

**COUNTY OF TEHAMA,
CALIFORNIA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



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INTRODUCTORY SECTION

- **List of Officials**

**COUNTY OF TEHAMA
LIST OF OFFICIALS
YEAR ENDED JUNE 30, 2025**

ELECTED OFFICIALS

Supervisor, District 1	Rob Burroughs
Supervisor, District 2	Tom Walker
Supervisor, District 3	Pati Nolen
Supervisor, District 4	Matt Hansen
Supervisor, District 5	Greg Jones
Assessor	Burley Phillips
Auditor-Controller	Krista Peterson
Clerk & Recorder/Clerk of the Board/Elections	Sean Houghtby
District Attorney	Matthew D. Rogers
Sheriff/Coroner	Dave Kain
Treasurer/Tax Collector	Parker R. Hunt

DEPARTMENT DIRECTORS/ADMINISTRATORS

Chief Administrator	Gabriel Hydrick
Agricultural Commissioner – Sealer Weights & Measures	Tom Moss
Air Pollution Control Officer	Joseph H. Tona
Building Official – Interim	Patrick Ewald
Chief Probation Officer – Interim	Pamela Gonzalez
Child Support Services Director	Tonya Moore
Civil Defense Coordinator	Dave Kain
County Library Manager	Alicia Meyer
County Counsel – Interim	Margaret Long
Court Executive Officer – Jury Commissioner	Kevin Harrigan
Director of Environmental Health	Tia Branton
Director of Planning	Jessica Martinez
Director of Public Works – Road Commissioner	Vacant
Farm Advisor/County Director	Josh Davy
Fire Warden – Chief	Bob Farias
Health Officer	Jennifer Brown, MD
Health Services Agency – Executive Director	Jayne Bottke
Personnel Director	Coral Ferrin
Public Guardian – Public Administrator	Melani Rodriguez
Social Services Director/IHSS Public Authority Director	Rebecca Emery
Solid Waste Management Agency Manager	Paul Freund
Veteran Service Officer	Shawn Bondon

FINANCIAL SECTION

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



INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of Tehama
Red Bluff, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Tehama, California (the County), as of and for the year ended June 30, 2025, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Adoption of New Accounting Standard

As described in Note 1 to the financial statements, effective July 1, 2024, the County adopted Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*. The guidance requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This resulted in a restatement of beginning net position, as described in Note 15 to the financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, County Pension Plan information, County OPEB Plan information, infrastructure information under modified reporting and budgetary comparison schedules for the General Fund, Road Fund, Public Safety Fund, Public Assistance Fund, and Health Services Fund be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2026, on our consideration of the County of Tehama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Tehama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Roseville, California
February 17, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

This section of the County of Tehama's (the County) annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2025. It should be read in conjunction with the County's basic financial statements following this section.

I. FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$436,058,075 (net position). Of this amount, \$115,782,264 is restricted by function for external requirements, \$384,956,542 is net investment in capital assets, and (\$64,680,371) is unrestricted.
- The government's total net position increased by \$52,764,726 during the year over the restated prior year balance.
- As of June 30, 2025, the County's governmental funds combined ending fund balances were \$102,780,454. This is a net increase of \$9,181,643 from the prior year and is comprised of \$81,230,053 in nonspendable and restricted fund balance and \$21,550,401 as Committed, Assigned, and/or Unassigned.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

A. Financial Reporting Model

The County of Tehama's financial reporting model is designed to demonstrate government accountability by presenting both a long-term and a near-term view of its finances. This model is prescribed by Statement Number 34 of the Government Accounting Standards Board (GASB 34). This model is comprised of three parts: 1) Management's Discussion and Analysis which provides the financial highlights; 2) The County's basic financial statements, which consist of the Government-Wide financial statements, the Fund financial statements, and Notes to the financial statements, and 3) Required Supplementary Information.

B. Government-Wide Financial Statements

The government-wide financial statements provide an overview of the County's finances, in a manner similar to a private sector business that is using the accrual basis of accounting. They demonstrate accountability of Tehama County by showing the extent to which it has met operating objectives efficiently and effectively, using all resources available, and whether it can continue to do so.

The **statement of net position** presents information on all the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

II. OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

B. Government-Wide Financial Statements (Continued)

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

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

Certain component units such as county service areas are essentially part of County operations and their financial data is blended in with operational funds of the County.

C. Fund Financial Statements

The fund financial statements provide evidence of accountability by demonstrating compliance with budgetary decisions made in a public forum. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes stipulated by laws, regulations or policies. The funds of the County are divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spending resources, as well as on balances of spending available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The County maintains multiple individual governmental funds. Governmental fund information is presented separately for the following major funds in the financial statements: General Fund, Public Safety Fund, Public Assistance Fund, Road Fund, and the Health Services Fund. Data from other nonmajor governmental funds including, but not limited to, Fish and Game, Child Support, Building and Safety, Senior Nutrition, and Air Pollution are aggregated into a single column and classified as Other Governmental Funds.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

II. OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

C. Fund Financial Statements (Continued)

Proprietary funds are of three types:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Tehama County Sanitation District #1.

Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for Risk Management (Worker's Compensation, Liability, and Property Insurance), and Dental, Vision, and Medical Insurance programs. Because these services predominantly benefit governmental, rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's programs. The County maintains both custodial funds and investment trust funds in the fiduciary fund category.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the information provided in the financial statements.

D. Required Supplementary Information

In addition to the basic financial statements, this report presents Required Supplementary Information that includes the County's progress in funding its obligation to provide pension and OPEB benefits to its employees; infrastructure assets reported using the modified approach and budgetary comparisons for the general fund and other major special revenue funds.

