as a Percentage of the | | | |
| 71.36% | 73.79% | 74.50% | Total Pension Liability |
| \$ 11,191,554 | \$ 10,930,351 | \$ 11,017,797 | Covered Payroll |
| 294.96% | 267.70% | 251.82% | Plan Net Pension Liability(Asset) as a Percentage of Payroll |

Schedule of Pension Plan Contributions - Safety Plan

| 2017 | 2016 | 2015 | |
|--------------------|--------------------|--------------------|---|
| \$ 3,354,947 | \$ 3,205,510 | \$ 3,060,634 | Actuarially determined contribution |
| <u>(3,354,947)</u> | <u>(3,205,510)</u> | <u>(3,060,634)</u> | Contributions in relation to the actuarially determined contributions |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | Contributions deficiency (excess) |
| \$ 10,751,719 | \$ 11,191,554 | \$ 10,930,351 | Covered payroll |
| 31.20% | 28.64% | 28.00% | Contributions as a percentage of covered payroll |

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

| For reporting year end | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <i>Measurement Date</i> | <i>2021</i> | <i>2020</i> | <i>2019</i> | <i>2018</i> | <i>2017</i> |
| Total OPEB liability | | | | | |
| Service Cost | \$ 740,797 | \$ 702,537 | \$ 963,973 | \$ 891,160 | \$ 945,753 |
| Interest | 335,198 | 331,758 | 470,664 | 451,482 | 382,921 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (1,141,783) | - | (2,462,599) | - | - |
| Changes of assumptions | 135,312 | 140,528 | (1,848,952) | 228,375 | (660,738) |
| Benefit payment | (492,210) | (512,492) | (533,609) | (499,306) | (454,860) |
| Net change in total OPEB liability | (422,686) | 662,331 | (3,410,523) | 1,071,711 | 213,076 |
| Total OPEB liability - beginning | 12,106,362 | 11,444,031 | 14,854,554 | 13,782,843 | 13,569,767 |
| Total OPEB liability - ending (a) | <u>\$ 11,683,676</u> | <u>\$ 12,106,362</u> | <u>\$ 11,444,031</u> | <u>\$ 14,854,554</u> | <u>\$ 13,782,843</u> |
| Plan fiduciary net position | | | | | |
| Contributions-employer | \$ 693,973 | \$ 512,492 | \$ 533,609 | \$ 499,306 | \$ 454,860 |
| Net investment income | 8,798 | - | - | - | - |
| Benefit payments | (493,973) | (512,492) | (533,609) | (499,306) | (454,860) |
| Net change in plan fiduciary net position | 208,798 | - | - | - | - |
| Plan fiduciary net position - beginning | - | - | - | - | - |
| Plan fiduciary net position - ending (b) | <u>\$ 208,798</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net OPEB liability - ending (a)-(b) | <u>\$ 11,474,878</u> | <u>\$ 12,106,362</u> | <u>\$ 11,444,031</u> | <u>\$ 14,854,554</u> | <u>\$ 13,782,843</u> |
| Covered - employee payroll | \$ 60,436,874 | \$ 57,884,672 | \$ 57,884,672 | \$ 56,781,386 | \$ 53,626,420 |
| OPEB liability as a percentage of covered - employee payroll | 19.33% | 20.91% | 19.77% | 26.16% | 25.70% |

**Governmental Funds – General and
Major Special Revenue**



BUDGETARY BASIS OF ACCOUNTING

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

1. The County Administrative Officer submits to the Board of Supervisors a proposed draft budget for the fiscal year commencing on the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The Board of Supervisors reviews the proposed budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the proposed budget to obtain comments from interested persons.
3. Prior to July 1, the budget is adopted through the passage of a resolution.
4. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as proposed expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for all governmental funds except for debt service funds, the expenditures of which are controlled by provisions of debt agreements. 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).

Encumbrances outstanding at year end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 35,133,898 | \$ 35,133,898 | \$ 37,913,499 | \$ 2,779,601 |
| Licenses and permits | 2,393,242 | 2,430,688 | 3,827,773 | 1,397,085 |
| Fines, forfeits and penalties | 70,850 | 70,850 | 108,885 | 38,035 |
| Use of money and property | 196,900 | 454,411 | (1,032,290) | (1,486,701) |
| Intergovernmental | 8,316,677 | 9,780,181 | 10,132,059 | 351,878 |
| Charges for services | 13,737,255 | 14,199,713 | 12,888,168 | (1,311,545) |
| Miscellaneous revenue | 15,797,083 | 16,276,722 | 1,357,393 | (14,919,329) |
| Total Revenues | 75,645,905 | 78,346,463 | 65,195,486 | (13,150,977) |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 18,120,239 | 18,846,711 | 15,439,649 | 3,407,061 |
| Public protection | 10,351,280 | 10,527,906 | 9,240,926 | 1,286,979 |
| Public way and facilities | 200,000 | 200,000 | 169,602 | 30,398 |
| Public assistance | 268,207 | 268,207 | 225,492 | 42,715 |
| Education | 1,967,571 | 2,182,604 | 1,966,450 | 216,154 |
| Recreation and culture | 758,089 | 760,089 | 671,391 | 88,698 |
| Debt Service | | | | |
| Capital outlay | 68,000 | 629,330 | 304,322 | 325,009 |
| Total Expenditures | 31,733,386 | 33,414,847 | 28,017,833 | 5,397,014 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 43,912,519 | 44,931,616 | 37,177,654 | (7,753,963) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 880,243 | 2,020,646 | 1,209,122 | (811,524) |
| Transfers out | (38,771,713) | (41,317,438) | (35,121,996) | 6,195,442 |
| Proceeds from capital asset disposals | 4,050 | - | - | - |
| Total Other Financing Sources (Uses) | (37,891,470) | (39,296,792) | (33,912,874) | 5,383,918 |
| Net Change in Fund Balances | 6,021,049 | 5,634,824 | 3,264,779 | (2,370,045) |
| Budgetary Fund Balances - Beginning of Year | 29,995,829 | 29,995,829 | 29,995,829 | (0) |
| Budgetary Fund Balances - End of Year | \$ 36,016,878 | \$ 35,630,654 | \$ 33,260,609 | \$ (2,370,045) |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bi-County Behavioral Health
For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines, forfeits and penalties | \$ 6,000 | \$ 6,000 | \$ 9,513 | \$ 3,513 |
| Use of money and property | 43,333 | 43,335 | (540,789) | (584,124) |
| Intergovernmental | 21,850,119 | 22,684,826 | 14,850,207 | (7,834,619) |
| Charges for services | 1,693,949 | 1,693,949 | 1,277,913 | (416,036) |
| Other revenues | 80,550 | 80,550 | 367,783 | 287,233 |
| Total Revenues | 23,673,951 | 24,508,660 | 15,964,628 | (8,544,032) |
| Expenditures: | | | | |
| Health and sanitation | 53,454,648 | 54,424,043 | 46,908,312 | 7,515,731 |
| Debt service: | | | | |
| Principal: Leases | - | - | 141,114 | (141,114) |
| Principal: Other long-term liabilities | | | | |
| Interest | 25,000 | 25,000 | 12,946 | 12,054 |
| Capital Outlay | 298,100 | 369,950 | 79,704 | 290,246 |
| Total Expenditures | 53,777,748 | 54,818,993 | 47,142,076 | 7,676,918 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | |
| | (30,103,797) | (30,310,333) | (31,177,448) | (867,115) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 26,399,832 | 29,753,728 | 29,864,760 | 111,032 |
| Transfers out | (1,947,290) | (1,994,638) | (238,428) | 1,756,210 |
| Proceeds from capital asset disposals | - | - | 2,115 | 2,115 |
| Total Other Financing Sources (Uses) | 24,452,542 | 27,759,090 | 29,626,333 | 1,867,243 |
| Net Change in Fund Balances | (5,651,255) | (2,551,243) | (1,551,115) | 1,000,128 |
| Fund Balances - Beginning of Year | 8,361,696 | 8,361,696 | 5,883,275 | (2,478,421) |
| Fund Balances - End of Year | \$ 2,710,441 | \$ 5,810,453 | \$ 4,332,160 | \$ (1,478,293) |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Welfare

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and permits | \$ 1,200 | \$ 1,433 | \$ 1,444 | \$ 11 |
| Use of money and property | 74,619 | 74,622 | (621,347) | (695,969) |
| Intergovernmental | 47,136,372 | 47,294,625 | 41,095,863 | (6,198,762) |
| Charges for services | 192,000 | 192,000 | 410,185 | 218,185 |
| Other revenues | 18,000 | 15,156 | 10 | (15,146) |
| Total Revenues | 47,422,191 | 47,577,836 | 40,886,156 | (6,691,680) |
| Expenditures: | | | | |
| Current: | | | | |
| Public assistance | 63,172,200 | 63,379,188 | 51,042,819 | 12,336,369 |
| Debt Service: | | | | |
| Principal: Leases | - | - | 460,897 | (460,897) |
| Interest | - | - | 21,383 | (21,383) |
| Capital outlay | 137,000 | 229,903 | 78,912 | 150,990 |
| Total Expenditures | 63,309,200 | 63,609,091 | 51,604,011 | 12,005,080 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (15,887,009) | (16,031,255) | (10,717,855) | 5,313,400 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 25,562,549 | 25,676,003 | 19,188,504 | (6,487,499) |
| Transfers out | (8,687,134) | (9,040,211) | (6,519,162) | 2,521,049 |
| Proceeds from capital asset disposals | 2,000 | 2,000 | - | (2,000) |
| Total Other Financing Sources (Uses) | 16,875,415 | 16,635,792 | 12,669,342 | (3,966,450) |
| Net Change in Fund Balances | 988,406 | 604,537 | 1,951,487 | 1,346,950 |
| Fund Balances - Beginning of Year | 9,937,598 | 9,937,598 | 9,659,837 | (277,760) |
| Fund Balances - End of Year | \$ 10,926,004 | \$ 10,542,135 | \$ 11,611,325 | \$ 1,069,190 |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety/Trial Courts

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 22,493 | \$ 22,493 | \$ 22,839 | \$ 346 |
| Licenses and permits | 18,000 | 17,125 | 13,037 | (4,088) |
| Fines, forfeitures and penalties | 802,450 | 843,700 | 894,897 | 51,197 |
| Use of money and property | 62,322 | 64,492 | (496,771) | (561,263) |
| Intergovernmental | 14,801,237 | 15,752,710 | 16,263,636 | 510,926 |
| Charges for services | 839,027 | 942,865 | 1,019,492 | 76,627 |
| Other revenues | 427,000 | 427,642 | 657,411 | 229,769 |
| Total Revenues | <u>16,972,529</u> | <u>18,071,027</u> | <u>18,374,542</u> | <u>303,515</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public protection | 49,616,524 | 51,114,315 | 45,418,346 | 5,695,969 |
| Current: | | | | |
| Principal: Leases | - | - | 81,394 | (81,394) |
| Interest | - | - | 2,654 | (2,654) |
| Capital outlay | 713,277 | 1,311,381 | 631,391 | 679,990 |
| Total Expenditures | <u>50,329,801</u> | <u>52,425,696</u> | <u>46,133,786</u> | <u>6,291,911</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(33,357,272)</u> | <u>(34,354,669)</u> | <u>(27,759,244)</u> | <u>6,595,426</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 47,186,969 | 48,357,373 | 42,117,444 | (6,239,929) |
| Transfers out | (13,928,244) | (14,252,285) | (14,872,420) | (620,135) |
| Proceeds from capital asset disposals | - | - | 36,133 | 36,133 |
| Total Other Financing Sources (Uses) | <u>33,258,725</u> | <u>34,105,088</u> | <u>27,245,023</u> | <u>(6,860,065)</u> |
| Net Change in Fund Balances | (98,547) | (249,581) | (514,220) | (264,639) |
| Fund Balances - Beginning of Year | 6,667,090 | 6,667,090 | 6,667,090 | - |
| Fund Balances - End of Year | <u>\$ 6,568,543</u> | <u>\$ 6,417,509</u> | <u>\$ 6,152,870</u> | <u>\$ (264,639)</u> |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Health

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines, forfeitures and penalties | \$ 107,881 | \$ 107,881 | \$ 94,798 | \$ (13,083) |
| Use of money and property | 20,681 | 33,368 | (471,587) | (504,955) |
| Intergovernmental | 5,911,978 | 13,017,126 | 8,210,244 | (4,806,882) |
| Charges for services | 3,149,155 | 3,191,972 | 2,923,338 | (268,634) |
| Other revenues | - | - | 3,729 | 3,729 |
| Total Revenues | 9,189,695 | 16,350,347 | 10,760,523 | (5,589,824) |
| Expenditures: | | | | |
| Current: | | | | |
| Health and sanitation | 18,623,037 | 20,333,977 | 16,506,103 | 3,827,874 |
| Debt Service: | | | | |
| Principal: Leases | - | - | 26,574 | (26,574) |
| Interest | - | - | 999 | (999) |
| Capital outlay | - | 494,500 | 46,095 | 448,405 |
| Total Expenditures | 18,623,037 | 20,828,477 | 16,579,771 | 4,248,706 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (9,433,342) | (4,478,130) | (5,819,248) | (1,341,118) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 14,737,537 | 17,160,980 | 15,187,357 | (1,973,623) |
| Transfers out | (5,403,591) | (10,798,003) | (8,288,392) | 2,509,611 |
| Proceeds from capital asset disposals | - | - | 2,531 | 2,531 |
| Total Other Financing Sources (Uses) | 9,333,946 | 6,362,977 | 6,898,965 | 535,988 |
| Net Change in Fund Balances | (99,396) | 1,884,847 | 1,079,716 | (805,131) |
| Fund Balances - Beginning of Year | 4,011,112.01 | 4,011,112 | 4,011,112 | - |
| Fund Balances - End of Year | \$ 3,911,716 | \$ 5,895,959 | \$ 5,090,828 | \$ (805,131) |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety Realignment

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines, forfeitures and penalties | - | - | - | - |
| Use of money and property | \$ 177,642 | \$ 179,808 | \$ (809,766) | \$ (989,574) |
| Intergovernmental | 30,508,830 | 39,219,660 | 39,055,850 | (163,810) |
| Charges for services | 1,403,392 | 1,503,392 | 1,501,958 | (1,434) |
| Total Revenues | 32,089,864 | 40,902,860 | 39,748,041 | (1,154,819) |
| Expenditures: | | | | |
| Current: | | | | |
| Public protection | 46,494 | 48,660 | 26,228 | 22,432 |
| Debt Service: | | | | |
| Capital Outlay | - | - | - | - |
| Total Expenditures | 46,494 | 48,660 | 26,228 | 22,432 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 32,043,370 | 40,854,200 | 39,721,814 | (1,132,386) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 10,960,420 | 16,006,211 | 15,759,175 | (247,036) |
| Transfers out | (48,719,866) | (58,108,225) | (52,912,847) | 5,195,378 |
| Total Other Financing Sources (Uses) | (37,759,446) | (42,102,014) | (37,153,672) | 4,948,342 |
| Net Change in Fund Balances | (5,716,076) | (1,247,814) | 2,568,142 | 3,815,956 |
| Fund Balances - Beginning of Year | 19,111,746 | 19,111,746 | 19,111,746 | - |
| Fund Balances - End of Year | \$ 13,395,670 | \$ 17,863,932 | \$ 21,679,888 | \$ 3,815,956 |

Nonmajor governmental funds are funds that do not meet the definition of a major fund, as described in the glossary. The following funds are presented as nonmajor funds in the CAFR:

Special Revenue Funds

Special Revenue Funds are established to finance particular governmental activities and are financed by specific taxes or other revenues. Such funds are authorized by statutory provisions to pay for certain activities of a continuing nature. Included in the Special Revenue classification are the following funds:

Road

Accounts for financing the construction and maintenance of Sutter County's unincorporated area road systems through planning; environmental analysis; traffic engineering and design; operations; traffic signals, street lights, signs and markings, right-of-way acquisitions; safety related improvements; and radar/speed control.

Special Aviation

This fund is used to account for federal airport and other revenues and expenditures for the provision of capital improvements and equipment maintenance at the Sutter County Airport.

Fish & Game

This fund is used to account for fines and forfeitures received under Section 13003 of the Fish and Game Code and their expenditure for the propagation and conservation of fish and wildlife.

