

KRISTA PETERSON
Auditor-Controller



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TEHAMA COUNTY AUDITOR-CONTROLLER

Date: September 23, 2025

To: The Honorable Board of Supervisors

Re: Adopted Budget for the 2025-26 Fiscal Year

You have before you a Resolution to adopt the 2025-26 fiscal year budget for the County of Tehama including operating funds, proprietary funds, and Board governed Special Districts.

All the operating funds of the County together have expenditure budget appropriations of \$274,273,120 and provisions for new or increased obligated fund balance (reserves) of \$4,999,817 for a total of \$279,272,940. This equates to a slight reduction from last year's requirements.

Financing sources are comprised of fund balances available & decreases of obligated fund balances of \$15,703,811 and estimated revenues of \$263,569,126 for total funding use of \$279,272,940.

These amounts include operating transfers for all funds of \$28,063,210.

The General Fund has a total requirement of \$57,513,448 including operating transfers of \$27,787,459. General fund expense appropriations exceed estimated revenues by \$7,239,279. Actual fund balance carry-over in the General Fund of \$7,285,894 and the reserve in Committed for Compensation Study in the amount of \$2,548,387 will cover the shortfall. After drawing down the Compensation Study Reserve, the remaining fund balance carry-over is \$2,595,006.

In consideration of the Board's consensus to accept the recommendations presented on August 19th by Administration and per direction from the Board regarding any residual fund balance, we are dedicating that remaining balance as follows:

- \$259,204 to the Unfunded PERS Liability Trust (10% of excess as per Unfunded Accrued Liability Management Policy)
- \$2,335,505 to increase the reserve Committed to Strategic Priorities

The required summary documents that I have included are representative of the Adopted Budget in total, and largely reflective of the data provided for your review at the Budget hearing on August 19th.

There are a few items to note subsequent to the August 19th hearing:

- Budget appropriations for expenditures in General Fund and revenues in Public Safety were both increased in the amount of \$5,201,202 to adjust for shortfall in Public Safety allocations (Revenue Appropriations less Expenditure Appropriations). Of the \$5,201,202, \$2,548,387 is covered by the Compensation Study Reserve and the remaining \$2,652,815 is covered by General Fund carry-over.
- - General Fund Expenditure Appropriations increased to \$54,918,442 from \$49,717,240
 - Public Safety Revenue Appropriations increased to \$45,062,901 from \$39,861,699

The General Fund has a total Contingency budget of \$1,674,452. \$509,175 of the Contingency is used to cover group health insurance increases, retirement payouts and MOU increases, and \$1,165,277 is for the new Vacancy Contingency.

Other contingencies include \$100,000 in the Building fund, \$800 in the Fish & Game fund, a Special Contingency for sick leave, vacation, retirement, comp time buyouts, and MOU increases of \$1,166,145 in the Public Safety fund, \$2,812,474 for Vacation Contingency in Public Safety, General Contingencies totaling \$1,294,048 in the Transportation Operations fund, and \$500,000 in the Capital Outlay fund.

I am not aware of any other/new recommendations or requests for changes to the budget as presented at the public hearing.

Having reviewed the budget documents, made the above adjustments and having verified the accuracy of the schedules in Attachment 'A', I recommend approval of this Resolution establishing the final Adopted Budget as submitted today.

Sincerely,



Krista Peterson
Auditor-Controller