E. Annual Audit Requirements

A county-wide audit is required in order to comply with provisions of the Federal Single Audit Act of 1984 and California Government Code Section 25250. In accordance with these requirements the Tehama County Financial Statements undergo an annual audit by a CPA firm under contract with the County. The audit of the 2024/25 Financial Statements was conducted by the firm CliftonLarsonAllen LLP.

COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position
June 30, 2025

	Governmental Activities		Business-Type Activities		Totals	
	2024*	2025	2024*	2025	2024*	2025
Assets:						
Current and Other Assets	\$ 159,085,601	\$ 175,642,663	\$ 407,959	\$ 554,683	\$ 159,493,560	\$ 176,197,346
Capital Assets	363,761,570	400,227,457	558,119	515,045	364,319,689	400,742,502
Total Assets	522,847,171	575,870,120	966,078	1,069,728	523,813,249	576,939,848
Deferred Outflows of Resources	34,658,451	26,581,334	-	-	34,658,451	26,581,334
Liabilities:						
Current and Other Liabilities	25,995,382	22,464,801	3,035	8,460	25,998,417	22,473,261
Long-Term Liabilities	145,479,063	143,305,815	210,700	197,000	145,689,763	143,502,815
Total Liabilities	171,474,445	165,770,616	213,735	205,460	171,688,180	165,976,076
Deferred Inflows of Resources	3,490,170	1,487,031	-	-	3,490,170	1,487,031
Net Position:						
Net Investment in Capital Assets	338,714,413	384,628,197	347,419	328,345	339,061,832	384,956,542
Restricted	96,577,119	115,782,264	-	-	96,577,119	115,782,264
Unrestricted	(52,750,525)	(65,216,654)	404,924	535,923	(52,345,601)	(64,680,731)
Total Net Position	<u>\$ 382,541,007</u>	<u>\$ 435,193,807</u>	<u>\$ 752,343</u>	<u>\$ 864,268</u>	<u>\$ 383,293,350</u>	<u>\$ 436,058,075</u>

* Refer to Note 15: *Change in Accounting Principle* for details on the restated prior year balances.

The net investment in capital assets reflects the County's investment in land, structures and improvements, infrastructure, and equipment. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The County had a decrease in cash and investments of \$8,067,618, an increase in receivables of \$20,748,204, and an increase of depreciable assets of \$1,243,670. The total net increase in all assets for 2024/25 was \$53,126,599.

Restricted net position of \$115,782,264 represents resources that are subject to external restrictions on how they may be used.

The total deferred outflows of resources for governmental activities were \$26,581,334 and deferred inflows of resources were \$1,487,031. Both numbers are a result of recording deferred outflows, OPEB liability, OPEB adjustments, pension liability, and pension adjustments.

COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities
Year Ended June 30, 2025

	Governmental Activities		Business-Type Activities		Totals	
	2024*	2025	2024*	2025	2024*	2025
Revenues:						
Program Revenues:						
Charges for Services	\$ 22,179,178	\$ 33,298,473	\$ 224,546	\$ 315,165	\$ 22,403,724	\$ 33,613,638
Grants and Contributions	150,145,002	165,192,788	43,319	63,688	150,188,321	165,256,476
General Revenues:						
Property Taxes	20,396,226	21,263,958	-	-	20,396,226	21,263,958
Other Taxes	16,667,503	16,410,407	-	-	16,667,503	16,410,407
Interest and Investment Earnings	7,818,464	6,644,987	-	-	7,818,464	6,644,987
Other Revenue	2,471,982	2,174,308	106	-	2,472,088	2,174,308
Total Revenues	219,678,355	244,984,921	267,971	378,853	219,946,326	245,363,774
Expenses:						
General Government	11,103,203	12,090,532	-	-	11,103,203	12,090,532
Public Protection	54,627,036	68,226,248	-	-	54,627,036	68,226,248
Public Ways and Facilities	17,677,710	18,005,597	-	-	17,677,710	18,005,597
Health and Welfare	33,418,660	38,110,797	-	-	33,418,660	38,110,797
Public Assistance	56,798,475	51,679,885	-	-	56,798,475	51,679,885
Education	1,277,742	962,145	-	-	1,277,742	962,145
Culture and Recreation	909,523	813,803	-	-	909,523	813,803
Interest and Fiscal Charges	460,191	940,303	9,628	10,425	469,819	950,728
Health Center	-	-	1,354	-	1,354	-
Sanitation District	-	-	244,928	256,503	244,928	256,503
Total Expenses	176,272,540	190,829,310	255,910	266,928	176,528,450	191,096,238
Changes in Net Position	43,405,815	54,155,611	12,061	111,925	43,417,876	54,267,536
Net Position - Beginning of Year, as Originally Reported	339,135,192	382,541,007	740,282	752,343	339,875,474	383,293,350
Restatement	-	(1,502,811)	-	-	-	(1,502,811)
Net Position - Beginning of Year, as Restated	339,135,192	381,038,196	740,282	752,343	339,875,474	381,790,539
NET POSITION - END OF YEAR	<u>\$ 382,541,007</u>	<u>\$ 435,193,807</u>	<u>\$ 752,343</u>	<u>\$ 864,268</u>	<u>\$ 383,293,350</u>	<u>\$ 436,058,075</u>

* Refer to Note 1: *Accounting and Reporting Changes* for details on the restated prior year balances.

The following highlights significant factors that affected the governmental and business-type activities and contributed to the change in net position:

- Governmental activities had an increase in net position of \$52,652,801 and Business-Type activities had an increase of \$111,925.