Sutter County Health

Accounts for the range of services provided that are designed to protect and enhance the well-being of the community and needs related to mental health and substance abuse problems. Revenue sources are primarily sales tax revenue and state grants.

Clerk Recorder Funds

Accounts for the various activities of the clerk-recorder such as the County Recorder Upgrade Fee imposed for instruments recorded by the County to support, maintain and improve the County's recording system; provides for repository of official and vital records for the County and files or records a variety of documents, maintains a record of those documents for posterity, and makes certified copies available to the public; and records the revenue for the various candidates running for elections within the County.

Child Support Services

Sutter County Child Support regionalized effective January 2, 2021 with Colusa and Yolo Counties; now collectively known as the Colusa Sutter Yolo Regional Child Support Agency. As one efficiency of regionalizing, the agency is transitioning to one budget rather than three separate county budgets with Yolo County as the lead. Accounts shown in this CAFR are reflective of the remaining Sutter county revenues and expenses and not the full regional agency revenue and expenses. Sutter County revenues and expenses are expected to continue to decrease over the next several years until there are no longer Sutter County expenses. Established orders referenced in this document are reflective of Sutter County only and not the full Regional Agency. The Colusa Sutter Yolo Regional Child Support Agency works with families to promote self-sufficiency and the well-being of children by establishing parentage and financial support.

Economic Development

Economic development activities support infrastructure development, economic and workforce development projects, housing development and rehabilitation, and public.

County Fees and Taxes

The fund is used to collect development impact fees and certain property taxes.

Court Activities

Accounts for court activities such as for the Automated County Warrants Fund, established pursuant to Vehicle Code Section 40508.5, which is used to account for fees imposed if a defendant fails to appear or to comply with any valid court order pursuant to this code. The funds are used for the development and operation of an automated county warrant system. Also included is the Office of Revenue Collections fund which is used to account for the 10% rebate on restitution fine and order monies remitted to the Victim Compensation and Government Claims Board (VCGCB) pursuant to Government Code Section 13966.01. The objective of the rebate is to enhance collection efforts and is intended to create an incentive for the County to aggressively pursue the collection of restitution monies to be utilized to assist other victims of crime.

County Service Areas

The County Service Areas Fund is used to account for the street lighting, public protection, health and sanitation, recreation and culture, public ways, and water utilities services provided by county service area districts in the unincorporated areas of the County.

Water Agencies

The Water Agencies Fund prepares investigations and reports on the County's water requirements, project development, and efficient use of water. The agency provides technical assistance to other County departments, water districts, and the public concerning water availability and water well locations and design.

Other Special Districts

The funds here are community assessment districts which provide canal and lighting maintenance to some communities within the county.

Debt Service

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt.

Capital Projects

The Capital Projects Fund is used to account for financial resources to be used for the acquisition of land or acquisition or construction of major facilities other than those financed by the proprietary fund types.

COUNTY OF SUTTER
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

| | Special Revenue | | |
|---|-----------------|---------------------|-------------|
| | Road | Special Aviation | Fish & Game |
| Assets | | | |
| Cash and investments | \$ 15,374,687 | \$ 95,374 | \$ 88,341 |
| Accounts receivable | 85,889 | - | - |
| Due from other governments | 1,224,860 | - | 716 |
| Interest receivable | 39,212 | 223 | 223 |
| Taxes receivable | 19,454 | - | - |
| Due from other funds | 98,681 | - | - |
| Prepaid Expenses | - | - | - |
| Inventory | 16,401 | - | - |
| Advances to other funds | - | - | - |
| Loans receivable | - | - | - |
| less allowance for doubtful accounts | - | - | - |
| Total Assets | \$ 16,859,184 | \$ 95,596 | \$ 89,280 |
| Liabilities | | | |
| Accounts payable | \$ 603,252 | \$ 26,585 | \$ 28 |
| Salaries and benefits payable | 70,029 | - | - |
| Deposits payable | 239,486 | - | - |
| Due to other funds | 240,924 | 3,343 | - |
| Advances from other funds | - | - | - |
| Unearned revenue | 163,033 | - | - |
| Total Liabilities | 1,316,724 | 29,928 | 28 |
| Fund Balance | | | |
| Nonspendable | 16,401 | - | - |
| Restricted | 15,526,059 | - | 89,253 |
| Committed | - | 65,668 | - |
| Total Fund Balances | 15,542,460 | 65,668 | 89,253 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 16,859,184 | \$ 95,596 | \$ 89,280 |

COUNTY OF SUTTER

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2022

| | Special Revenue | | |
|---|-------------------------------|-------------------------|---|
| | Mental Health Services Act | Clerk-Recorder Funds | Child Support Services Reimbursement/ Adjustment |
| Assets | | | |
| Cash and investments | \$ 6,710,182 | \$ 2,183,943 | \$ 692,752 |
| Cash with fiscal agent | 500 | - | - |
| Accounts receivable | - | 4,353 | - |
| Due from other governments | - | - | - |
| less allowance for doubtful accounts | - | - | - |
| Interest receivable | 31,705 | 5,461 | 2,070 |
| Taxes receivable | - | - | - |
| Due from other funds | 2,273,307 | - | - |
| Prepaid Expenses | - | - | - |
| Inventory | - | - | - |
| Advances to other funds | 60,763 | - | - |
| Loans receivable | 874,458 | - | - |
| less allowance for doubtful accounts | - | - | - |
| Total Assets | \$ 9,950,916 | \$ 2,193,757 | \$ 694,822 |
| Liabilities | | | |
| Accounts payable | \$ 159 | \$ 190,587 | \$ 980 |
| Salaries and benefits payable | - | - | 17,728 |
| Deposits payable | - | - | - |
| Due to other funds | 530,890 | 309,502 | - |
| Advances from other funds | - | - | - |
| Unearned revenue | - | - | - |
| Total Liabilities | 531,049 | 500,089 | 18,708 |
| Fund Balance | | | |
| Nonspendable | | - | - |
| Restricted | 9,359,104 | 1,693,669 | 676,114 |
| Committed | 60,763 | - | - |
| Total Fund Balances | 9,419,867 | 1,693,669 | 676,114 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 9,950,916 | \$ 2,193,757 | \$ 694,822 |

continued

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2022

| | Special Revenue | | |
|---|-------------------------|--------------------------|---------------------|
| | Economic Development | County Fees and Taxes | Court Activities |
| Assets | | | |
| Cash and investments | \$ 1,129,202 | \$ 3,136,919 | \$ 642,512 |
| Accounts receivable | - | - | - |
| Due from other governments | - | - | 2,695 |
| Interest receivable | 2,881 | 8,354 | 1,725 |
| Taxes receivable | - | - | - |
| Due from other funds | - | - | - |
| Prepaid Expenses | - | - | - |
| Inventory | - | - | - |
| Advances to other funds | - | - | - |
| Loans receivable | 1,489,469 | - | - |
| less allowance for doubtful accounts | - | - | - |
| Total Assets | \$ 2,621,552 | \$ 3,145,273 | \$ 646,932 |
| Liabilities | | | |
| Accounts payable | \$ 14 | \$ 36,753 | \$ 46,305 |
| Salaries and benefits payable | - | - | - |
| Deposits payable | - | - | - |
| Due to other funds | - | - | - |
| Advances from other funds | - | 673,362 | - |
| Unearned revenue | - | - | 117,422 |
| Total Liabilities | 14 | 710,116 | 163,727 |
| Fund Balance | | | |
| Nonspendable | - | - | - |
| Restricted | 2,621,538 | 2,435,157 | 483,205 |
| Committed | - | - | - |
| Total Fund Balances | 2,621,538 | 2,435,157 | 483,205 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 2,621,552 | \$ 3,145,273 | \$ 646,932 |

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2022

| | Special Revenue | | | Sub-Total Special Revenue |
|---|----------------------------|---------------------|-------------------------------|---------------------------------|
| | County Service Areas | Water Agencies | Other Special Districts | |
| Assets | | | | |
| Cash and investments | \$ 2,399,415 | \$ 2,481,060 | \$ 2,866,550 | \$ 37,800,937 |
| Cash with fiscal agent | - | - | - | 500 |
| Accounts receivable | 13,900 | - | 7,087 | 111,228 |
| Due from other governments | 178,753 | - | - | 1,407,024 |
| Interest receivable | 7,904 | 6,564 | 7,352 | 113,676 |
| Taxes receivable | 129,714 | 8,378 | 3,303 | 160,849 |
| Due from other funds | - | - | - | 2,371,988 |
| Prepaid Expenses | - | - | - | - |
| Inventory | - | - | - | 16,401 |
| Advances to other funds | - | - | - | 60,763 |
| Loans receivable | - | - | - | 2,363,927 |
| less allowance for doubtful accounts | - | - | - | - |
| Total Assets | \$ 2,729,686 | \$ 2,496,002 | \$ 2,884,291 | \$ 44,407,293 |
| Liabilities | | | | |
| Accounts payable | \$ 189,291 | \$ 33 | \$ 15,259 | \$ 1,109,246 |
| Salaries and benefits payable | 72,994 | - | - | 160,751 |
| Deposits payable | - | - | 80 | 239,566 |
| Due to other funds | - | 13,708 | 73,939 | 1,172,307 |
| Advances from other funds | - | - | - | 673,362 |
| Unearned revenue | - | - | 110 | 280,565 |
| Total Liabilities | 262,285 | 13,741 | 89,389 | 3,635,798 |
| Fund Balance | | | | |
| Nonspendable | - | - | - | 16,401 |
| Restricted | 2,467,401 | 2,482,261 | 2,785,529 | 40,619,290 |
| Committed | - | - | 9,373 | 135,804 |
| Total Fund Balances | 2,467,401 | 2,482,261 | 2,794,903 | 40,771,495 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 2,729,686 | \$ 2,496,002 | \$ 2,884,291 | \$ 44,407,293 |

continued

COUNTY OF SUTTER

Combining Balance Sheet (continued)

Nonmajor Governmental Funds

June 30, 2022

| | <u>Debt Service</u> | <u>Capital Projects</u> | |
|---|---------------------------------|-----------------------------|----------------------|
| | <u>General Debt Service</u> | <u>Capital Projects</u> | <u>Total</u> |
| Assets | | | |
| Cash and investments | \$ 94,387 | \$ 1,235,937 | \$ 39,131,261 |
| Cash with fiscal agent | - | - | 500 |
| Accounts receivable | - | - | 111,228 |
| Due from other governments | - | - | 1,407,024 |
| less allowance for doubtful accounts | - | - | - |
| Interest receivable | 290 | 8 | 113,974 |
| Taxes receivable | - | - | 160,849 |
| Due from other funds | - | 660,435 | 3,032,423 |
| Prepaid Expenses | - | - | - |
| Inventory | - | - | 16,401 |
| Advances to other funds | - | - | 60,763 |
| Loans receivable | - | 634,280 | 2,998,207 |
| less allowance for doubtful accounts | - | - | - |
| | <u>\$ 94,677</u> | <u>\$ 2,530,660</u> | <u>\$ 47,032,630</u> |
| Liabilities | | | |
| Accounts payable | \$ 1 | \$ 598,178 | \$ 1,707,426 |
| Salaries and benefits payable | - | - | 160,751 |
| Deposits payable | - | 18,522 | 258,088 |
| Due to other funds | - | 27,125 | 1,199,432 |
| Advances from other funds | - | - | 673,362 |
| Unearned revenue | - | - | 280,565 |
| | <u>1</u> | <u>643,824</u> | <u>4,279,623</u> |
| Fund Balance | | | |
| Nonspendable | - | - | 16,401 |
| Restricted | - | - | 40,619,290 |
| Committed | 94,676 | 1,886,835 | 2,117,316 |
| | <u>94,676</u> | <u>1,886,835</u> | <u>42,753,007</u> |
| | <u>\$ 94,678</u> | <u>\$ 2,530,660</u> | <u>\$ 47,032,630</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | | | |

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

| | Special Revenue | | |
|--|-----------------|---------------------|----------------|
| | Road | Special Aviation | Fish & Game |
| Revenues: | | | |
| Taxes | \$ 1,335,600 | \$ 12,534 | \$ - |
| Licenses and permits | 54,537 | - | - |
| Fines and forfeitures | - | - | 4,277 |
| Use of money and property | (600,326) | 17,311 | (3,345) |
| Intergovernmental | 8,093,746 | 10,000 | - |
| Charges for services | 89,082 | - | - |
| Other revenues | 50,451 | - | - |
| Total Revenues | 9,023,090 | 39,845 | 931 |
| Expenditures: | | | |
| Current: | | | |
| Public protection | 1,269 | - | 1,472 |
| Public ways and facilities | 5,385,574 | 29,460 | - |
| Capital outlay | 778,954 | - | - |
| Total Expenditures | 6,165,798 | 29,460 | 1,472 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,857,293 | 10,385 | (540) |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | - | - |
| Transfers out | (23,197) | (3,229) | - |
| Total Other Financing Sources (Uses) | (23,197) | (3,229) | - |
| Net Change in Fund Balances | 2,834,096 | 7,156 | (540) |
| Fund Balances - Beginning of Year | 12,708,364 | 58,512 | 89,793 |
| Fund Balances - End of Year | \$ 15,542,460 | \$ 65,668 | \$ 89,253 |

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (continued)

Nonmajor Governmental Funds
For the Year Ended June 30, 2022

| | Special Revenue | | |
|--|-------------------------------|-------------------------|---|
| | Mental Health Services Act | Clerk-Recorder Funds | Child Support Services Reimbursement/ Adjustment |
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - |
| Fines and forfeitures | - | - | - |
| Use of money and property | (219,471) | (83,492) | (25,598) |
| Intergovernmental | 14,124,772 | - | 1,153,413 |
| Charges for services | - | 339,663 | - |
| Other revenues | - | 28 | - |
| Total Revenues | 13,905,301 | 256,199 | 1,127,815 |
| Expenditures: | | | |
| Current: | | | |
| General government | - | 1,986 | - |
| Public protection | - | 193 | 936,147 |
| Health and sanitation | 10,201 | - | - |
| Debt service | | | |
| Capital outlay | - | - | - |
| Total Expenditures | 10,201 | 2,179 | 936,147 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 13,895,100 | 254,020 | 191,669 |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | - | - |
| Transfers out | (11,884,045) | (309,502) | (8,616) |
| Proceeds from capital asset disposals | - | - | - |
| Proceeds from debt issuance | - | - | - |
| Total Other Financing Sources (Uses) | (11,884,045) | (309,502) | (8,616) |
| Net Change in Fund Balances | 2,011,055 | (55,482) | 183,052 |
| Fund Balances - Beginning of Year | 7,408,812 | 1,749,151 | 493,062 |
| Fund Balances - End of Year | \$ 9,419,867 | \$ 1,693,669 | \$ 676,114 |

continued

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

| | Special Revenue | | |
|--------------------------------------|-------------------------|--------------------------|---------------------|
| | Economic Development | County Fees and Taxes | Court Activities |
| Revenues: | | | |
| Licenses and permits | \$ - | \$ 587,915 | \$ - |
| Fines and forfeitures | - | - | 11,791 |
| Use of money and property | (15,331) | (120,067) | (25,378) |
| Intergovernmental | - | 145,545 | - |
| Charges for services | - | - | 11,021 |
| Total Revenues | (15,331) | 613,393 | (2,565) |
| Expenditures: | | | |
| Current: | | | |
| General government | 452 | 474 | 239 |
| Public protection | - | 1,696 | 412 |
| Public ways and facilities | - | 540 | - |
| Health and sanitation | - | 100 | - |
| Public assistance | 1,037 | - | - |
| Education | - | 31 | - |
| Recreation and cultural | - | 473 | - |
| Debt service | | | |
| Interest | - | 4,528 | - |
| Capital outlay | - | - | - |
| Total Expenditures | 1,489 | 7,842 | 651 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (16,820) | 605,551 | (3,217) |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | - | - |
| Transfers out | - | (264,000) | - |
| Total Other Financing Sources (Uses) | - | (264,000) | - |
| Net Change in Fund Balances | | | |
| | (16,820) | 341,551 | (3,217) |
| Fund Balances - Beginning of Year | | | |
| | 2,638,357 | 2,093,607 | 486,422 |
| Fund Balances - End of Year | | | |
| | \$ 2,621,538 | \$ 2,435,157 | \$ 483,205 |

continued

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures and Changes in Fund Balance (continued)

Nonmajor Governmental Funds For the Year Ended June 30, 2022

| | Special Revenue | | |
|--|---------------------------|-------------------|-------------------------------|
| | County Service Area | Water Agencies | Other Special Districts |
| Revenues: | | | |
| Taxes | \$ 3,533,302 | \$ 197,866 | \$ 229,142 |
| Licenses and permits | - | - | 5,514 |
| Fines and forfeitures | 9,799 | - | 2,348 |
| Use of money and property | (89,586) | (93,805) | (108,604) |
| Intergovernmental | 348,614 | 6,009 | 1,624 |
| Charges for services | 1,144,957 | 90,425 | 13,871 |
| Other revenues | 79,759 | - | 10,075 |
| Total Revenues | 5,026,844 | 200,495 | 153,970 |
| Expenditures: | | | |
| Current: | | | |
| General government | - | - | 315 |
| Public protection | 4,828,450 | - | 10,907 |
| Public ways and facilities | - | 191,751 | 248,374 |
| Health and sanitation | - | - | - |
| Public assistance | - | - | - |
| Education | - | - | - |
| Recreation and cultural | - | - | 2 |
| Debt service | | | |
| Interest | 921 | - | - |
| Capital outlay | 677,735 | - | - |
| Total Expenditures | 5,507,106 | 191,751 | 259,597 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (480,262) | 8,745 | (105,627) |
| Other Financing Sources (Uses): | | | |
| Transfers in | 818,303 | - | - |
| Transfers out | (29,289) | - | - |
| Proceeds from capital asset disposals | - | - | - |
| Proceeds from debt issuance | - | - | - |
| Total Other Financing Sources (Uses) | 789,014 | - | - |
| Net Change in Fund Balances | 308,753 | 8,745 | (105,627) |
| Fund Balances - Beginning of Year | 2,158,649 | 2,473,516 | 2,900,530 |
| Fund Balances - End of Year | \$ 2,467,401 | \$ 2,482,261 | \$ 2,794,903 |

continued

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

| | Debt Service | Capital Projects | |
|--|-------------------------|---------------------|---------------|
| | General Debt Service | Capital Projects | Total |
| Revenues: | | | |
| Taxes | \$ - | \$ - | \$ 5,308,445 |
| Licenses and permits | - | - | 647,966 |
| Fines and forfeitures | - | - | 28,214 |
| Use of money and property | (3,288) | (51,134) | (1,422,113) |
| Intergovernmental | - | - | 23,883,723 |
| Charges for services | - | - | 1,689,020 |
| Other revenues | 103 | 25,000 | 165,414 |
| Total Revenues | (3,185) | (26,134) | 30,300,668 |
| Expenditures: | | | |
| Current: | | | |
| General government | 141 | 1,193,674 | 1,197,280 |
| Public protection | - | - | 5,780,546 |
| Public ways and facilities | - | - | 5,855,698 |
| Health and sanitation | - | - | 10,301 |
| Public assistance | - | - | 1,037 |
| Education | - | - | 31 |
| Recreation and cultural | - | - | 474 |
| Debt service | | | |
| Principal: Leases | 59,757 | - | 59,757 |
| Principal: Other long-term liabilities | 966,373 | - | 966,373 |
| Interest | 378,179 | - | 383,628 |
| Capital outlay | - | 2,752,441 | 4,209,130 |
| Total Expenditures | 1,404,449 | 3,946,115 | 18,464,256 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,407,635) | (3,972,248) | 11,836,413 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 1,419,584 | 3,644,105 | 5,881,991 |
| Transfers out | - | - | (12,521,878) |
| Proceeds from capital asset disposals | - | - | - |
| Proceeds from debt issuance | - | - | - |
| Total Other Financing Sources (Uses) | 1,419,584 | 3,644,105 | (6,639,886) |
| Net Change in Fund Balances | 11,949 | (328,144) | 5,196,526 |
| Fund Balances - Beginning of Year | 82,728 | 2,214,979 | 37,556,480 |
| Fund Balances - End of Year | \$ 94,676 | \$ 1,886,835 | \$ 42,753,007 |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Road

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 1,247,434 | \$ 1,247,434 | \$ 1,335,600 | \$ 88,166 |
| Licenses and permits | 38,000 | 38,000 | 54,537 | 16,537 |
| Use of money and property | 128,319 | 128,320 | (600,326) | (728,646) |
| Intergovernmental | 17,216,775 | 17,213,605 | 8,093,746 | (9,119,859) |
| Charges for services | 100 | 3,270 | 89,082 | 85,812 |
| Other revenue | 1,000 | 1,000 | 50,451 | 49,451 |
| Total Revenues | <u>18,631,628</u> | <u>18,631,629</u> | <u>9,023,090</u> | <u>(9,608,539)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public protection | 2,219 | 2,219 | 1,269 | 950 |
| Public way and facilities | 17,920,548 | 21,529,448 | 5,385,574 | 16,143,874 |
| Capital outlay | 4,323,974 | 5,347,160 | 778,954 | 4,568,206 |
| Total Expenditures | <u>22,246,741</u> | <u>26,878,827</u> | <u>6,165,798</u> | <u>20,713,029</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(3,615,113)</u> | <u>(8,247,198)</u> | <u>2,857,293</u> | <u>(30,321,568)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 215,540 | 215,540 | - | (215,540) |
| Transfers out | (238,799) | (238,799) | (23,197) | 215,602 |
| Total Other Financing Sources (Uses) | <u>(23,259)</u> | <u>(23,259)</u> | <u>(23,197)</u> | <u>62</u> |
| Net Change in Fund Balances | (3,638,372) | (8,270,457) | 2,834,096 | (30,321,506) |
| Budgetary Fund Balances - Beginning of Year | <u>12,708,364</u> | <u>12,708,364</u> | <u>12,708,364</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 9,069,992</u> | <u>\$ 4,437,907</u> | <u>\$ 15,542,460</u> | <u>\$ (30,321,506)</u> |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Aviation

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 10,500 | \$ 12,535 | \$ 12,534 | \$ (1) |
| Use of money and property | 21,644 | 21,644 | 17,311 | (4,333) |
| Intergovernmental | 10,000 | 10,000 | 10,000 | - |
| Total Revenues | <u>42,144</u> | <u>44,179</u> | <u>39,845</u> | <u>(4,334)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public way and facilities | 28,076 | 30,111 | 29,460 | 651 |
| Total Expenditures | <u>28,076</u> | <u>30,111</u> | <u>29,460</u> | <u>651</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>14,068</u> | <u>14,068</u> | <u>10,385</u> | <u>(3,683)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | (8,750) | (3,229) | 5,521 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(8,750)</u> | <u>(3,229)</u> | <u>5,521</u> |
| Net Change in Fund Balances | 14,068 | 5,318 | 7,156 | 1,838 |
| Budgetary Fund Balances - Beginning of Year | <u>58,512</u> | <u>58,512</u> | <u>58,512</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 72,580</u> | <u>\$ 63,830</u> | <u>\$ 65,668</u> | <u>\$ 1,838</u> |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fish & Game

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------------|------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 2,000 | \$ 2,000 | \$ 4,277 | \$ 2,277 |
| Use of money and property | - | 20 | (3,345) | (3,365) |
| Total Revenues | <u>2,000</u> | <u>2,020</u> | <u>931</u> | <u>(1,089)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public protection | 14,384 | 14,404 | 1,472 | 12,932 |
| Total Expenditures | <u>14,384</u> | <u>14,404</u> | <u>1,472</u> | <u>12,932</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(12,384)</u> | <u>(12,384)</u> | <u>(540)</u> | <u>(14,021)</u> |
| Net Change in Fund Balances | (12,384) | (12,384) | (540) | (14,021) |
| Budgetary Fund Balances - Beginning of Year | <u>89,793</u> | <u>89,793</u> | <u>89,793</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 77,409</u> | <u>\$ 77,409</u> | <u>\$ 89,253</u> | <u>\$ (14,021)</u> |

COUNTY OF SUTTER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Mental Health Services Act
For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | - | - | - | - |
| Use of money and property | \$ 150,000 | \$ 150,000 | \$ (219,471) | \$ (369,471) |
| Intergovernmental | 11,700,000 | 11,700,000 | 14,124,772 | 2,424,772 |
| Total Revenues | <u>11,850,000</u> | <u>11,850,000</u> | <u>13,905,301</u> | <u>2,055,301</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Health and sanitation | 18,350 | 18,350 | 10,201 | 8,149 |
| Total Expenditures | <u>18,350</u> | <u>18,350</u> | <u>10,201</u> | <u>8,149</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>11,831,650</u> | <u>11,831,650</u> | <u>13,895,100</u> | <u>2,047,152</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (11,988,143) | (12,161,600) | (11,884,045) | 277,555 |
| Total Other Financing Sources (Uses) | <u>(11,988,143)</u> | <u>(12,161,600)</u> | <u>(11,884,045)</u> | <u>277,555</u> |
| Net Change in Fund Balances | (156,493) | (329,950) | 2,011,055 | 2,324,707 |
| Budgetary Fund Balances - Beginning of Year | <u>7,408,812</u> | <u>7,408,812</u> | <u>7,408,812</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 7,252,319</u> | <u>\$ 7,078,862</u> | <u>\$ 9,419,867</u> | <u>\$ 2,324,707</u> |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Clerk-Recorder Funds

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Use of money and property | \$ - | \$ 328 | \$ (83,492) | \$ (83,820) |
| Charges for services | 1,200,000 | 1,200,000 | 339,663 | (860,337) |
| Other revenue | - | - | 28 | 28 |
| Total Revenues | <u>1,200,000</u> | <u>1,200,328</u> | <u>256,199</u> | <u>(944,129)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 803,549 | 803,876 | 1,986 | 801,890 |
| Public protection | 249 | 250 | 193 | 57 |
| Total Expenditures | <u>803,798</u> | <u>804,126</u> | <u>2,179</u> | <u>801,947</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>396,202</u> | <u>396,202</u> | <u>254,020</u> | <u>(142,182)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | 101,358 | - | (101,358) |
| Transfers out | (198,500) | (561,791) | (309,502) | 252,289 |
| Total Other Financing Sources (Uses) | <u>(198,500)</u> | <u>(460,433)</u> | <u>(309,502)</u> | <u>150,931</u> |
| Net Change in Fund Balances | 197,702 | (64,231) | (55,482) | 8,749 |
| Budgetary Fund Balances - Beginning of Year | <u>1,749,151</u> | <u>1,749,151</u> | <u>1,749,151</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 1,946,853</u> | <u>\$ 1,684,920</u> | <u>\$ 1,693,669</u> | <u>\$ 8,749</u> |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Child Support Services Reimbursement/Adjustment
 For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Use of money and property | \$ 2,000 | \$ 2,000 | \$ (25,598) | \$ (27,598) |
| Intergovernmental | 1,704,723 | 1,704,723 | 1,153,413 | (551,310) |
| Total Revenues | <u>1,706,723</u> | <u>1,706,723</u> | <u>1,127,815</u> | <u>(578,908)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public protection | 1,698,080 | 1,698,080 | 936,147 | 761,933 |
| Total Expenditures | <u>1,698,080</u> | <u>1,698,080</u> | <u>936,147</u> | <u>761,933</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>8,643</u> | <u>8,643</u> | <u>191,669</u> | <u>183,026</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (8,643) | (8,643) | (8,616) | 27 |
| Total Other Financing Sources (Uses) | <u>(8,643)</u> | <u>(8,643)</u> | <u>(8,616)</u> | <u>27</u> |
| Net Change in Fund Balances | - | - | 183,052 | 183,052 |
| Budgetary Fund Balances - Beginning of Year | <u>493,062</u> | <u>493,062</u> | <u>493,062</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 493,062</u> | <u>\$ 493,062</u> | <u>\$ 676,114</u> | <u>\$ 183,052</u> |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Economic Development
For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Use of money and property | \$ 5,555 | \$ 5,622 | \$ (15,331) | \$ (20,953) |
| Intergovernmental | 304,750 | - | - | - |
| Total Revenues | <u>310,305</u> | <u>5,622</u> | <u>(15,331)</u> | <u>(20,953)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 755 | 755 | 452 | 303 |
| Public assistance | 3,678 | 43,745 | 1,037 | 42,708 |
| Total Expenditures | <u>4,433</u> | <u>44,500</u> | <u>1,489</u> | <u>43,011</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>305,872</u> | <u>(38,878)</u> | <u>(16,820)</u> | <u>(63,965)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (304,750) | - | - | - |
| Total Other Financing Sources (Uses) | <u>(304,750)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 1,122 | (38,878) | (16,820) | (63,965) |
| Budgetary Fund Balances - Beginning of Year | <u>2,638,357</u> | <u>2,638,357</u> | <u>2,638,357</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 2,639,479</u> | <u>\$ 2,599,479</u> | <u>\$ 2,621,538</u> | <u>\$ (63,965)</u> |

COUNTY OF SUTTER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
County Fees and Taxes
For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|--------------|--------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Licenses and permits | \$ 322,250 | \$ 322,250 | \$ 587,915 | \$ 265,665 |
| Use of money and property | 38,516 | 38,753 | (120,067) | (158,820) |
| Intergovernmental | 120,000 | 120,000 | 145,545 | 25,545 |
| Other revenue | - | - | - | - |
| Total Revenues | 480,766 | 481,003 | 613,393 | 132,390 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 560 | 572 | 474 | 98 |
| Public protection | 7,979 | 8,204 | 6,224 | 1,980 |
| Public way and facilities | 668 | 668 | 540 | 128 |
| Health and sanitation | 1,432 | 1,432 | 100 | - |
| Education | 337 | 337 | 31 | 306 |
| Recreation and culture | 760 | 760 | 473 | 287 |
| Total Expenditures | 11,736 | 11,973 | 7,842 | 2,799 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 469,030 | 469,030 | 605,551 | 136,521 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (140,000) | (264,000) | (264,000) | - |
| Total Other Financing Sources (Uses) | (140,000) | (264,000) | (264,000) | - |
| Net Change in Fund Balances | 329,030 | 205,030 | 341,551 | 136,521 |
| Budgetary Fund Balances - Beginning of Year | 2,093,607 | 2,093,607 | 2,093,607 | - |
| Budgetary Fund Balances - End of Year | \$ 2,422,637 | \$ 2,298,637 | \$ 2,435,157 | \$ 136,521 |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Court Activities

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fines and forfeitures | \$ 16,800 | \$ 16,800 | \$ 11,791 | \$ (5,009) |
| Use of money and property | 8,500 | 8,519 | (25,378) | (33,897) |
| Charges for services | 10,000 | 10,000 | 11,021 | 1,021 |
| Total Revenues | <u>35,300</u> | <u>35,319</u> | <u>(2,565)</u> | <u>(37,884)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 401 | 420 | 239 | 181 |
| Public protection | 624 | 624 | 412 | 212 |
| Total Expenditures | <u>1,025</u> | <u>1,044</u> | <u>651</u> | <u>393</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>34,275</u> | <u>34,275</u> | <u>(3,217)</u> | <u>(37,492)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (45,000) | (45,000) | - | 45,000 |
| Total Other Financing Sources (Uses) | <u>(45,000)</u> | <u>(45,000)</u> | <u>-</u> | <u>45,000</u> |
| Net Change in Fund Balances | (10,725) | (10,725) | (3,217) | 7,508 |
| Budgetary Fund Balances - Beginning of Year | <u>486,422</u> | <u>486,422</u> | <u>486,422</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 475,697</u> | <u>\$ 475,697</u> | <u>\$ 483,205</u> | <u>\$ 7,508</u> |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

County Service Areas

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 3,376,000 | \$ 3,376,000 | \$ 3,533,302 | \$ 157,302 |
| Fines and forfeitures | 7,000 | 9,520 | 9,799 | 279 |
| Use of money and property | 28,399 | 28,608 | (89,586) | (118,194) |
| Intergovernmental | 379,100 | 380,822 | 348,614 | (32,208) |
| Charges for services | 764,958 | 1,196,218 | 1,144,957 | (51,261) |
| Other revenue | - | 33,943 | 79,759 | 45,816 |
| Total Revenues | <u>4,555,457</u> | <u>5,025,111</u> | <u>5,026,844</u> | <u>1,733</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public protection | 4,704,853 | 5,174,408 | 4,829,371 | 345,037 |
| Capital outlay | 400,000 | 1,107,793 | 677,735 | 430,058 |
| Total Expenditures | <u>5,104,853</u> | <u>6,282,201</u> | <u>5,507,106</u> | <u>775,095</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(549,396)</u> | <u>(1,257,090)</u> | <u>(480,262)</u> | <u>776,828</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | 848,361 | 818,303 | (30,058) |
| Transfers out | (29,371) | (29,371) | (29,289) | 82 |
| Total Other Financing Sources (Uses) | <u>(29,371)</u> | <u>818,990</u> | <u>789,014</u> | <u>(29,976)</u> |
| Net Change in Fund Balances | (578,767) | (438,100) | 308,753 | 746,853 |
| Budgetary Fund Balances - Beginning of Year | <u>2,158,649</u> | <u>2,158,649</u> | <u>2,158,649</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 1,579,882</u> | <u>\$ 1,720,549</u> | <u>\$ 2,467,401</u> | <u>\$ 746,853</u> |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Agencies