The overall revenue increase from 2023/24 to 2024/25 was \$25,417,449 while the increase in expenditures was \$14,567,788.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- Grants and contributions, which includes aid from other government agencies (state and federal, etc.) saw an increase overall of more than \$15 million. There were significant increases in public assistance, state mental health, and other state health reimbursements. However, the most notable reasons for the increase were a result of funding received by the Road Fund for reimbursement for major projects and the Jail Expansion project. There was also an increase of over \$11 million in charges for services which was largely due to catching up on mental health billing.
- There was a significant decrease in investment and interest earnings of \$1,173,477 due to decreases in market performance. This decrease was offset with an increase in property tax/sales tax of \$867,732.

IV. FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds. The general government functions are included in the General, Special Revenue, Debt Service, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and spendable resources. Such information is useful in assessing the County's financing requirements.

At June 30, 2025, the County's governmental funds reported combined ending fund balances of \$102,780,454. This was an increase of \$9,181,643 from the prior year. Approximately 21% of this total amount, or \$21,550,401, constitutes unrestricted and spendable fund balance which may be used to meet the County's ongoing general obligation to citizens and creditors.

The General Fund is the main operating fund of the County. At June 30, 2025, combined unrestricted fund balance of the General Fund was \$23,896,146, while total combined fund balance reached \$37,640,966. Overall fund balance increase by \$1,888,945 as a result of increases in property tax, sales and use tax, collection of delinquent taxes, state reimbursements, and increased franchise fees.

The following Special Revenue Funds can be viewed a little differently. Here, all restricted fund balances, as defined by GASB-54, are also available for operations. Nonspendable amounts are not available for operations.

The Public Safety Fund is used to account for all revenues and expenditures associated with public protection programs. The combined Public Safety Fund had a total fund balance of \$11,941,785. Of this amount, \$11,849,684 is restricted and available for public safety programs and the balance of \$92,099 is nonspendable. The overall fund balance decreased by \$648,058.

The Public Assistance Funds are used to account for all revenues and expenditures associated with the Federal and State mandates of various Health and Welfare Codes. At June 30, 2025, the total combined fund balance of the Public Assistance Funds was \$18,131,409. This represents an available restricted fund balance of \$18,055,571 and a balance of \$75,838 is nonspendable. The overall fund balance decreased by \$5,165,155.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

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

The Health Services Fund is comprised of several sub-funds which are used to account for all revenues and expenditures associated with providing health services to County residents. At June 30, 2025, the total combined fund balance of the Health Services Funds had a total fund balance of \$5,331,130. Of this amount, \$5,218,340 is restricted and available for health and safety programs and the balance of \$112,790 is nonspendable. The overall fund balance increased by \$9,955,550 as it was in a deficit in 2023/24.

The Road Funds are used to account for all revenues and expenditures associated with design, construction, and maintenance of county road infrastructure. At June 30, 2025, the total combined fund balance of the Road Fund had a total fund balance of \$908,756. Of this amount, \$352,875 is restricted and available for road fund programs and the balance of \$555,881 is nonspendable. The overall fund balance increased by \$3,876,387 as it was in a deficit in 2023/24.

The following tables for revenues by source and expenditures by function differ from the numbers presented in the statement of activities for various reasons explained in the reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds (page 29 of the financial statements). The revenues by source table presents the revenues from various sources as well as increases or decreases from the prior year in the governmental funds. The expenditures by function table presents expenditures by function compared to the prior year amounts in the governmental funds.

**Revenues Classified by Source
Governmental Funds**

	FY 2024		FY 2025		Change	
	Amount*	% of Total	Amount	% of Total	Amount	% of Change
Revenue Sources:						
Taxes	\$ 37,063,729	18.4 %	\$ 37,674,365	15.8 %	\$ 610,636	1.6 %
Licenses and Permits	5,071,827	2.5	4,711,191	2.0	(360,636)	(7.1)
Fines and Forfeitures	2,145,865	1.1	2,052,765	0.9	(93,100)	(4.3)
Use of Money and Property	7,438,440	3.7	6,156,727	2.6	(1,281,713)	(17.2)
Intergovernmental	133,449,500	66.1	158,933,267	66.8	25,483,767	19.1
Charges for Services	14,258,571	7.1	26,126,818	11.0	11,868,247	83.2
Other	2,471,982	1.2	2,174,308	0.9	(297,674)	(12.0)
Total Revenue Sources	<u>\$ 201,899,914</u>	<u>100.0 %</u>	<u>\$ 237,829,441</u>	<u>100.0 %</u>	<u>\$ 35,929,527</u>	<u>17.8 %</u>

* Refer to Note 15: *Accounting and Reporting Changes* for details on the restated prior year balances.

Significant changes for major revenue sources are explained below:

- **TAXES** – This increase is due to a 4% assessed value increase for property tax as well as an increase in sales tax of \$359,869 compared to 2023/24.
- **USE of MONEY AND PROPERTY** –This decrease of \$1.2 million is due to a decrease in market values during the year and resulting fair value adjustments.
- **INTERGOVERNMENTAL** – The main factors in the increase of \$25,483,767 are reimbursements from state and federal agencies for Road projects, Jail Expansion project reimbursement and increases to state mental health money received. This increase was offset by significant reductions of intergovernmental funding in realignment revenue for the Social Services Fund, reduced Aircon expense, and less LATCF and ARPA monies brought in compared to 2023/24.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

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

**Expenditures by Function
Governmental Funds**

**Expenditures Classified by Function
Governmental Funds**

	FY 2024		FY 2025		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Expenditures by Function:						
General Government	\$ 10,554,572	4.9 %	\$ 11,268,763	4.9 %	\$ 714,191	6.8 %
Public Protection	55,089,368	25.6	66,809,771	29.2	11,720,403	21.3
Health and Welfare	33,034,233	15.4	37,662,732	16.5	4,628,499	14.0
Public Assistance	55,726,603	25.9	55,082,727	24.1	(643,876)	(1.2)
Education	1,185,037	0.6	1,040,787	0.5	(144,250)	(12.2)
Recreation and Cultural Services	837,807	0.4	761,318	0.3	(76,489)	(9.1)
Public Ways and Facilities	44,614,920	20.8	36,914,335	16.1	(7,700,585)	(17.3)
Debt Service:						
Principal	2,386,736	1.1	1,713,822	0.7	(672,914)	(28.2)
Interest and Other	554,301	0.3	1,480,450	0.6	926,149	167.1
Capital Outlay	10,909,671	5.1	15,913,093	7.0	5,003,422	45.9
Total Expenditures by Function	<u>\$ 214,893,248</u>	<u>100.0 %</u>	<u>\$ 228,647,798</u>	<u>100.0 %</u>	<u>\$ 13,754,550</u>	<u>6.4 %</u>

Significant changes for major functions are explained below:

- **GENERAL GOVERNMENT** – There was an increase of only \$714,191. There was an increased contribution to Public Safety compared to 2023/24, with various decreases, but nothing of significance to report.
- **PUBLIC PROTECTION** – The most notable increases are due to increased contribution from General Fund of \$3,244,744, emergency service expenses for park fire of \$2,037,926 and fire truck purchase of \$1,179,808. The increase is also due to salary and benefits, PERS contributions, internal assets and fixed asset purchases, rising liability insurance costs, and increases to professional service contracts and maintenance agreements.
- **HEALTH AND WELFARE** – The significant increase is due to increased salary and benefits, PERS contributions, contributions to other agencies, support and care, institutional mental disorders, managed care, and rising professional service contract costs.
- **EDUCATION AND RECREATION AND CULTURAL SERVICES** – The significant decrease in due to improvements of parks in Tehama County that were done in 2023/24.
- **PUBLIC WAYS AND FACILITIES** – The decrease of \$7.7 million is due to the completion of projects in 2023/24.
- **DEBT SERVICES** – The decrease in debt services is due to a reduced principal amount for the 2014 COPS. Principal was \$965,000 in 2023/24 compared to \$635,000 in 2024/25.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original 2024/25 General Fund revenue budget and the final budget was \$2,936,787.

The expenditure budget saw an increase of \$3,307,918 from the original and final budget. The largest increases were seen in public protection and general government with changes in the amounts of \$2,732,377 and \$578,180 respectively.

At year-end, actual revenues exceeded budgetary estimates by \$3,620,597. Actual expenditures were less than budgetary estimates by \$2,889,501 and transfers were exceeded budgeted amount by \$1,334,134.

The net of revenue and expense for General Fund only (Fund 101), combined with fund balance available, provided carry over funds of \$7,285,895. The surplus was used to cover deficits in public safety budget units for 2025/26, increase the strategic priorities reserve and contribute towards the PARS 115 Trust.

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$400,742,502 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, construction in progress, and some infrastructure. This was an increase of \$36,422,813 from prior year, largely due to construction in progress activity in the Road Department, and the Jail Expansion project. Additionally, there were purchases of vehicles, a fire truck and special departmental equipment.

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34. The County has elected to use the modified approach for infrastructure to report its infrastructure, which includes its roads, signs and markings, bridges, and culverts. The infrastructure assets reported under the modified approach are not subject to depreciation per GASB Statement No. 34. As of June 30, 2025, infrastructure was recorded at \$145,211,275.

As of June 30, 2025, 43% of all paved roads were rated as fair or better, and 92.2% of bridges are listed as fair or better.

More detailed information about the County's Road Infrastructure assets is presented in Note 4, of the basic financial statements and the Required Supplementary Information of this report.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

VI. CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

B. Long-Term Debt

At June 30, 2025, the County had a total long-term debt outstanding of \$15,796,260. The debt consists of \$6,215,491 in Certificates of Participation (COP), net of unamortized premium, Notes payable (Aircon debt) \$6,656,347, lease liabilities of \$2,129,650, SBITA liabilities of \$597,772, and bonds payable of \$197,000.

Additional long-term liabilities include:

- Compensated absence of \$6,533,167.
- Other postemployment employee benefits of \$737,110.
- Pension liability of \$115,224,402 (net of safety \$36,925,766 and miscellaneous \$78,298,636).

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

VII. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2025-26 Adopted Budgets supported by the General Fund and Public Safety remained status quo as established in the prior fiscal year Adopted Budget, absent the 2.5% reduction for service and supplies in General Fund and Public Safety budget units. The remaining prior year reductions, including 5% reductions in services and supplies applied in 2016/17, along with overall 5% reductions taken in 2019/20, and positions held vacant/unfunded remained in place. Departments were asked not to make the request above what available resources could cover.

Although the total budget wasn't affected, a change was made to how General Fund and Public Safety budgeted for salaries. For the 2025/26 budget, no vacancies were budgeted within the budget units. Instead, Special vacancy contingency accounts were set up for each fund. As positions are filled, appropriations will be moved from special vacancy contingency to the appropriate budget units as necessary.

The total budget appropriations for all operating funds are \$274,273,120, with an additional \$4,999,817 allocated for new or increased obligated fund balances (reserves), resulting in a total budget of \$279,272,940. This represents a slight drop compared to the previous year's requirements.

Funding for these appropriations will be sourced from available fund balances totaling \$15,703,811 and estimated revenues of \$263,569,126, totaling \$279,272,940. Operating transfers for all funds account for \$28,063,210 of this amount.