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 184,200 | \$ 184,200 | \$ 197,866 | \$ 13,666 |
| Use of money and property | 27,250 | 27,250 | (93,805) | \$ (121,055) |
| Intergovernmental | 5,600 | 5,600 | 6,009 | 409 |
| Charges for services | - | - | 90,425 | 90,425 |
| Total Revenues | <u>217,050</u> | <u>217,050</u> | <u>200,495</u> | <u>(16,555)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public way and facilities | 196,030 | 196,030 | 191,751 | 4,279 |
| Total Expenditures | <u>196,030</u> | <u>196,030</u> | <u>191,751</u> | <u>4,279</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>21,020</u> | <u>21,020</u> | <u>8,745</u> | <u>(12,275)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (249,066) | (249,066) | - | 249,066 |
| Total Other Financing Sources (Uses) | <u>(249,066)</u> | <u>(249,066)</u> | <u>-</u> | <u>249,066</u> |
| Net Change in Fund Balances | (228,046) | (228,046) | 8,745 | 236,791 |
| Budgetary Fund Balances - Beginning of Year | <u>2,473,516</u> | <u>2,473,516</u> | <u>2,473,516</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 2,245,470</u> | <u>\$ 2,245,470</u> | <u>\$ 2,482,261</u> | <u>\$ 236,791</u> |

COUNTY OF SUTTER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Other Special Districts
For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|--------------|--------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 222,585 | \$ 222,585 | \$ 229,142 | \$ 6,557 |
| Licenses and permits | 4,760 | 4,760 | 5,514 | 754 |
| Fines and forfeitures | - | - | 2,348 | 2,348 |
| Use of money and property | 31,750 | 31,763 | (108,604) | (140,367) |
| Intergovernmental | 925 | 925 | 1,624 | 699 |
| Charges for services | 14,035 | 14,035 | 13,871 | (164) |
| Other revenue | 10,075 | 10,075 | 10,075 | - |
| Total Revenues | 284,130 | 284,143 | 153,970 | (130,173) |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 501 | 511 | 315 | 196 |
| Public protection | 10,094 | 10,995 | 10,907 | 88 |
| Public way and facilities | 277,679 | 280,579 | 248,374 | 32,205 |
| Recreation and culture | - | 2 | 2 | 0 |
| Capital outlay | 249,066 | 249,066 | - | 249,066 |
| Total Expenditures | 537,340 | 541,153 | 259,597 | 281,556 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (253,210) | (257,010) | (105,627) | (411,729) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 249,066 | 249,066 | - | (249,066) |
| Transfers out | - | - | - | - |
| Total Other Financing Sources (Uses) | 249,066 | 249,066 | - | (249,066) |
| Net Change in Fund Balances | (4,144) | (7,944) | (105,627) | (660,795) |
| Budgetary Fund Balances - Beginning of Year | 2,900,530 | 2,900,530 | 2,900,530 | - |
| Budgetary Fund Balances - End of Year | \$ 2,896,386 | \$ 2,892,586 | \$ 2,794,903 | \$ (660,795) |

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|--------------------|--------------------|--------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Use of money and property | \$ 224,972 | \$ 49 | \$ (3,288) | \$ (3,337) |
| Other revenue | 113 | 113 | 103 | (10) |
| Total Revenues | <u>225,085</u> | <u>162</u> | <u>(3,185)</u> | <u>(3,347)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 141 | (141) |
| Debt Service: | | | | |
| Principal: Leases | 1,038,869 | 1,038,869 | 59,757 | 979,112 |
| Principal: Other long-term liabilities | - | - | 966,373 | (966,373) |
| Interest | 380,818 | 380,818 | 378,179 | 2,639 |
| Total Expenditures | <u>1,419,687</u> | <u>1,419,687</u> | <u>1,404,449</u> | <u>15,238</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,194,602)</u> | <u>(1,419,525)</u> | <u>(1,407,635)</u> | <u>11,890</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 1,202,450 | 1,427,373 | 1,419,584 | (7,789) |
| Transfers out | (2) | (4) | - | 4 |
| Total Other Financing Sources (Uses) | <u>1,202,448</u> | <u>1,427,369</u> | <u>1,419,584</u> | <u>(7,785)</u> |
| Net Change in Fund Balances | 7,846 | 7,844 | 11,949 | 4,105 |
| Budgetary Fund Balances - Beginning of Year | <u>82,728</u> | <u>82,728</u> | <u>82,728</u> | <u>-</u> |
| Budgetary Fund Balances - End of Year | <u>\$ 90,574</u> | <u>\$ 90,572</u> | <u>\$ 94,676</u> | <u>\$ 4,105</u> |

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Capital Projects Fund

For the Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|--------------------|---------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Use of money and property | \$ 41,000 | \$ 41,858 | \$ (51,134) | \$ (92,992) |
| Intergovernmental | 487,050 | 487,050 | - | (487,050) |
| Other revenues | - | - | 25,000 | 25,000 |
| Total Revenues | 528,050 | 528,908 | (26,134) | (555,042) |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 1,193,674 | (1,193,674) |
| Public protection | 795,874 | 2,099,665 | - | 2,099,665 |
| Health & sanitation | 263,082 | 446,489 | - | 446,489 |
| Capital outlay | 3,291,552 | 5,497,343 | 2,752,441 | 2,744,902 |
| Total Expenditures | 4,350,508 | 8,043,497 | 3,946,115 | 4,097,382 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,822,458) | (7,514,589) | (3,972,248) | 3,542,341 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 3,503,342 | 6,171,845 | 3,644,105 | (2,527,740) |
| Transfers out | (377,896) | (377,896) | - | 377,896.00 |
| Total Other Financing Sources (Uses) | 3,125,446 | 5,793,949 | 3,644,105 | (2,149,844) |
| Net Change in Fund Balances | (697,012) | (1,720,640) | (328,144) | 1,392,496 |
| Fund Balances - Beginning of Year | 2,214,979 | 2,214,979 | 2,214,979 | - |
| Fund Balances - End of Year | \$ 1,517,967 | \$ 494,339 | \$ 1,886,835 | \$ 1,392,496 |

COUNTY OF SUTTER
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

| | Risk Management | | Fleet Management |
|--|----------------------|--------------------------|---------------------|
| | General Liability | Workers' Compensation | |
| Assets | | | |
| Current Assets: | | | |
| Cash and investments | \$ 480,584 | \$ 461,978 | \$ 170,034 |
| Cash with fiscal agent | 1,827,769 | 8,448,321 | - |
| Accounts receivable | - | - | 1,364 |
| Interest receivable | 438 | 159 | 176 |
| Due from other funds | - | - | - |
| Deposits with others | - | - | - |
| Prepaid expenses | - | - | - |
| Inventory | - | - | 12,845 |
| Total Current Assets | 2,308,791 | 8,910,459 | 184,419 |
| Noncurrent Assets: | | | |
| Capital assets: | | | |
| Construction in progress | - | - | - |
| Depreciable, net | - | - | 75,862 |
| Total Noncurrent Assets | - | - | 75,862 |
| Total Assets | 2,308,791 | 8,910,459 | 260,281 |
| Deferred Outflows of Resources: | | | |
| Deferred pension | 56,866 | 35,966 | 76,270 |
| Deferred OPEB | 376 | - | 3,005 |
| Total Deferred Outflow of Resources | 57,242 | 35,966 | 79,275 |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 2 | 23 | 35,461 |
| Salaries and benefits payable | 8,769 | 5,312 | 9,857 |
| Due to other funds | - | - | - |
| Lease payable | - | - | - |
| Other liabilities | - | - | 6,624 |
| Compensated absences payable | - | 7,871 | 31,614 |
| Interest payable | - | - | 1,577 |
| Total Current Liabilities | 8,771 | 13,205 | 85,134 |
| Noncurrent Liabilities: | | | |
| Compensated absences payable | - | 1,697 | 6,817 |
| Advance from other funds | - | - | - |
| Claims payable | 2,119,088 | 6,565,961 | - |
| Lease payable | - | - | - |
| Other liabilities | - | - | 42,421 |
| Net pension liability | 188,779 | 119,396 | 253,196 |
| Total OPEB liability | 4,999 | - | 39,992 |
| Total Noncurrent Liabilities | 2,312,867 | 6,687,054 | 342,427 |
| Total Liabilities | 2,321,638 | 6,700,260 | 427,560 |
| Deferred Inflows of Resources: | | | |
| Deferred pension | 92,245 | 58,342 | 123,722 |
| Deferred OPEB | 1,867 | - | 14,937 |
| Total Deferred Inflow of Resources | 94,113 | 58,342 | 138,659 |
| Net Position: | | | |
| Net investment in capital assets | - | - | 26,816 |
| Unrestricted (deficit) | (49,718) | 2,187,823 | (253,479) |
| Total Net Position | \$ (49,718) | \$ 2,187,823 | \$ (226,663) |

continued

COUNTY OF SUTTER
Combining Statement of Net Position (continued)
Internal Service Funds
June 30, 2022

| | Information Technology | Employee Wellness | Total |
|--|---------------------------|----------------------|---------------------|
| Assets | | | |
| Current Assets: | | | |
| Cash and investments | \$ 1,971,332 | \$ 434,581 | \$ 3,518,510 |
| Cash with fiscal agent | - | - | 10,276,090 |
| Accounts receivable | 4,057 | 16,324 | 21,744 |
| Interest receivable | 63 | 990 | 1,827 |
| Due from other funds | 11,300 | - | 11,300 |
| Deposits with others | - | - | - |
| Prepaid expenses | 1,090,305 | - | 1,090,305 |
| Inventory | - | - | 12,845 |
| Total Current Assets | 3,077,056 | 451,895 | 14,932,620 |
| Noncurrent Assets: | | | |
| Capital assets: | | | |
| Construction in progress | 28,417 | - | 28,417 |
| Depreciable, net | 767,198 | - | 843,060 |
| Total Noncurrent Assets | 795,615 | - | 871,477 |
| Total Assets | 3,872,671 | 451,895 | 15,804,097 |
| Deferred Outflows of Resources: | | | |
| Deferred pension | 481,712 | - | 650,814 |
| Deferred OPEB | 11,268 | - | 14,648 |
| Total Deferred Outflow of Resources | 492,980 | - | 665,462 |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 773,593 | 6,290 | 815,369 |
| Salaries and benefits payable | 60,644 | - | 84,582 |
| Due to other funds | 28,545 | 14,028 | 42,573 |
| Lease payable | - | - | - |
| Other liabilities | 10,041 | - | 16,666 |
| Compensated absences payable | 220,917 | - | 260,402 |
| Interest payable | 2,544 | - | 4,121 |
| Total Current Liabilities | 1,096,284 | 20,318 | 1,223,712 |
| Noncurrent Liabilities: | | | |
| Compensated absences payable | 47,637 | - | 56,151 |
| Advance from other funds | - | 125,000 | 125,000 |
| Claims payable | - | - | 8,685,049 |
| Lease payable | - | - | - |
| Other liabilities | 69,020 | - | 111,442 |
| Net pension liability | 1,599,149 | - | 2,160,520 |
| Total OPEB liability | 149,970 | - | 194,961 |
| Total Noncurrent Liabilities | 1,865,776 | 125,000 | 11,333,124 |
| Total Liabilities | 2,962,060 | 145,318 | 12,556,835 |
| Deferred Inflows of Resources: | | | |
| Deferred pension | 781,411 | - | 1,055,720 |
| Deferred OPEB | 56,013 | - | 72,816 |
| Total Deferred Inflow of Resources | 837,423 | - | 1,128,536 |
| Net Position: | | | |
| Net investment in capital assets | 716,553 | - | 743,369 |
| Unrestricted (deficit) | (150,385) | 306,578 | 2,040,818 |
| Total Net Position | \$ 566,168 | \$ 306,578 | \$ 2,784,188 |

COUNTY OF SUTTER
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2022

| | Risk Management | | |
|--|----------------------|--------------------------|---------------------|
| | General Liability | Workers' Compensation | Fleet Management |
| Operating Revenues: | | | |
| Charges for services | \$ 2,399,746 | \$ 3,040,035 | \$ 826,486 |
| Other revenue | 70,000 | - | 166 |
| Total Operating Revenues | 2,469,746 | 3,040,035 | 826,652 |
| Operating Expenses: | | | |
| Salaries and benefits | 253,359 | 155,252 | 277,142 |
| Services and supplies | 1,833,598 | 2,721,199 | 416,477 |
| Other charges | - | (4,785) | 159,253 |
| Depreciation | - | - | 25,664 |
| Total Operating Expenses | 2,086,957 | 2,871,667 | 878,537 |
| Net Operating Income (Loss) | 382,789 | 168,368 | (51,885) |
| Non-Operating Revenues (Expenses): | | | |
| Interest income (expense) | (18,229) | (17,725) | (6,541) |
| Fines and penalties | - | - | - |
| Gain (Loss) on Sale of Fixed Assets | - | - | 1,608 |
| Total Non-Operating Revenues and Expenses | (18,229) | (17,725) | (4,934) |
| Net Income (Loss) Before Transfers | 364,561 | 150,643 | (56,818) |
| Transfers in | - | - | - |
| Transfers out | - | (103) | (359) |
| Change in Net Position | 364,561 | 150,541 | (57,177) |
| Net Position - Beginning of Year | (414,279) | 2,037,282 | (169,486) |
| Net Position - End of Year | \$ (49,718) | \$ 2,187,823 | \$ (226,663) |

COUNTY OF SUTTER
Combining Statement of Revenues, Expenses and
Changes in Net Position (continued)
Internal Service Funds
For the Year Ended June 30, 2022

| | Information Technology | Employee Wellness | Total |
|--|---------------------------|----------------------|---------------------|
| Operating Revenues: | | | |
| Charges for services | \$ 3,958,286 | \$ 664,772 | \$ 10,889,326 |
| Other revenue | 12,165 | 3,782 | 86,113 |
| Total Operating Revenues | 3,970,452 | 668,554 | 10,975,439 |
| Operating Expenses: | | | |
| Salaries and benefits | 2,180,133 | - | 2,865,886 |
| Services and supplies | 1,040,508 | 330,294 | 6,342,077 |
| Other charges | 434,317 | 9,166 | 597,952 |
| Depreciation | 164,233 | - | 189,897 |
| Total Operating Expenses | 3,819,191 | 339,460 | 9,995,811 |
| Net Operating Income (Loss) | 151,261 | 329,094 | 979,628 |
| Non-Operating Revenues (Expenses): | | | |
| Interest income (expense) | (91,302) | (19,525) | (153,323) |
| Fines and penalties | - | - | - |
| Gain (Loss) on Sale of Fixed Assets | - | - | 1,608 |
| Total Non-Operating Revenues and Expenses | (91,302) | (19,525) | (151,715) |
| Net Income (Loss) Before Transfers | 59,959 | 309,569 | 827,913 |
| Transfers in | 1,295,776 | - | 1,295,776 |
| Transfers out | (28,545) | - | (29,006) |
| Change in Net Position | 1,327,190 | 309,569 | 2,094,682 |
| Net Position - Beginning of Year | (761,022) | (2,991) | 689,505 |
| Net Position - End of Year | \$ 566,168 | \$ 306,578 | \$ 2,784,188 |

COUNTY OF SUTTER
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

| | Risk Management | | |
|---|----------------------|--------------------------|---------------------|
| | General Liability | Workers' Compensation | Fleet Management |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash receipts from customers | \$ 2,469,746 | \$ 3,929,460 | \$ 826,896 |
| Cash paid to suppliers for goods and services | (1,434,417) | (2,716,724) | (552,322) |
| Cash paid to employees | (276,737) | (174,296) | (378,333) |
| Net Cash Provided (Used) by Operating Activities | <u>758,592</u> | <u>1,038,440</u> | <u>(103,759)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | |
| Interfund loans received (paid) | 816 | - | 504 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>816</u> | <u>-</u> | <u>504</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal payments on financed purchases | - | (103) | (4,932) |
| Payments related to the acquisition of capital assets | - | - | (0.00) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>-</u> | <u>(103)</u> | <u>(4,932)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received (paid) | (18,812) | (17,707) | (5,518) |
| Net Cash Provided (Used) by Investing Activities | <u>(18,812)</u> | <u>(17,707)</u> | <u>(5,518)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 740,596 | 1,020,630 | (113,706) |
| Cash and Cash Equivalents, Beginning of Year | <u>1,567,757</u> | <u>7,889,669</u> | <u>283,740</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 2,308,353</u> | <u>\$ 8,910,299</u> | <u>\$ 170,034</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating income (loss) | 382,789 | 168,368 | (51,885) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | - | - | 25,664 |
| Loss on disposal of capital assets | - | - | 1,608 |
| Changes in assets and liabilities: | | | |
| Decrease (increase) in: | | | |
| Accounts receivable | - | 816 | (1,364) |
| Deposits and prepaid expenses | - | - | - |
| Inventory | - | - | (1,182) |
| Increase (decrease) in: | | | |
| Accounts payable | - | (309) | 24,591 |
| Salaries and benefits payable | 2,697 | 762 | (2,133) |
| Compensated absences payable | - | 2,458 | (4,800) |
| Claims liability | 399,181 | 888,609 | - |
| Interest payable | - | - | - |
| Unavailable/deferred revenue | - | - | - |
| Other liabilities | - | - | - |
| Net pension liability | (25,400) | (22,264) | (88,858) |
| Total OPEB liability | (675) | - | (5,400) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 758,592</u> | <u>\$ 1,038,440</u> | <u>\$ (103,759)</u> |

COUNTY OF SUTTER
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended June 30, 2022

| | Information Technology | Employee Wellness | Total |
|---|---------------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash receipts from customers | \$ 3,958,451 | \$ 668,554 | \$ 11,853,107 |
| Cash paid to suppliers for goods and services | (1,836,909) | (332,369) | (6,872,741) |
| Cash paid to employees | (2,310,658) | - | (3,140,024) |
| Net Cash Provided (Used) by Operating Activities | <u>(189,115)</u> | <u>336,185</u> | <u>1,840,343</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | | |
| Interfund loans received (paid) | 1,281,955 | 110,297 | 1,393,572 |
| Miscellaneous cash received (paid) | - | 8,597 | 8,597 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>1,281,955</u> | <u>118,894</u> | <u>1,402,169</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Capital contributions | - | - | - |
| Principal payments on financed purchases | (7,377) | - | (12,412) |
| Payments related to the acquisition of capital assets | (37,291) | - | (37,291) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(44,668)</u> | <u>-</u> | <u>(49,702)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received (paid) | (90,137) | (20,497) | (152,672) |
| Net Cash Provided (Used) by Investing Activities | <u>(90,137)</u> | <u>(20,497)</u> | <u>(152,672)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 958,036 | 434,581 | 3,040,138 |
| Cash and Cash Equivalents, Beginning of Year | <u>1,013,296</u> | <u>-</u> | <u>10,754,462</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,971,332</u> | <u>\$ 434,581</u> | <u>\$ 13,794,600</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating income (loss) | 151,261 | 329,094 | 979,628 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 164,233 | - | 189,897 |
| Loss on disposal of capital assets | - | - | 1,608 |
| Changes in assets and liabilities: | | | |
| Decrease (increase) in: | | | |
| Accounts receivable | (4,057) | - | (4,604) |
| Deposits and prepaid expenses | (1,090,305) | - | (1,090,305) |
| Inventory | - | - | (1,182) |
| Increase (decrease) in: | | | |
| Accounts payable | 726,748 | 7,091 | 758,120 |
| Salaries and benefits payable | (1,869) | - | (543) |
| Compensated absences payable | 4,078 | - | 1,736 |
| Claims liability | - | - | 1,287,790 |
| Interest payable | 1,473 | - | 1,473 |
| Unavailable/deferred revenue | (7,944) | - | (7,944) |
| Other liabilities | - | - | - |
| Net pension liability | (112,483) | - | (249,005) |
| Total OPEB liability | (20,251) | - | (26,326) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (189,115)</u> | <u>\$ 336,185</u> | <u>\$ 1,840,343</u> |

Statistical Section

Statistical Section

The information in this section is not covered by the Independent Auditor’s Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to the financial statements, and required supplementary information to understand and assess the County’s economic condition.

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These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.

Revenue Capacity156

These schedules contain trend information to help the reader assess the County’s most significant local revenue source, the property tax.

Debt Capacity160

These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

Demographic and Economic Information163

These schedules offer economic and demographic indicators to help the reader understand the socioeconomic environment within which the County’s financial activities take place.

Operating Information165

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Auditor-Controller’s Office.

COUNTY OF SUTTER
Net Position by Category (unaudited)
Last Ten Fiscal Years (in thousands)
 (accrual basis of accounting)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Governmental activities | | | | | | | | | | |
| Net Investment in capital assets | \$ 72,707 | \$ 70,414 | \$ 72,133 | \$ 69,203 | \$ 68,552 | \$ 81,277 | \$ 88,678 | \$ 92,732 | \$ 93,716 | \$ 95,850 |
| Restricted for: | | | | | | | | | | |
| General government | - | - | - | 752 | 33,612 | 866 | 5,824 | 5,499 | 5,894 | 6,805 |
| Taxes and fees | 6,702 | 5,957 | 581 | 5,687 | - | 2,664 | 2,551 | 2,542 | 2,094 | 2,435 |
| Public Protection | 11,383 | 14,876 | 16,229 | 19,767 | 18,004 | 21,343 | 19,262 | 22,069 | 24,922 | 28,508 |
| Public ways and facilities | 8,101 | 9,510 | 10,691 | 11,980 | 16,610 | 16,186 | 18,094 | 19,790 | 20,217 | 23,261 |
| Health and social services | 26,945 | 31,417 | 36,034 | 38,804 | 14,189 | 29,349 | 26,391 | 24,091 | 26,663 | 31,814 |
| Public assistance | 1,716 | 1,808 | 1,583 | 1,612 | 14,068 | 1,784 | 11,001 | 12,228 | 11,052 | 15,625 |
| Other | 1,450 | 3,367 | 1,730 | 1,784 | 1,005 | 2,619 | 4,618 | 1,247 | 5,793 | 6,038 |
| Unrestricted | 16,644 | 11,838 | (95,888) | (102,750) | (117,889) | (115,811) | (118,796) | (125,903) | (129,286) | (113,950) |
| Total governmental activities net position | \$ 145,648 | \$ 149,187 | \$ 43,092 | \$ 46,839 | \$ 48,152 | \$ 40,277 | \$ 57,623 | \$ 54,295 | 61,064 | \$ 96,387 |
| Business-type activities | | | | | | | | | | |
| Net Investment in capital assets | \$ 2,295 | \$ 2,335 | \$ 2,366 | \$ 2,269 | \$ 2,117 | \$ 1,963 | \$ 1,489 | \$ 2,310 | 2,482 | \$ 2,373 |
| Unrestricted | (1,006) | (1,102) | (1,032) | 166 | 172 | 259 | 346 | 405 | 86 | 1 |
| Total business-type activities net position | \$ 1,289 | \$ 1,234 | \$ 1,335 | \$ 2,435 | \$ 2,289 | \$ 2,222 | \$ 1,835 | \$ 2,715 | 2,568 | \$ 2,374 |
| Primary Government | | | | | | | | | | |
| Net Investment in capital assets | \$ 75,003 | \$ 72,749 | \$ 74,499 | \$ 71,472 | \$ 70,670 | \$ 83,240 | \$ 90,167 | \$ 95,041 | 95,350 | \$ 98,223 |
| Restricted for: | | | | | | | | | | |
| General government | - | - | - | 752 | 33,612 | 866 | 5,824 | 5,499 | 5,894 | 6,805 |
| Taxes and fees | 6,702 | 5,957 | 581 | 5,687 | - | 2,664 | 2,551 | 2,542 | 2,094 | 2,435 |
| Public Protection | 11,383 | 14,876 | 16,229 | 19,767 | 18,004 | 21,343 | 19,262 | 22,069 | 25,770 | 28,508 |
| Public ways and facilities | 8,101 | 9,510 | 10,691 | 11,980 | 16,610 | 16,186 | 18,094 | 19,790 | 20,217 | 23,261 |
| Health and social services | 26,945 | 31,417 | 36,034 | 38,804 | 14,189 | 29,349 | 26,391 | 24,091 | 26,663 | 31,814 |
| Public assistance | 1,716 | 1,808 | 1,583 | 1,612 | 14,068 | 1,784 | 11,001 | 12,228 | 11,052 | 15,625 |
| Other | 1,450 | 3,367 | 1,730 | 1,784 | 1,005 | 2,619 | 4,618 | 1,247 | 5,793 | 6,038 |
| Unrestricted | 15,637 | 10,736 | (96,919) | (102,583) | (117,717) | (115,552) | (118,450) | (125,497) | (129,201) | (113,949) |
| Total primary governmental net position | \$ 146,937 | \$ 150,420 | \$ 44,427 | \$ 49,274 | \$ 50,442 | \$ 42,499 | \$ 59,458 | \$ 57,010 | 63,632 | \$ 98,761 |

Notes:
 * Accounting standards require that net position be reported in three components in the unrestricted. Net position is considered restricted when 1) externally imposed by regulations of other governments or 2) imposed by law through constitutional

COUNTY OF SUTTER
Changes in Net Position (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 13,699 | \$ 11,003 | \$ 11,552 | \$ 12,472 | \$ 16,903 | \$ 41,030 | \$ 31,856 | \$ 33,533 | \$ 37,410 | \$ 26,204 |
| Public safety | 52,494 | 47,486 | 42,752 | 44,724 | 44,711 | 46,834 | 59,864 | 52,761 | 56,441 | 50,332 |
| Public ways and facilities | 11,727 | 7,971 | 12,705 | 12,156 | 12,013 | 12,162 | 10,238 | 11,073 | 9,645 | 5,366 |
| Health and sanitation | 38,867 | 34,294 | 39,832 | 42,334 | 42,212 | 49,935 | 59,027 | 59,593 | 64,949 | 57,688 |
| Public assistance | 27,246 | 38,116 | 40,033 | 40,730 | 43,204 | 48,341 | 46,931 | 52,451 | 49,594 | 48,101 |
| Education | 1,282 | 1,486 | 1,596 | 1,635 | 1,582 | 1,759 | 1,744 | 1,867 | 1,615 | 1,643 |
| Culture and recreation | 686 | 649 | 709 | 741 | 760 | 929 | 566 | 988 | 586 | 643 |
| Community development | 539 | 177 | 30 | 12 | - | - | - | - | - | - |
| Interest on long-term debt | 141 | 265 | 347 | 350 | 50 | 367 | 353 | 283 | 406 | 534 |
| Subtotal governmental | | | | | | | | | | |
| activities expenses | \$ 146,680 | \$ 141,447 | \$ 149,555 | \$ 155,153 | \$ 161,436 | \$ 201,357 | \$ 210,579 | \$ 212,549 | \$ 220,646 | \$ 190,512 |
| Business-type activities: | | | | | | | | | | |
| Waterworks District No. 1 | 601 | 431 | 379 | 508 | 453 | 374 | 833 | 427 | 461 | 482 |
| Subtotal business-type | | | | | | | | | | |
| activities expenses | 601 | 431 | 379 | 508 | 453 | 374 | 833 | 427 | 461 | 482 |
| Total expenses | \$ 147,281 | \$ 141,878 | \$ 149,934 | \$ 155,661 | \$ 161,888 | \$ 201,731 | \$ 211,412 | \$ 212,976 | \$ 221,107 | \$ 190,994 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Fees, fines & charges for services | \$ 9,337 | \$ 8,625 | \$ 8,886 | \$ 10,417 | \$ 20,419 | \$ 27,383 | \$ 45,613 | \$ 24,193 | \$ 26,696 | \$ 26,189 |
| Operating grants & contributions | 99,466 | 100,772 | 100,772 | 105,395 | 104,188 | 128,859 | 133,715 | 127,513 | 153,137 | 156,948 |
| Capital grants & contributions | - | 132 | 114 | 194 | - | - | - | - | - | - |
| Subtotal governmental | | | | | | | | | | |
| activities | 108,803 | 109,529 | 109,772 | 116,006 | 124,607 | 156,242 | 179,328 | 151,706 | 179,834 | 183,138 |
| Business-type activities: | | | | | | | | | | |
| Fees, fines & charges for services | 169 | 178 | 219 | 215 | 261 | 260 | 260 | 248 | 240 | 211 |
| Operating Grants | - | - | 246 | 48 | 58 | - | - | - | - | - |
| Capital Grants | 104 | 88 | - | 62 | - | 45 | 178 | 1,061 | 76 | 89 |
| Unrestricted Interest & Investment Earnings | 2 | 5 | 2 | 4 | 2 | 1 | 8 | (5) | (3) | (12) |
| Miscellaneous | - | - | 13 | - | (14) | - | - | - | - | - |
| Subtotal business-type | | | | | | | | | | |
| activities | 276 | 272 | 480 | 328 | 307 | 306 | 446 | 1,304 | 313 | 288 |
| Total program revenues | \$ 109,079 | \$ 109,801 | \$ 110,252 | \$ 116,334 | \$ 124,914 | \$ 156,548 | \$ 179,774 | \$ 153,010 | \$ 180,147 | \$ 183,425 |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | (37,877) | (31,918) | (39,783) | (39,147) | (36,829) | (45,115) | (31,251) | (60,843) | (40,812) | (7,374) |
| Business-type activities | (325) | (160) | 101 | (180) | (146) | (68) | (387) | 877 | (148) | (194) |
| Total net expense | \$ (38,202) | \$ (32,078) | \$ (39,682) | \$ (39,328) | \$ (36,975) | \$ (45,183) | \$ (31,638) | \$ (59,966) | \$ (40,960) | \$ (7,568) |
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 25,650 | \$ 25,642 | \$ 27,175 | \$ 28,257 | \$ 29,921 | \$ 31,175 | \$ 31,965 | \$ 33,442 | \$ 34,367 | \$ 35,104 |
| Property taxes in lieu of sales taxes | 847 | 750 | 910 | 664 | - | - | - | - | - | - |
| Franchise taxes | 1,223 | 1,247 | 1,545 | 1,296 | 1,013 | 1,309 | 1,263 | 1,417 | 1,444 | 1,847 |
| Sales and use taxes | 2,577 | 2,974 | 2,853 | 3,241 | 2,845 | 4,348 | 4,745 | 4,487 | 4,236 | 5,925 |
| Transportation taxes | 842 | 801 | 1,516 | 1,060 | 734 | 860 | 976 | 1,015 | 886 | 1,018 |
| Transient occupancy taxes | - | - | - | - | - | - | - | - | - | - |
| Transfer taxes | 365 | 304 | 360 | 342 | 368 | 425 | 455 | 468 | 654 | 728 |
| Other | 678 | 318 | 298 | 304 | - | 436 | 366 | 498 | 406 | 469 |
| Fire taxes | - | - | - | - | 351 | - | - | - | - | - |
| Unrestricted interest & investment earnings | 603 | 1,662 | 968 | 2,010 | 817 | 523 | 3,867 | 2,909 | 1,215 | (5,548) |
| Tobacco settlement | 1,269 | 834 | 826 | 817 | 840 | 1,003 | 972 | 932 | 1,051 | 1,071 |
| Miscellaneous | 1,312 | 923 | 1,042 | 957 | 1,239 | 1,473 | 3,987 | 12,662 | 3,322 | 2,083 |
| Transfers | - | - | - | (1,281) | 14 | - | - | - | - | - |
| Subtotal governmental activities | 35,366 | 35,457 | 37,492 | 37,666 | 38,142 | 41,552 | 48,596 | 57,830 | 47,581 | 42,698 |
| Total primary government | \$ 35,366 | \$ 35,457 | \$ 37,492 | \$ 37,666 | \$ 38,142 | \$ 41,552 | \$ 48,596 | \$ 57,830 | \$ 47,581 | \$ 42,698 |
| Changes in net position | | | | | | | | | | |
| Governmental activities | \$ (2,512) | \$ 3,539 | \$ (2,291) | \$ (1,481) | \$ 1,313 | \$ (3,563) | \$ 17,345 | \$ (3,013) | \$ 6,769 | \$ 35,323 |
| Business-type activities | (325) | (160) | 101 | (180) | (146) | (68) | (387) | 877 | (148) | (194) |
| Total primary government | \$ (2,836) | \$ 3,379 | \$ (2,190) | \$ (1,661) | \$ 1,167 | \$ (3,631) | \$ 16,958 | \$ (2,136) | \$ 6,621 | \$ 35,129 |