**COUNTY OF TEHAMA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

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

General Fund

The General Fund has a total requirement of \$57,513,448, which includes operating transfers of \$227,787,459. Appropriations for the General Fund exceed estimated revenues by \$7,239,279. This shortfall was addressed through a carry-over balance of \$7,285,894 from the General Fund and \$2,548,387 from the reserve committed for the compensation study. Leaving a remaining carry-over balance of \$2,595,006.

Based on the consensus by the Board of Supervisors to accept the recommendations presented on August 19, the remaining balance was allocated as follows:

- \$259,204 to the Unfunded PERS Liability Trust (10% of excess, as per the Unfunded Accrued Liability Management Policy).
- \$2,335,505 added to Committed to Strategic Priorities
- The General Fund reserve committed to economic uncertainty currently holds \$6,821,577, representing 12% of the adopted General Fund appropriations. This level of reserves exceeds the County Fund Balance Policy's minimum requirement of 8.33%.

Contingency Budgets

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.

Additional contingencies are allocated in other funds, including:

- Building Fund: \$100,000
- Fish and Game Fund: \$800
- Public Safety Fund: \$1,166,145 (for sick leave, vacation, retirement, comp time buyouts, and MOU increases), and \$2,812,474 for the new Vacancy Contingency
- Transportation Operations Fund: \$1,294,048
- Capital Outlay Fund: \$500,000

These contingency funds provide a financial buffer to address unforeseen expenses and ensure the stability of essential services.

BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements

COUNTY OF TEHAMA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and Investments	\$ 96,635,081	\$ 547,676	\$ 97,182,757
Cash With Fiscal Agent	6,924,504	-	6,924,504
Receivables:			
Accounts	23,926,900	-	23,926,900
Intergovernmental	36,613,039	-	36,613,039
Deposits with Others	9,290,543	-	9,290,543
Prepaid Costs	1,698,819	7,007	1,705,826
Inventory	553,777	-	553,777
Capital Assets:			
Nondepreciable	343,849,235	38,047	343,887,282
Depreciable, Net	53,498,332	476,998	53,975,330
Lease Assets, Net	2,141,791	-	2,141,791
SBITA Assets, Net	738,099	-	738,099
Total Capital Assets	<u>400,227,457</u>	<u>515,045</u>	<u>400,742,502</u>
 Total Assets	 575,870,120	 1,069,728	 576,939,848
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Adjustments	26,394,738	-	26,394,738
Deferred OPEB Adjustments	186,596	-	186,596
Total Deferred Outflows of Resources	<u>26,581,334</u>	<u>-</u>	<u>26,581,334</u>
LIABILITIES			
Accounts Payable	9,595,239	6,282	9,601,521
Salaries and Benefits Payable	2,619,657	-	2,619,657
Due to Other Governments	21,507	-	21,507
Accrued Interest Payable	32,082	2,178	34,260
Deposits Payable	263,349	-	263,349
Other Liabilities	10,174	-	10,174
Unearned Revenue	9,922,793	-	9,922,793
Long-Term Liabilities:			
Due Within One Year	13,059,942	25,000	13,084,942
Due in More Than One Year	14,284,361	172,000	14,456,361
Net Pension Liability	115,224,402	-	115,224,402
Total OPEB Liability	737,110	-	737,110
Total Liabilities	<u>165,770,616</u>	<u>205,460</u>	<u>165,976,076</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Adjustments	379,658	-	379,658
Deferred OPEB Adjustments	1,107,373	-	1,107,373
Total Deferred Inflows of Resources	<u>1,487,031</u>	<u>-</u>	<u>1,487,031</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	\$ 384,628,197	\$ 328,345	\$ 384,956,542
Restricted for:			
Other Purposes	13,009,251	-	13,009,251
Public Protection	29,877,645	-	29,877,645
Public Ways and Facilities	11,014,779	-	11,014,779
Health and Welfare	36,374,207	-	36,374,207
Public Assistance	21,013,027	-	21,013,027
Capital Outlay	2,951,028	-	2,951,028
Debt Service	1,542,327	-	1,542,327
Unrestricted	(65,216,654)	535,923	(64,680,731)
 Total Net Position	 <u>\$ 435,193,807</u>	 <u>\$ 864,268</u>	 <u>\$ 436,058,075</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 12,090,532	\$ 6,246,611	\$ 6,232,985	\$ 13,751,901
Public Protection	68,226,248	8,365,655	21,338,994	-
Health and Welfare	38,110,797	17,207,321	40,877,889	-
Public Assistance	51,679,885	1,056,228	46,951,755	-
Education	962,145	3,741	21,078	-
Culture and Recreation	813,803	26,081	196,646	-
Public Ways and Facilities	18,005,597	392,836	8,984,380	26,837,160
Interest on Long-Term Debt	940,303	-	-	-
Total Governmental Activities	190,829,310	33,298,473	124,603,727	40,589,061
BUSINESS-TYPE ACTIVITIES				
Tehama County Sanitation District #1	266,928	315,165	44,529	-
Total Business-Type Activities	266,928	315,165	44,529	-
Total	\$ 191,096,238	\$ 33,613,638	\$ 124,648,256	\$ 40,589,061