Note: Adjustment to 2021 is restatement related to Main Jail expansion

COUNTY OF SUTTER
Fund Balances, Governmental Funds (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 1,997 | \$ 1,982 | \$ 2,890 | \$ 2,019 | \$ 1,827 | \$ 1,772 | \$ 2,396 | \$ 2,468 | \$ 2,400 | \$ 1,993 |
| Restricted | - | - | 2 | 2 | 20 | 45 | 2,518 | 69 | 5,643 | 5,949 |
| Committed | 13,770 | 12,488 | 13,213 | 16,493 | 11,938 | 8,776 | 5,673 | 9,645 | 7,175 | 13,850 |
| Assigned | 640 | 36 | 710 | 462 | 737 | 649 | 472 | - | - | - |
| Unassigned | <u>5,034</u> | <u>7,452</u> | <u>8,621</u> | <u>7,945</u> | <u>11,083</u> | <u>11,275</u> | <u>9,762</u> | <u>8,067</u> | <u>14,778</u> | <u>11,469</u> |
| Subtotal General Fund | <u>21,441</u> | <u>21,957</u> | <u>25,436</u> | <u>26,921</u> | <u>25,604</u> | <u>22,517</u> | <u>20,821</u> | <u>20,248</u> | <u>29,996</u> | <u>33,261</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 172 | 207 | 172 | 207 | 2,598 | 2,321 | 2,459 | 107 | 151 | 144 |
| Restricted | 48,003 | 57,014 | 62,023 | 69,082 | 71,398 | 68,065 | 73,426 | 77,705 | 79,481 | 89,015 |
| Committed | 254 | 6,613 | 2,641 | 348 | 4,537 | 5,183 | 3,609 | 4,765 | 2,945 | 2,149 |
| Assigned | 1 | 256 | - | - | 1 | 2,802 | 29 | 34 | 312 | 312 |
| Unassigned | <u>(158)</u> | <u>(106)</u> | <u>(116)</u> | <u>(701)</u> | <u>(6,649)</u> | <u>(3,405)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal all other governmental funds | <u>48,273</u> | <u>63,983</u> | <u>64,720</u> | <u>68,936</u> | <u>71,884</u> | <u>74,966</u> | <u>79,523</u> | <u>82,610</u> | <u>82,890</u> | <u>91,620</u> |
| Total government fund balance | <u>\$ 69,714</u> | <u>\$ 85,941</u> | <u>\$ 90,157</u> | <u>\$ 95,858</u> | <u>\$ 97,489</u> | <u>\$ 97,483</u> | <u>\$ 100,344</u> | <u>\$ 102,858</u> | <u>\$ 112,885</u> | <u>\$ 124,881</u> |

COUNTY OF SUTTER
Changes in Fund Balances, Governmental Funds (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

| | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> |
|---------------------------------------|-----------------|------------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|------------------|------------------|
| Revenues (by source) | | | | | | | | | | |
| Taxes | \$ 30,958 | \$ 30,791 | \$ 33,112 | \$ 33,868 | \$ 34,219 | \$ 37,245 | \$ 38,507 | \$ 39,909 | \$ 40,549 | \$ 43,245 |
| Licenses and permits | 2,137 | 2,194 | 2,690 | 2,530 | 2,003 | 2,353 | 2,657 | 2,718 | 3,039 | 4,490 |
| Fines, forfeitures and penalties | 1,162 | 1,111 | 1,366 | 1,032 | 882 | 1,073 | 1,197 | 1,145 | 1,123 | 1,136 |
| Use of money and property | 618 | 1,611 | 953 | 1,976 | 800 | 552 | 3,858 | 2,883 | 1,219 | (5,395) |
| Intergovernmental | 100,055 | 102,231 | 104,527 | 104,337 | 105,719 | 130,531 | 130,017 | 127,211 | 152,899 | 153,492 |
| Charges for services | 7,261 | 6,567 | 6,374 | 8,150 | 18,631 | 25,936 | 42,592 | 21,417 | 23,929 | 21,710 |
| Other revenues | <u>2,581</u> | <u>1,757</u> | <u>1,868</u> | <u>1,774</u> | <u>1,889</u> | <u>2,361</u> | <u>4,356</u> | <u>12,707</u> | <u>4,533</u> | <u>2,552</u> |
| Total revenues | <u>144,771</u> | <u>146,262</u> | <u>150,889</u> | <u>153,667</u> | <u>164,141</u> | <u>200,051</u> | <u>223,184</u> | <u>207,990</u> | <u>227,291</u> | <u>221,230</u> |
| Expenditures (by function) | | | | | | | | | | |
| General government | 10,718 | 10,142 | 10,121 | 10,034 | 16,544 | 26,194 | 19,871 | 19,622 | 17,524 | 16,637 |
| Public protection | 51,678 | 46,205 | 42,340 | 43,516 | 45,208 | 58,483 | 73,551 | 57,502 | 59,926 | 60,466 |
| Public ways and facilities | 10,643 | 4,723 | 9,232 | 8,467 | 9,190 | 13,381 | 8,281 | 9,338 | 8,469 | 6,025 |
| Health and sanitation | 38,527 | 33,845 | 36,812 | 39,805 | 41,825 | 48,006 | 62,013 | 58,526 | 65,598 | 63,425 |
| Public assistance | 27,005 | 37,775 | 38,189 | 38,860 | 42,984 | 46,917 | 48,755 | 51,051 | 49,667 | 51,269 |
| Education | 1,254 | 1,463 | 1,441 | 1,470 | 1,572 | 1,735 | 1,905 | 1,825 | 1,682 | 1,966 |
| Culture and recreation | 679 | 643 | 686 | 683 | 745 | 1,116 | 694 | 941 | 565 | 672 |
| Community development | 539 | 177 | 30 | 12 | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | |
| Principal | 158 | 222 | 346 | 305 | 84 | 470 | 624 | 655 | 553 | 1,736 |
| Interest | 141 | 95 | 362 | 350 | 58 | 372 | 356 | 293 | 259 | 422 |
| Issuance costs | - | - | - | - | - | - | - | - | - | - |
| Capital Outlay | <u>1,819</u> | <u>4,237</u> | <u>7,109</u> | <u>3,197</u> | <u>4,435</u> | <u>3,387</u> | <u>4,272</u> | <u>6,326</u> | <u>19,783</u> | <u>4,747</u> |
| Total expenditures | <u>143,161</u> | <u>139,527</u> | <u>146,668</u> | <u>146,697</u> | <u>162,646</u> | <u>200,061</u> | <u>220,322</u> | <u>206,080</u> | <u>224,026</u> | <u>207,365</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds on sale of capital assets | - | - | - | - | 106 | - | - | - | - | - |
| Transfers in | 24,537 | 68,906 | 77,453 | 74,973 | 83,846 | 102,068 | 107,637 | 113,818 | 136,543 | 129,208 |
| Transfers out | (24,537) | (68,906) | (77,458) | (76,242) | (83,817) | (102,068) | (107,637) | (113,818) | (136,530) | (130,475) |
| Issuance of debt | - | 9,492 | - | - | - | - | - | 604 | 6,750 | - |
| Total other financing sources (uses) | <u>-</u> | <u>9,492</u> | <u>(5)</u> | <u>(1,269)</u> | <u>135</u> | <u>-</u> | <u>-</u> | <u>604</u> | <u>6,762</u> | <u>(1,267)</u> |
| Net change in fund balance | <u>\$ 1,610</u> | <u>\$ 16,226</u> | <u>\$ 4,216</u> | <u>\$ 5,701</u> | <u>\$ 1,631</u> | <u>\$ (10)</u> | <u>\$ 2,862</u> | <u>\$ 2,515</u> | <u>\$ 10,027</u> | <u>\$ 12,598</u> |
| Debt service as a percentage | | | | | | | | | | |
| of noncapital expenditures: | 0.21% | 0.23% | 0.51% | 0.46% | 0.09% | 0.43% | 0.46% | 0.48% | 0.40% | 1.08% |

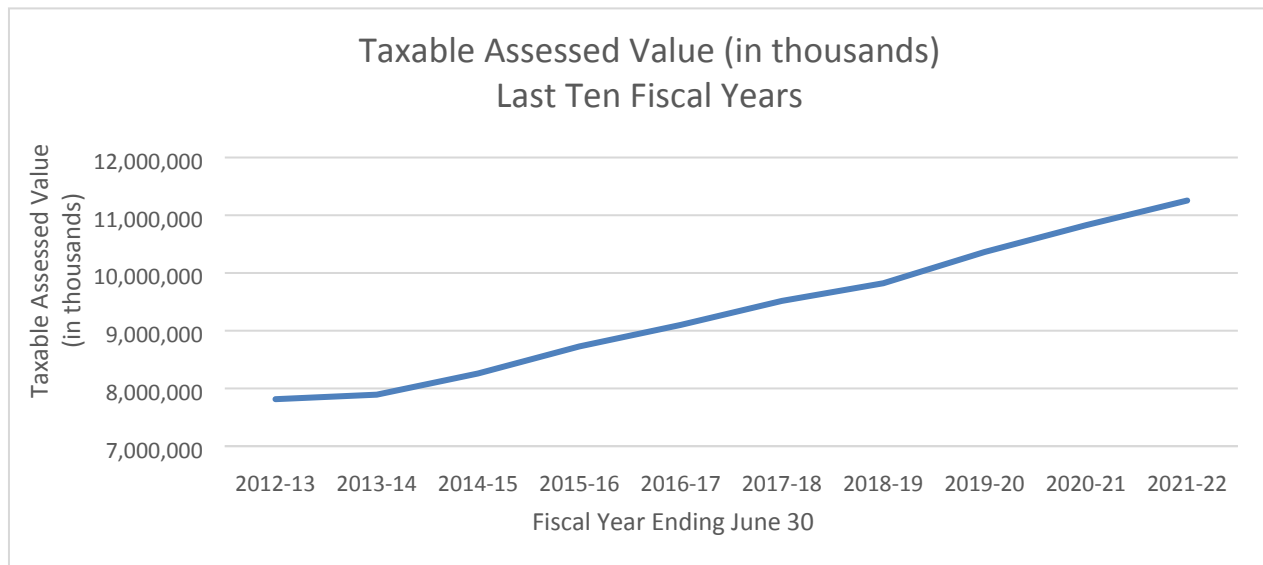
COUNTY OF SUTTER
Assessed Value of Taxable Property and Actual Value of Property (unaudited)
Last Ten Fiscal Years (in thousands)
 (accrual basis of accounting)

Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the consumer price index (CPI) on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase Price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

| Fiscal Year | (1) Secured | (2) Unsecured | (3) Unitary | (4) Exempt | Total Taxable Assessed value | Total Direct Tax Rate (%) |
|-------------|----------------|------------------|----------------|---------------|---------------------------------|------------------------------|
| 2012 - 2013 | 7,424,721 | 557,327 | 199,667 | (367,800) | 7,813,915 | 1.0000 |
| 2013 - 2014 | 7,521,156 | 557,430 | 212,885 | (399,302) | 7,892,170 | 1.0000 |
| 2014 - 2015 | 8,231,568 | 571,216 | 235,333 | (778,802) | 8,259,316 | 1.0000 |
| 2015 - 2016 | 8,295,983 | 576,315 | 268,936 | (413,438) | 8,727,797 | 1.0000 |
| 2016 - 2017 | 8,654,165 | 614,175 | 271,445 | (439,548) | 9,100,238 | 1.0000 |
| 2017 - 2018 | 9,095,742 | 583,896 | 291,120 | (454,149) | 9,516,609 | 1.0000 |
| 2018 - 2019 | 9,510,499 | 459,004 | 313,897 | (461,355) | 9,822,045 | 1.0000 |
| 2019 - 2020 | 9,904,151 | 597,600 | 302,594 | (441,115) | 10,363,230 | 1.0000 |
| 2020 - 2021 | 10,378,291 | 609,470 | 300,044 | (460,508) | 10,827,297 | 1.0000 |
| 2021 - 2022 | 10,823,561 | 578,079 | 330,595 | (477,364) | 11,254,871 | 1.0000 |

Notes:

- (1) Local assessed secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (2) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (3) Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization. Most of the amount reported is unitary but includes a small amount of other state-assessed property.
- (4) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.



COUNTY OF SUTTER
Property Tax Rates-Direct and Overlapping Governments (unaudited)
(\$1 per \$100 of Assessed Value)
Last Ten Fiscal Years (in thousands)

County direct and overlapping tax rates for the last ten fiscal years are provided below.

| Fiscal Year | County Direct Rates | | Overlapping Rates | | Total |
|-------------|--------------------------|------------------|-------------------|--|----------|
| | Sutter County General | K-12 Schools (1) | Yuba College (2) | | |
| 2012 - 2013 | 1.00000% | 0.04225% | 0.00832% | | 1.05057% |
| 2013 - 2014 | 1.00000% | 0.04328% | 0.00914% | | 1.05242% |
| 2014 - 2015 | 1.00000% | 0.04324% | 0.00834% | | 1.05158% |
| 2015 - 2016 | 1.00000% | 0.03952% | 0.00831% | | 1.04783% |
| 2016 - 2017 | 1.00000% | 0.03899% | 0.00878% | | 1.04777% |
| 2017 - 2018 | 1.00000% | 0.03961% | 0.00845% | | 1.04806% |
| 2018 - 2019 | 1.00000% | 0.03958% | 0.00749% | | 1.04707% |
| 2019 - 2020 | 1.00000% | 0.03723% | 0.00719% | | 1.04442% |
| 2020 - 2021 | 1.00000% | 0.03221% | 0.01546% | | 1.04766% |
| 2021 - 2022 | 1.00000% | 0.03144% | 0.01803% | | 1.04947% |

Notes:

- (1) Rates shown represent a weighted average of the various kindergarten thru 12th grade schools and school district tax rate areas within the County.
- (2) Rates shown represent a weighted average of the Yuba College tax rates within the County.

COUNTY OF SUTTER
Principal Property Taxpayers(unaudited)
June 30, 2022 AND June 30, 2013 (in thousands)

In accordance with GASB Statement No. 44, the following tables present information for the county's principal property taxpayers as of June 30, 2022 and June 30, 2013.

June 30, 2022:

| Taxpayers | Type of Business | (1) | Percentage of Total Taxable Assessed Value | (2) | Percentage of Total Secured Tax Levy Fiscal Year 2021-22 |
|----------------------------------|------------------|-------------------------------------|--|--|--|
| | | Net Assessed Secured Property Value | | Total Secured Tax Levy Fiscal Year 2021-22 | |
| Pacific Gas & Electric Co. | Utility | \$ 288,183.27 | 2.66% | \$ 3,347 | 2.53% |
| Sunsweet Growers Inc | Fruit Processor | 72,455 | 0.67% | 725 | 0.55% |
| CCFC Sutter Energy, LLC | Utility | 72,300 | 0.67% | 723 | 0.55% |
| Sysco Food Srvs Sacramento Inc | Food Service | 46,368 | 0.43% | 464 | 0.35% |
| ELVS LLC | Storage | 43,812 | 0.40% | 438 | 0.33% |
| Bains Properties LP | Agriculture | 38,582 | 0.36% | 386 | 0.29% |
| Sutter Valley Medical Foundation | Medical | 36,083 | 0.33% | 361 | 0.27% |
| Miravista LLC | Retail | 35,700 | 0.33% | 357 | 0.27% |
| Pelger Road 1700 LLC | Agriculture | 30,633 | 0.28% | 306 | 0.23% |
| Millennium Farms LLC | Agriculture | 25,041 | 0.23% | 250 | 0.19% |

June 30, 2013:

| Taxpayers | Type of Business | (1) | Percentage of Total Taxable Assessed Value | (2) | Percentage of Total Secured Tax Levy Fiscal Year 2012-13 |
|--------------------------------|------------------|-------------------------------------|--|--|--|
| | | Net Assessed Secured Property Value | | Total Secured Tax Levy Fiscal Year 2012-13 | |
| Calpine Construction Finance | Utility | \$ 173,800 | 2.20% | \$ 1,738 | 1.78% |
| Pacific Gas & Electric Co. | Utility | 149,757 | 1.90% | 1,649 | 1.69% |
| Venoco Inc | Gas & Oil | 101,319 | 1.28% | 1,013 | 1.04% |
| Sunsweet Growers Inc | Fruit Processor | 76,790 | 0.97% | 768 | 0.79% |
| Calpine Greenleaf Holdings Inc | Utility | 35,675 | 0.45% | 357 | 0.37% |
| Miravista LLC | Retail | 33,600 | 0.43% | 336 | 0.34% |
| Twin Cities Hospital LP | Medical | 30,917 | 0.39% | 309 | 0.32% |
| Steadfast Yuba City 1 LLC | Retail | 26,698 | 0.34% | 267 | 0.27% |
| Sysco Food Srvs Sacramento Inc | Food Service | 23,268 | 0.29% | 233 | 0.24% |
| Pacific Bell Telephone Company | Phone | 22,881 | 0.29% | 252 | 0.26% |

Total Property Tax

Notes:

- (1) Net Assessed Secured amount include Secured & Utility less exemptions.
See "Assessed Value of Taxable Property and Actual Value of Property" schedule for total assessed value.
- (2) Includes 1%, bonds, and fixed charges (Only Secured & Utility Tax Levy amounts).

COUNTY OF SUTTER
Property Tax Levies and Collections (unaudited)
Last Ten Fiscal Years (in thousands)

Property tax levies and collections for the last ten fiscal years are presented below.

| Fiscal Year | (1) Taxes Levied | (2) Collections Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|---------------------|--|-----------|--|---------------------------|-----------|
| | | Amount | % of Levy | | Amount | % of Levy |
| 2012 - 2013 | 97,023 | 95,621 | 98.55% | 931 | 96,551 | 99.51% |
| 2013 - 2014 | 98,348 | 97,132 | 98.76% | 759 | 97,891 | 99.54% |
| 2014 - 2015 | 102,007 | 100,890 | 98.91% | 650 | 101,540 | 99.54% |
| 2015 - 2016 | 106,781 | 105,692 | 98.98% | 596 | 106,288 | 99.54% |
| 2016 - 2017 | 110,786 | 109,893 | 99.19% | 520 | 110,414 | 99.66% |
| 2017 - 2018 | 117,052 | 116,091 | 99.18% | 1,216 | 117,307 | 100.22% |
| 2018 - 2019 | 123,510 | 121,260 | 98.18% | 1,148 | 122,408 | 99.11% |
| 2019 - 2020 | 127,148 | 125,697 | 98.86% | 5 | 125,702 | 98.86% |
| 2020 - 2021 | 132,217 | 123,167 | 93.16% | 456 | 123,623 | 93.50% |
| 2021 - 2022 | 137,058 | 122,298 | 89.23% | | 122,298 | 89.23% |

Notes:

- (1) Secured and Unitary tax levy for the County itself, school districts, cities, and special districts under the supervision of their own governing boards.
- (2) Included are amounts collected by the County on behalf of itself, school districts, cities, and special districts under the supervision of their own governing boards.

COUNTY OF SUTTER
Ratios of Outstanding Debt by Type (unaudited)
Last Ten Fiscal Years (in thousands)

Ratios of outstanding debt for governmental activities and business type activities for the last ten fiscal years are presented below.

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | Total Primary Government | Percentage of Personal Income (2) | Per Capita (3) |
|-------------|-----------------------------------|-------------------|---------------------|--------------------------|---------------------|--------------------------|-----------------------------------|----------------|
| | Certificates of Participation (1) | Lease Commitments | Long-Term Liability | Lease Commitments | Long-Term Liability | | | |
| 2012 - 2013 | - | 1,203 | 41 | - | 83 | 7,373 | 0.48% | 77 |
| 2013 - 2014 | - | 10,502 | 25 | - | 75 | 17,025 | 0.22% | 177 |
| 2014 - 2015 | - | 9,916 | - | - | 67 | 17,017 | 0.23% | 177 |
| 2015 - 2016 | - | 9,370 | - | - | 58 | 15,974 | 0.25% | 165 |
| 2016 - 2017 | - | 8,775 | - | - | 49 | 15,712 | 0.26% | 162 |
| 2017 - 2018 | - | 7,967 | - | - | 41 | 14,830 | 0.28% | 153 |
| 2018 - 2019 | - | 7,330 | - | - | 32 | 14,395 | 0.29% | 148 |
| 2019-2020 | - | 7,264 | - | 148 | 24 | 15,362 | 0.29% | 155 |
| 2020-2021 | - | 6,701 | 6,750 | 136 | 16 | 23,336 | 0.29% | 230 |
| 2021-2022 | - | 3,687 | 11,890 | - | 131 | 25,995 | 0.18% | 262 |

Notes:

- (1) Certificates of Participation are reported within the Capital Leases section on the Notes to the Financial Statements.
- (2) See the "Demographics and Economic Statistics: schedule for personal income and population data. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
- (3) See the "Demographics and Economics Statistics" schedule for population figures. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.

COUNTY OF SUTTER
Computation of Legal Debt Margin (unaudited)
Last Ten Fiscal Years (in thousands)

The legal debt margin for the last ten fiscal years is presented below.

| Fiscal Year | (1) Assessed Value | (2) Legal Debt Limit | Total Net Applicable Debt | (3) Legal Debt Margin | Legal Debt Margin/Debt Limit |
|--------------------|-------------------------------|---------------------------------|--------------------------------------|--------------------------------------|---|
| 2012 - 2013 | 7,813,915 | 97,674 | - | 97,674 | 100% |
| 2013 - 2014 | 7,892,170 | 98,652 | - | 98,652 | 100% |
| 2014 - 2015 | 8,259,316 | 103,241 | - | 103,241 | 100% |
| 2015 - 2016 | 8,727,797 | 109,097 | - | 109,097 | 100% |
| 2016 - 2017 | 9,100,238 | 113,753 | - | 113,753 | 100% |
| 2017 - 2018 | 9,516,609 | 118,958 | - | 118,958 | 100% |
| 2018 - 2019 | 9,822,045 | 122,776 | - | 122,776 | 100% |
| 2019 - 2020 | 10,363,230 | 129,540 | - | 129,540 | 100% |
| 2020 - 2021 | 10,827,297 | 135,341 | - | 135,341 | 100% |
| 2021 - 2022 | 11,254,871 | 140,686 | - | 140,686 | 100% |

Notes:

- (1) Property value data can be found in the "Assessed Value of Taxable Property and Actual Value of Property" schedule.
- (2) California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25% of the total full cash valuation.
- (3) The legal debt margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable to the legal debt limit.

COUNTY OF SUTTER
Direct and overlapping Bonded Debt (unaudited)
As of June 30, 2022

Direct and overlapping debt is provided below.

2021-2022 Assessed Valuation: \$ 11,254,871

| Overlapping Tax and Assessment Debt: | Percent Applicable | Debt (2) |
|--|-------------------------------|-----------------------|
| | (1) | |
| Sutter Community Service District | 100% | \$ - |
| Yuba City Unified - 1999 | 100% | 7,555,580 |
| Yuba City Unified - 2004 | 100% | 13,506,491 |
| East Nicolaus High School - 2000 | 100% | 305,000 |
| East Nicolaus High School - 2014 | 100% | 3,510,000 |
| Live Oak Unified School District - 2004 | 100% | 7,915,000 |
| Live Oak Unified School District - 2016 | 100% | 13,505,000 |
| Franklin Elementary School - 2006 | 100% | 2,375,000 |
| Sutter High School - 2008 | 100% | 17,887,561 |
| Woodland Joint Unified School District - 1999 | 0.98% | 82,891 |
| Yuba Community College District | 30.66% | 56,199,552 |
| Total Overlapping Tax and Assessment Debt | | <u>\$ 122,842,074</u> |

Notes:

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the County.
- (2) Debt as of June 30, 2022

COUNTY OF SUTTER
Demographics and Economic Statistics (unaudited)
Last Ten Fiscal Years (in thousands)

Demographic and economic data for the last ten years are presented below.

| (1) | (2) | (3), (4) | Per Capita | (5) | (6) |
|-------------|-------------------|-----------------|-------------------|-------------------|---------------------|
| Year | Population | Personal | Personal | School | Unemployment |
| | | Income | Income | Enrollment | Rate |
| 2013 | 95,721 | 3,546 | 37.0 | 21,170 | 17.4% |
| 2014 | 96,036 | 3,681 | 38.3 | 21,390 | 15.1% |
| 2015 | 96,390 | 3,913 | 40.6 | 21,459 | 13.3% |
| 2016 | 96,614 | 4,013 | 41.5 | 21,693 | 12.0% |
| 2017 | 96,919 | 4,116 | 42.5 | 22,633 | 11.2% |
| 2018 | 97,238 | 4,221 | 43.4 | 23,690 | 9.3% |
| 2019 | 97,490 | 4,329 | 44.4 | 24,813 | 9.6% |
| 2020 | 100,750 | 4,440 | 44.1 | 23,308 | 8.7% |
| 2021 | 101,289 | 4,554 | 45.0 | 23,695 | 10.4% |
| 2022 | 99,145 | 4,671 | 47.1 | 24,444 | 8.7% |

Detail of estimated population, as of January 1, 2022 (whole numbers):

| | |
|-------------------------------|--------|
| (2) Incorporated Cities | |
| Live Oak | 9,394 |
| Yuba City | 69,663 |
| Total of Incorporated Cities | 79,057 |
| Total of Unincorporated Areas | 20,088 |
| Total Population | 99,145 |

Notes:

- (1) Calendar year
- (2) Population as of January 1
- (3) Estimated amounts

Sources:

- (2) California Department of Finance
- (4) Bureau of Economic Analysis
- (5) California Department of Education
- (6) Employment Development Department Research Center

COUNTY OF SUTTER
Principal Employers (unaudited)
June 30, 2022 and June 30, 2013

The top ten employers in Sutter County for the fiscal years of 2012 and 2021 are presented below.

June 30, 2022

| Company or Organization | Type of Business | Jobs | Percent of Total County Employment |
|-----------------------------------|-------------------------|-------------|---|
| Yuba City Unified School District | Education | 1,556 | 3.34% |
| Legend Transportation, Inc | Transportation | 1000 | 2.15% |
| Sutter County | Government | 959 | 2.06% |
| Rush Personnel | Employment Services | 600 | 1.29% |
| Sunsweet Grower's Inc., | Food Processing | 600 | 1.29% |
| Sutter North Yuba City | Healthcare | 475 | 1.02% |
| Sysco Sacramento, Inc. | Food Distribution | 460 | 0.99% |
| Walmart - Yuba City | Retail | 400 | 0.86% |
| Express Employment Professionals | Employment Services | 375 | 0.80% |
| City of Yuba City | Government | 300 | 0.64% |

June 30, 2013

| Company or Organization | Type of Business | Jobs | Percent of Total County Employment |
|-----------------------------------|-----------------------------|-------------|---|
| Fremont - Rideout Health Group | Healthcare | 1,800 | 3.97% |
| Yuba City Unified School District | Education | 1358 | 3.00% |
| Sutter County | Government | 967 | 2.13% |
| Sunsweet Grower's Inc | Food Processing | 748 | 1.65% |
| Walmart - Yuba City | Retail | 525 | 1.16% |
| Sutter North Medical Foundation | Healthcare | 503 | 1.11% |
| Holt of California | Retail | 502 | 1.11% |
| Sysco Sacramento, Inc. | Wholesale Food Distribution | 369 | 0.81% |
| Home Depot | Retail | 300 | 0.66% |
| City of Yuba City | Government | 263 | 0.58% |

Source:

Sutter County Economic Development Corporation

COUNTY OF SUTTER
County Employees by Function/Program (unaudited)
Last Ten Fiscal Years

The number of paid employees and actual full-time equivalent employees for the last ten fiscal years are presented below.

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Paid Employees (1) | | | | | | | | | | |
| General government | 173 | 178 | 166 | 156 | 159 | 169 | 182 | 178 | 177 | 194 |
| Public protection | 380 | 384 | 425 | 394 | 401 | 433 | 403 | 411 | 400 | 409 |
| Public ways and facilities | 28 | 28 | 25 | 23 | 26 | 27 | 28 | 26 | 22 | 27 |
| Health and sanitation | 310 | 313 | 319 | 318 | 339 | 339 | 470 | 396 | 378 | 427 |
| Public assistance | 168 | 188 | 209 | 220 | 233 | 275 | 252 | 240 | 224 | 247 |
| Education | 23 | 21 | 23 | 20 | 21 | 21 | 24 | 20 | 19 | 24 |
| Recreation and culture | 5 | 5 | 6 | 8 | 5 | 6 | 5 | 4 | 3 | 4 |
| Total County employees | 1,087 | 1,117 | 1,173 | 1,139 | 1,184 | 1,270 | 1,364 | 1,275 | 1,223 | 1,332 |
| Actual full-time equivalent employees (2) | | | | | | | | | | |
| General government | 151 | 146 | 139 | 133 | 141 | 135 | 146 | 144 | 150 | 147 |
| Public protection | 319 | 316 | 325 | 320 | 331 | 321 | 315 | 317 | 305 | 301 |
| Public ways and facilities | 22 | 22 | 21 | 21 | 22 | 21 | 21 | 24 | 21 | 22 |
| Health and sanitation | 250 | 253 | 251 | 258 | 279 | 271 | 321 | 293 | 299 | 294 |
| Public assistance | 144 | 165 | 168 | 173 | 202 | 208 | 206 | 205 | 196 | 187 |
| Education | 20 | 20 | 20 | 19 | 17 | 18 | 17 | 19 | 17 | 18 |
| Recreation and culture | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 |
| Total County employees | 910 | 926 | 928 | 928 | 996 | 978 | 1,030 | 1,005 | 991 | 972 |

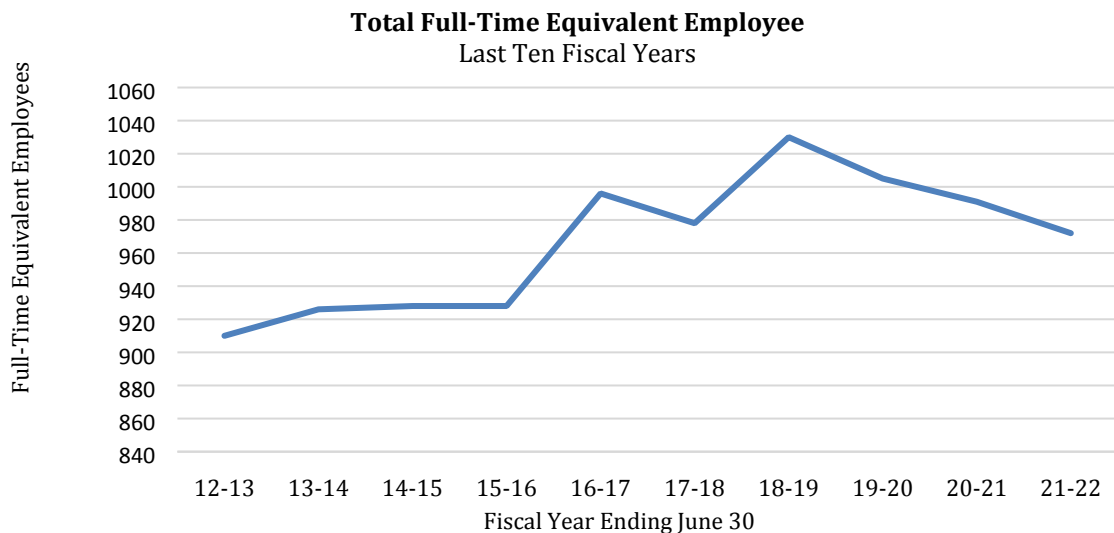
Note:

(1) Paid employees: Count of employees paid, including terminated employees. Employees with more than one job will be counted once for each job

the employee was paid.

(2) Actual full-time equivalent employees: Count of number of full-time equivalents paid. For full-time and part-time, the full-time equivalent (FTE)

is equal to total amount of payroll checks issued in the fiscal year divided by the number of pay periods in the fiscal year.