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2025

Functions/Programs	Net Revenue (Expense) and Changes in Net Position		
	Primary Government		Total
	Governmental Activities	Business-Type Activities	
GOVERNMENTAL ACTIVITIES			
General Government	\$ 14,140,965	\$ -	\$ 14,140,965
Public Protection	(38,521,599)	-	(38,521,599)
Health and Welfare	19,974,413	-	19,974,413
Public Assistance	(3,671,902)	-	(3,671,902)
Education	(937,326)	-	(937,326)
Culture and Recreation	(591,076)	-	(591,076)
Public Ways and Facilities	18,208,779	-	18,208,779
Interest on Long-Term Debt	(940,303)	-	(940,303)
Total Governmental Activities	7,661,951	-	7,661,951
BUSINESS-TYPE ACTIVITIES			
Tehama County Sanitation District #1	-	92,766	92,766
Total Business-Type Activities	-	92,766	92,766
Total	7,661,951	92,766	7,754,717
GENERAL REVENUE			
Taxes:			
Property Taxes	21,263,958	-	21,263,958
Sales and Use Taxes	4,757,872	-	4,757,872
Other Taxes	11,652,535	-	11,652,535
Interest and Investment Earnings	6,644,987	19,159	6,664,146
Miscellaneous	2,174,308	-	2,174,308
Total General Revenues	46,493,660	19,159	46,512,819
CHANGES IN NET POSITION	54,155,611	111,925	54,267,536
Net Position - Beginning of Year, as Originally Reported	382,541,007	752,343	383,293,350
Change in Accounting Principle	(1,502,811)	-	(1,502,811)
Net Position - Beginning of Year, as Restated	381,038,196	752,343	381,790,539
NET POSITION - END OF YEAR	\$ 435,193,807	\$ 864,268	\$ 436,058,075

See accompanying Notes to Basic Financial Statements.

BASIC FINANCIAL STATEMENTS

- **Fund Financial Statements**

**COUNTY OF TEHAMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Road	Public Safety	Public Assistance
ASSETS				
Cash and Investments	\$ 32,120,550	\$ 1,291,167	\$ 11,429,523	\$ 15,025,491
Cash With Fiscal Agent	4,148,611	-	213,320	-
Receivables:				
Accounts	3,088,408	3,656,716	2,209,458	4,633,101
Intergovernmental	1,228,296	1,188,412	709,493	1,919,766
Due from Other Funds	6,445,447	-	-	-
Deposits With Others	-	193,178	-	-
Advances to Other Funds	1,272,650	-	-	76,000
Prepaid Costs	82,646	2,104	92,099	75,838
Inventory	-	553,777	-	-
	<u>-</u>	<u>553,777</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 48,386,608</u>	<u>\$ 6,885,354</u>	<u>\$ 14,653,893</u>	<u>\$ 21,730,196</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 996,227	\$ 1,192,642	\$ 861,274	\$ 209,180
Salaries and Benefits Payable	471,988	204,334	875,578	503,833
Due to Other Governments	-	-	6,823	-
Deposits Payable	36,232	98,791	128,326	-
Other Liabilities	-	-	-	-
Unearned Revenues	7,268,447	-	178	917,489
Due to Other Funds	-	3,292,419	-	48,519
Advances from Other Funds	-	-	-	-
Total Liabilities	<u>8,772,894</u>	<u>4,788,186</u>	<u>1,872,179</u>	<u>1,679,021</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,972,748	1,188,412	839,929	1,919,766
FUND BALANCES				
Nonspendable	1,355,296	555,881	92,099	75,838
Restricted	12,389,524	352,875	11,849,686	18,055,571
Committed	9,442,464	-	-	-
Assigned	4,255,702	-	-	-
Unassigned	10,197,980	-	-	-
Total Fund Balances	<u>37,640,966</u>	<u>908,756</u>	<u>11,941,785</u>	<u>18,131,409</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 48,386,608</u>	<u>\$ 6,885,354</u>	<u>\$ 14,653,893</u>	<u>\$ 21,730,196</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Health Services	Other Governmental Funds	Total
ASSETS			
Cash and Investments	\$ 4,154,211	\$ 28,045,437	\$ 92,066,379
Cash With Fiscal Agent	-	2,501,673	6,863,604
Receivables:			
Accounts	7,099,432	3,239,375	23,926,490
Intergovernmental	29,617,571	78,227	34,741,765
Due from Other Funds	250,000	-	6,695,447
Deposits With Others	-	-	193,178
Advances to Other Funds	-	634,000	1,982,650
Prepaid Costs	112,790	3,596	369,073
Inventory	-	-	553,777
	<u>-</u>	<u>-</u>	<u>553,777</u>
Total Assets	<u>\$ 41,234,004</u>	<u>\$ 34,502,308</u>	<u>\$ 167,392,363</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,990,354	\$ 3,171,785	\$ 9,421,462
Salaries and Benefits Payable	421,812	120,545	2,598,090
Due to Other Governments	3	14,681	21,507
Deposits Payable	-	-	263,349
Other Liabilities	-	10,174	10,174
Unearned Revenues	1,672,996	63,683	9,922,793
Due to Other Funds	-	1,651,885	4,992,823
Advances from Other Funds	-	634,000	634,000
Total Liabilities	<u>5,085,165</u>	<u>5,666,753</u>	<u>27,864,198</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	30,817,709	9,147	36,747,711
FUND BALANCES			
Nonspendable	112,790	3,596	2,195,500
Restricted	5,218,340	31,168,557	79,034,553
Committed	-	-	9,442,464
Assigned	-	-	4,255,702
Unassigned	-	(2,345,745)	7,852,235
Total Fund Balances	<u>5,331,130</u>	<u>28,826,408</u>	<u>102,780,454</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 41,234,004</u>	<u>\$ 34,502,308</u>	<u>\$ 167,392,363</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE GOVERNMENT-WIDE STATEMENT OF
NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

Total Fund Balances - Governmental Funds	\$ 102,780,454
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Amounts reported for governmental activities in the statement of net position are different because:

Right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	2,141,791
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SBITA assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	738,099
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	397,347,567
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Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.	36,747,711
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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.	(32,082)
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Deferred outflows of resources related in pension and OPEB are not reported in the governmental funds.	26,449,999
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Deferred inflows of resources related to pension are not reported in the governmental funds.	(1,479,021)
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Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Certificates of Participation, Plus Unamortized Premium of \$439,813	(6,215,491)
Notes Payable	(6,656,347)
Compensated Absences	(6,527,520)
Leases Liability	(2,129,650)
SBITA Liability	(597,772)
Net Pension Liability	(114,620,125)
Total OPEB Liability	(731,778)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, equipment maintenance, and operations to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	7,977,972
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Net Position of Governmental Activities as Reported on the Statement of Net Position	\$ 435,193,807
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See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Road	Public Safety	Public Assistance
REVENUES				
Taxes and Assessments	\$ 30,676,202	\$ 510,041	\$ -	\$ -
Licenses and Permits	2,574,766	8,715	191	-
Fines and Forfeitures	1,749,557	-	38,961	-
Use of Money and Property	4,255,157	27,107	238,228	462,905
Intergovernmental	7,089,764	37,284,318	15,694,372	44,667,495
Charges for Services	5,482,571	236,569	2,454,218	149,381
Other Revenues	384,316	28,173	435,841	297,202
Total Revenues	52,212,333	38,094,923	18,861,811	45,576,983
EXPENDITURES				
Current:				
General Government	11,133,360	-	-	-
Public Protection	9,349,381	-	40,611,898	-
Public Ways and Facilities	-	33,454,540	-	-
Health and Welfare	1,169,335	-	-	-
Public Assistance	1,548,365	-	-	51,300,807
Education	1,040,787	-	-	-
Culture and Recreation	761,318	-	-	-
Debt Service:				
Principal	192,015	-	218,074	130,546
Interest and Other Charges	77,566	-	1,626	30,438
Capital Outlay	544,624	718,570	1,319,876	30,558
Total Expenditures	25,816,751	34,173,110	42,151,474	51,492,349
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,395,582	3,921,813	(23,289,663)	(5,915,366)
OTHER FINANCING SOURCES (USES)				
Transfers In	291,382	3,580	22,641,605	857,253
Transfers Out	(24,798,019)	(49,006)	-	(107,042)
Total Other Financing Sources (Uses)	(24,506,637)	(45,426)	22,641,605	750,211
NET CHANGES IN FUND BALANCES	1,888,945	3,876,387	(648,058)	(5,165,155)
Fund Balances - Beginning of Year	35,752,021	(2,967,631)	12,589,843	23,296,564
FUND BALANCES - END OF YEAR	<u>\$ 37,640,966</u>	<u>\$ 908,756</u>	<u>\$ 11,941,785</u>	<u>\$ 18,131,409</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Health Services	Other Governmental Funds	Total
REVENUES			
Taxes and Assessments	\$ -	\$ 6,488,122	\$ 37,674,365
Licenses and Permits	-	2,127,519	4,711,191
Fines and Forfeitures	18,458	245,789	2,052,765
Use of Money and Property	99,817	1,073,513	6,156,727
Intergovernmental	30,910,714	23,286,604	158,933,267
Charges for Services	15,023,168	2,780,911	26,126,818
Other Revenues	824,270	204,506	2,174,308
Total Revenues	46,876,427	36,206,964	237,829,441
EXPENDITURES			
Current:			
General Government	-	135,403	11,268,763
Public Protection	-	16,848,492	66,809,771
Public Ways and Facilities	-	3,459,795	36,914,335
Health and Welfare	35,775,654	717,743	37,662,732
Public Assistance	-	2,233,555	55,082,727
Education	-	-	1,040,787
Culture and Recreation	-	-	761,318
Debt Service:			
Principal	115,111	1,058,076	1,713,822
Interest and Other Charges	969,985	400,835	1,480,450
Capital Outlay	-	13,299,465	15,913,093
Total Expenditures	36,860,750	38,153,364	228,647,798
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,015,677	(1,946,400)	9,181,643
OTHER FINANCING SOURCES (USES)			
Transfers In	58,827	1,220,374	25,073,021
Transfers Out	(118,954)	-	(25,073,021)
Total Other Financing Sources (Uses)	(60,127)	1,220,374	-
NET CHANGES IN FUND BALANCES	9,955,550	(726,026)	9,181,643
Fund Balances - Beginning of Year	(4,624,420)	29,552,434	93,598,811
FUND BALANCES - END OF YEAR	<u>\$ 5,331,130</u>	<u>\$ 28,826,408</u>	<u>\$ 102,780,454</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net Changes to Fund Balances - Governmental Funds	\$	9,181,643
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for Capital Outlay		42,141,873
Less Current Year Depreciation		(4,567,220)
Less: Current Year Amortization		(1,119,843)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposed. There were no significant proceeds from the sale of capital assets.

(1,003,321)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Retirements		2,223,446
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Some revenues reported in the statement of activities will not be collected for several months after the County's year-end and do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds.