COUNTY OF SUTTER
Operating Indicators by Function/Program (unaudited)
Last Ten Fiscal Years

Selected operating indicators for Sutter County for each of its core functions are provided below.

| Function/Program | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Public protection: | | | | | | | | | | |
| Fire: | | | | | | | | | | |
| Fire emergency responses (1) | 2,001 | 2,149 | 2,159 | 2,250 | 2,398 | 2,555 | 2,297 | 2,391 | 2,545 | 2,913 |
| Sheriff: | | | | | | | | | | |
| Calls for service | 39,593 | 39,730 | 35,829 | 42,004 | 39,491 | 39,883 | 40,316 | 43,768 | 44,875 | 38,812 |
| Numbers of bookings (1) | 4,446 | 4,485 | 4,542 | 4,444 | 4,323 | 4,565 | 4,694 | 3,986 | 2,620 | 4,328 |
| Probation: | | | | | | | | | | |
| Juvenile referrals received | 533 | 554 | 447 | 336 | 295 | 289 | 174 | 202 | 130 | 135 |
| Adult cases supervised | 968 | 1,076 | 1,159 | 1,067 | 1,074 | 1,068 | 1,053 | 1,063 | 929 | 792 |
| Adult reports completed for court | 1,386 | 1,418 | 1,088 | 1,049 | 924 | 1,174 | 1,571 | 1,423 | 1,270 | 1,733 |
| Juvenile cases supervised | 118 | 137 | 99 | 76 | 55 | 48 | 42 | 35 | 43 | 45 |
| Juvenile Hall/Camp Singer bookings | 152 | 149 | 129 | 98 | 114 | 83 | 55 | 54 | 25 | 32 |
| Child support: | | | | | | | | | | |
| Established orders for child support (3) | 4,627 | 4,263 | 4,220 | 4,199 | 4,178 | 4,044 | 3,959 | 3,686 | 3,482 | 3,417 |
| Health and sanitation: | | | | | | | | | | |
| Behavioral Health: | | | | | | | | | | |
| S-Y Behavioral Health clients served | 5,930 | 5,987 | 6,250 | 6,511 | 6,781 | 6,056 | 5,676 | 4,784 | 4,561 | 4,529 |
| Public assistance: | | | | | | | | | | |
| CalFresh Households (2) | 5,199 | 5,200 | 5,660 | 5,812 | 5,635 | 5,365 | 5,057 | 5,588 | 5,768 | 6,400 |
| Medi-Cal Households (2) | 10,181 | 15,181 | 16,944 | 17,609 | 16,728 | 16,859 | 16,774 | 16,724 | 18,864 | 19,400 |

Note:

- (1) Calendar year
- (2) October of Calendar year
- (3) Federal Fiscal Year

COUNTY OF SUTTER
Capital Assets Operating Indicators by Function/Program (unaudited)
Last Ten Fiscal Years

Operating indicators specific to capital assets for the last ten fiscal years are presented below.

| Function/Program | <u>2012-13</u> | <u>2013-14</u> | <u>2014-15</u> | <u>2015-16</u> | <u>2016-17</u> | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>2021-22</u> |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General government: | | | | | | | | | | |
| Land (acreage) | 262.83 | 262.83 | 262.83 | 262.83 | 262.83 | 262.83 | 262.83 | 264.83 | 278.23 | 282.95 |
| Buildings | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 19 | 19 |
| Vehicles | 27 | 27 | 27 | 30 | 31 | 36 | 33 | 31 | 23 | 22 |
| Equipment | 144 | 162 | 166 | 186 | 195 | 216 | 214 | 181 | 118 | 117 |
| Public protection: | | | | | | | | | | |
| Land (acreage) | 0.79 | 0.79 | 0.79 | 0.79 | 0.79 | 0.79 | 0.79 | 0.79 | 1.99 | 1.99 |
| Fire Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 4 |
| Jail Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Vehicles | 135 | 134 | 128 | 129 | 138 | 127 | 114 | 143 | 146 | 140 |
| Fire Trucks | 11 | 11 | 11 | 13 | 12 | 10 | 10 | 9 | 9 | 9 |
| Equipment | 240 | 259 | 352 | 387 | 402 | 420 | 414 | 374 | 427 | 411 |
| Public ways & facilities: | | | | | | | | | | |
| Land (acreage) | 165.24 | 165.24 | 165.24 | 165.24 | 165.24 | 165.24 | 184.5 | 179.9 | 178.7 | 178.7 |
| Bridges | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 10 | 10 |
| Vehicles | 36 | 38 | 38 | 42 | 39 | 39 | 33 | 41 | 31 | 35 |
| Equipment | 162 | 164 | 197 | 200 | 206 | 219 | 218 | 158 | 116 | 123 |
| Health & sanitation: | | | | | | | | | | |
| Vehicles | 31 | 35 | 33 | 32 | 32 | 34 | 32 | 42 | 49 | 52 |
| Equipment | 42 | 54 | 54 | 65 | 69 | 71 | 66 | 60 | 77 | 77 |
| Public assistance: | | | | | | | | | | |
| Vehicles | 28 | 29 | 28 | 28 | 28 | 29 | 29 | 30 | 27 | 29 |
| Equipment | 14 | 25 | 29 | 33 | 34 | 36 | 36 | 28 | 29 | 29 |
| Education: | | | | | | | | | | |
| Libraries | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Vehicles | 6 | 6 | 6 | 5 | 6 | 6 | 5 | 4 | 4 | 5 |
| Equipment | 5 | 7 | 7 | 13 | 14 | 14 | 14 | 14 | 14 | 15 |
| Others | | | | | | | | | | |
| Recreation & cultural: | | | | | | | | | | |
| Vehicles | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Equipment | 2 | 2 | 2 | 9 | 9 | 11 | 11 | 12 | 11 | 11 |

Notes:

Buildings include those that are capitalized but exclude real property that is leased.

Glossary

Glossary

Accounts payable – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

Accounts receivable – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

Accrual basis of accounting – The recording of the financial effects of a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Accumulated depreciation – A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

Active employees – Individuals employed at the end of the reporting or measurement period, as applicable.

Actuarial valuation – The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

Actuarial valuation date – The date as of which an actuarial valuation is performed.

Actuarially determined contribution – A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Advance from other funds – A liability account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **Due to other funds** and **Interfund receivable/payable**.

Advance to other funds – An asset account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **Due from other funds** and **Interfund receivable/payable**.

Agent multiple-employer plan – Group of single-employer plans with pooled administrative and investment functions but separate actuarial valuations and contribution rates.

Amortization – The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

Annual OPEB cost – An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

Annual Required Contributions (ARC) – Term used in connection with other postemployment benefit plans to describe the amount an employer must contribute in a given year.

Appropriation – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

Assessed valuation – A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assigned fund balance – Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

Auditor's report – In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

Balance sheet – The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date in conformity with GAAP.

Basic Financial Statements (BFS) – The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: governmentwide financial statements, fund financial statements, and notes to the financial statements.

Basis of accounting – A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

Beneficial interest – The right to a portion of the benefits from donated resources pursuant to a split-interest agreement in which the donor enters into a trust or other legally enforceable agreement with characteristics that are equivalent to a split-interest agreement and transfers the resources to an intermediary.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

Budgetary control – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Business-type activities – One of two classes of activities reported in the governmentwide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The activities are usually reported in enterprise funds.

Capital assets – Long-lived assets obtained or controlled as a result of past transactions, events, or circumstances. Capital assets include equipment, buildings, and improvements other than buildings; land; infrastructure; and intangible assets. In the private sector, these assets are referred to most often as property, plant and equipment, and intangible assets.

Capital expenditures – Expenditures resulting in the acquisition of or addition to the government’s general capital assets.

Capitalization policy – The criteria used by a government to determine which outlays should be reported as capital assets.

Capital lease – An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See **Lease-purchase agreements**.

Capital projects fund – A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Cash basis of accounting – A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Cash with fiscal agent – An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

Certificate of achievement for excellence in financial reporting program – A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFRs/Component Unit Financial Reports (CUFRs) and to provide technical assistance and peer recognition to the finance officers preparing them.

Change in the fair value of investments – The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

Closed amortization period – Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

Collective deferred outflows of resources and deferred inflows of resources related to pensions – Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective net pension liability.

Collective net pension liability – The net pension liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.

Collective pension expense – Pension expense arising from certain changes in the collective net pension liability.

Collective total pension liability – The total pension liability for benefits provided through (a) a pension plan that is used to provide pensions to the employees of a primary government and its component units or (b) a pension plan in circumstances in which there is a special funding situation.

Committed fund balance – Amounts that can only be used for specific purposes determined by formal action of the County’s highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Compensated absences – Absences, such as vacation, illness, and holidays, for which it is expected employees, will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance and long-term disability pay.

Comprehensive Annual Financial Report (CAFR) – A CAFR is a financial report that encompasses all funds and component units of the government. It contains (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. It is the governmental unit’s official annual report and it also contains introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

Contingent liability – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

Contribution deficiencies – The difference between the annual required contributions (ARC) of the employer(s), and the employer’s actual contributions in relation to the ARC.

Contributions – Additions to a pension plan’s fiduciary net position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.

Cost-of-living adjustments – Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

Cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) – A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

Covered payroll – Term used in connection with defined benefit pension and other postemployment benefit plans to describe all elements of annual compensation paid to active employees on which contributions to a plan are based.

Current financial resources measurement focus – Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

Custodial fund – A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

Debt service fund – A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deferred charges – Expenditures that are not chargeable to the fiscal period in which they were made but that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g., bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

Deficit – (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Defined benefit OPEB plan – Plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums.)

Defined benefit pension plan – Pension plans that are used to provide defined benefit pensions.

Defined benefit pensions – Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation.

Depreciation – (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Discount rate – A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Due from other funds – An asset account reflecting amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open accounts, not interfund loans.

Due to other funds – A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

Economic resources measurement focus – Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for governmentwide financial reporting. It is also used by business enterprises in the private sector.

Employer's contributions – Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

Encumbrances – Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Enterprise fund – Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

Entry age actuarial cost method – A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the *normal cost*. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the *actuarial accrued liability*.

Exchange-like transaction – Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

Expenditures – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, and capital outlays, and intergovernmental grants, entitlement, and shared revenues.

Expenditure-driven grants – Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

Expenses – Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

External auditors – Independent auditors typically engaged to conduct an audit of a government's financial statements.

External investment pool – An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsor's reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

Fair value – The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fiduciary funds – The trust and custodial funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

Financial resources – Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables or investments). Financial resources may also include inventories and prepaids (because they obviate the need to expend current available resources).

Fiscal agent – A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund balance – The difference between fund assets and fund liabilities of governmental and similar trust funds.

Fund financial statements – Basic financial statements presented on the basis of funds. Term used in contrast with *governmentwide financial statements*.

Fund type – Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and custodial.

Funding policy – The program for the amounts and timing of contributions to be made by plan members, employer(s), and other contributing entities (for example, state government contributions to a local government plan) to provide the benefits specified by an OPEB plan.

General fund – The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

General revenues – All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax (e.g., property tax, sales tax, and transient occupancy tax). All other nontax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

Generally Accepted Accounting Principle (GAAP) – The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local governments are set forth by Statement of Accounting Standards (SAS) No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles" in the Independent Auditor's Report*.

Government Finance Officers Association (GFOA) – An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

Governmental accounting – The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

Governmental Accounting Standards Board (GASB) – The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

Governmental activities – Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental funds – Funds generally used to account for tax-supported activities. The five different types of governmental funds are as follows: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Governmentwide financial statements – Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic governmentwide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Improvement – An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

Inactive employees – Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

Indirect expenses – Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

Infrastructure – Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Interfund receivable/payable – Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

Interfund transfers – Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

Intermediary – The trustee, fiscal agent, government, or any other legal or natural person that is holding and administering donated resources pursuant to a split-interest agreement. An intermediary is not required to be a third party.

Internal service fund – A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

Irrevocable split-interest agreement – A split-interest agreement in which the donor has not reserved, or conferred to another person, the right to terminate the agreement at will and have the assets returned to the donor or a third party.

Joint venture – A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

Lapse – As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

Lead interest – A type of beneficial interest that confers the right to receive all or a portion of the benefits of resources during the term of a split-interest agreement.

Lease-purchase agreements – Contractual agreements that are termed leases, but that in substance are purchase contracts.

Legal level of budgetary control – The level at which spending in excess of budgeted amounts would be a violation of law.

Level of budgetary control – The level at which a government's management may not reallocate resources without special approval from the legislative body.

Level percentage of projected payroll amortization method – Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

Liabilities – Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Life-contingent term – A term specifying that the termination of a split-interest agreement is contingent upon the occurrence of a specified event, commonly the death of either the donor or other lead interest beneficiary.

Loans receivable – An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

Major fund – A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

Management's Discussion and Analysis (MD&A) – A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the governments' financial activities.

Measurement focus – A way of presenting an entity's financial performance and position by considering which *resources* are measured (financial or economic) and *when* the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of governmentwide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

Measurement period – The period between the prior and the current measurement dates.

Modified accrual basis of accounting – The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

Multiple-employer defined benefit pension plan – A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

Net investment in capital assets – One of three components of net position that must be reported in both governmentwide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition construction, or improvement of capital assets of the government.

Net OPEB obligation – In the context of defined benefit pension and other postemployment benefit plans, the cumulative difference between annual pension cost and the employer's contributions to the plan, including the pension/OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to pension-related/OPEB-related debt.

Net pension liability – The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

Nonspendable fund balance – Amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Other financing sources – An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

Other financing uses – A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

Other Postemployment Benefits (OPEB) – Benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as postemployment healthcare benefits paid in the period after employment (if any), regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits or termination payments for sick leave.

Overlapping debt – The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

Pay-as-you-go – a method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Payroll growth rate – an actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

Pension benefits – Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except health care benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan.

Pension plans – Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

Pensions – Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.

Period-certain term – A term specifying that the termination of a split-interest agreement occurs after a specified period. (For example, a number of years.)

Plan members – Individuals that are covered under the terms of a pension plan. Plan members generally include (a) employees in active service (active plan members) and (b) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

Postemployment – The period after employment.

Postemployment benefit changes – Adjustments to the pension of an inactive employee.

Postemployment healthcare benefits – Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.

Projected benefit payments – All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

Program revenues – Term used in connection with the governmentwide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

Projected benefit payments – All benefit estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

Proprietary funds – Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Real rate of return – The rate of return on an investment after adjustment to eliminate inflation.

Rebatable arbitrage – A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

Remainder interest – A type of beneficial interest that confers the right to receive all or a portion of the resources remaining at the end of a split-interest agreement's term.

Reporting entity – The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

Required supplementary information – Consists of statements, schedules, statistical data, or other information that according to the GASB is necessary to supplement, although not required to be a part of, the basic financial statements.

Restricted assets – Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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.

Restricted net position – A component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

Retained earnings – An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

Revenue bonds – Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Risk management – All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

Self-insurance – A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

Service costs – The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

Service life – The average remaining years of service of all members of the retirement plan (both current employees and retirees).

Single audit – An audit performed in accordance with *Title 2 U.S. Code of Federal Regulations*. The Single Audit allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

Special district – An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent on enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, cemetery districts, transit authorities, port authorities, and electric power authorities.

Special revenue fund – A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Split-interest agreement – An agreement in which the donor enters into a trust or other legally enforceable agreement (with characteristics that are equivalent to a split-interest agreement) under which the donor transfers resources to an intermediary to administer for the benefit of at least two beneficiaries, one of which could be a government.

Substantive plan – Terms of an OPEB plan as understood by the employer(s) and plan members.

Tax and Revenue Anticipation Notes (TRAN) – Notes issued in anticipation of the collection of taxes and revenues, usually retrievable only from tax collections, and frequently only from the proceeds of the tax and revenue levy whose collection they anticipate.

Termination benefits – Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

Total pension liability – The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

Trust funds – Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

Unassigned fund balance – The residual classification for the County's General Fund that includes 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.

Unconditional benefit – A right belonging to the government that cannot be taken away without the government's consent, such as an unconditional beneficial interest.

Unearned revenues – Resource inflows that do not yet meet the criteria for revenue recognition. In governmental funds, earned amounts also are reported as unearned revenue until they are available to liquidate liabilities of the current period.

Unmodified opinion – An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

Unrestricted net position – That portion of net position that is neither restricted nor invested in capital assets (net of related debt).

Variance power – The unilateral power to redirect the benefit of the transferred resources to another beneficiary, overriding the donor's instructions. This transfer would occur without the approval of the donor, specified beneficiaries, or any other interested party.