Change in Unavailable Revenues		6,667,220
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Compensated Absences Payable		(165,349)
Change in Net Pension Liability and Related Deferred Inflows/Outflows of Resources		(2,087,770)
Change in Total OPEB Liability and Related Deferred Inflows/Outflows of Resources		57,892

Internal service funds are used by management to charge the cost of certain activities, such as insurance, equipment maintenance, and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

2,827,040

Change in Net Position of Governmental Activities as Reported on the Statement of Activities		
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\$ 54,155,611

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Funds</u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 547,676	\$ 4,568,702
Cash With Fiscal Agent	-	60,900
Receivables:		
Prepaid Costs	7,007	1,329,746
Deposits with Others	-	9,097,365
Total Current Assets	<u>554,683</u>	<u>15,057,123</u>
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	38,047	-
Depreciable, Net	<u>476,998</u>	<u>-</u>
Total Noncurrent Assets	<u>515,045</u>	<u>-</u>
Total Assets	1,069,728	15,057,123
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Adjustments	-	129,985
Deferred OPEB Adjustments	-	1,350
Total Deferred Outflows of Resources	<u>-</u>	<u>131,335</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	6,282	173,777
Salaries and Benefits Payable	-	21,567
Accrued Interest Payable	2,178	-
Bonds Payable	25,000	-
Estimated Claims Liability	-	5,211,875
Total Current Liabilities	<u>33,460</u>	<u>5,407,219</u>
Noncurrent Liabilities:		
Advances from Other Funds	-	1,180,000
Bonds Payable	172,000	-
Compensated Absences	-	5,648
Net Pension Liability	-	604,277
Total OPEB Liability	-	5,332
Total Noncurrent Liabilities	<u>172,000</u>	<u>1,795,257</u>
Total Liabilities	205,460	7,202,476

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2025**

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Funds</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred OPEB Adjustments	\$ -	\$ 8,010
NET POSITION		
Net Investment in Capital Assets	328,345	-
Unrestricted	<u>535,923</u>	<u>7,977,972</u>
Total Net Position	<u>\$ 864,268</u>	<u>\$ 7,977,972</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES		
Charges for Services	\$ 315,165	\$ 25,682,028
Other Revenues	-	103,168
Total Operating Revenues	<u>315,165</u>	<u>25,785,196</u>
OPERATING EXPENSES		
Salaries and Benefits	7,026	641,021
Services and Supplies	174,952	4,064,819
Insurance	26,362	16,434,281
Self-Insurance Claims	-	2,306,295
Professional Services	5,089	-
Depreciation	43,074	-
Total Operating Expenses	<u>256,503</u>	<u>23,446,416</u>
OPERATING INCOME	58,662	2,338,780
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental Revenues	44,529	-
Interest Income	19,159	488,260
Interest Expense	(10,425)	-
Total Nonoperating Revenues (Expenses)	<u>53,263</u>	<u>488,260</u>
CHANGES IN NET POSITION	111,925	2,827,040
Net Position - Beginning of Year	<u>752,343</u>	<u>5,150,932</u>
NET POSITION - END OF YEAR	<u><u>\$ 864,268</u></u>	<u><u>\$ 7,977,972</u></u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities <u>Nonmajor Enterprise Funds</u>	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 315,165	\$ 25,784,786
Payments to Suppliers	(207,985)	(24,158,928)
Payments to Employees	(7,026)	(646,156)
Net Cash Provided by Operating Activities	<u>100,154</u>	<u>979,702</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Grants - Federal and State	44,529	-
Paid to other Funds	-	(521,802)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>44,529</u>	<u>(521,802)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Paid on Capital Debt	(13,700)	-
Interest Paid on Capital Debt	(10,425)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(24,125)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	19,159	488,260
Net Cash Provided by Investing Activities	<u>19,159</u>	<u>488,260</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	139,717	946,160
Cash and Cash Equivalents - Beginning of Year	<u>407,959</u>	<u>3,683,442</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 547,676</u></u>	<u><u>\$ 4,629,602</u></u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF TEHAMA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2025**

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 58,662	\$ 2,338,780
Adjustments to Reconcile Operating Income to Net Cash		
Provided by Operating Activities:		
Depreciation	43,074	-
(Increase) Decrease in:		
Accounts Receivable	-	(4,338)
Prepaid Costs	(7,007)	(40,451)
Pension-Related Deferred Outflows of Resources	-	49,209
OPEB-Related Deferred Outflows of Resources	-	1,086
Increase (Decrease) in:		
Accounts Payable	5,800	123,968
Salaries and Benefits Payable	-	2,077
Deposits With Others	-	(2,849,296)
Accrued Interest	(375)	-
Estimated Claims Liability	-	1,418,616
Compensated Absences	-	(6,099)
Pension-Related Deferred Inflows of Resources	-	(7,941)
OPEB-Related Deferred Inflows of Resources	-	(17,255)
Net Pension Liability	-	(21,765)
Total OPEB Liability	-	(6,889)
Net Cash Provided by Operating Activities	<u>\$ 100,154</u>	<u>\$ 979,702</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Investment Trust Funds	Custodial Funds
ASSETS		
Cash and Investments	\$ 184,713,533	\$ 23,096,784
Receivables:		
Taxes	-	10,033,678
Total Assets	<u>184,713,533</u>	<u>33,130,462</u>
LIABILITIES		
Accounts Payable	467,820	-
Due to Other Individuals, Organizations, and Other Governments	-	2,193
Due to Other Funds	-	1,702,623
Advance From Others	-	168,650
Total Liabilities	<u>467,820</u>	<u>1,873,466</u>
FIDUCIARY NET POSITION		
Net Position Held in Trust for Investment Pool Participants	184,245,713	-
Net Position Held for Individuals, Organizations, and Other Governments	<u>-</u>	<u>31,256,996</u>
Total Fiduciary Net Position	<u><u>\$ 184,245,713</u></u>	<u><u>\$ 31,256,996</u></u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF TEHAMA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Investment Trust Funds	Custodial Funds
ADDITIONS		
Contributions to Investment Pool	\$ 534,745,920	\$ 334,846,414
Property Tax Collections	-	132,041,181
Interest	222,821	663,781
Total Additions	<u>534,968,741</u>	<u>467,551,376</u>
DEDUCTIONS		
Distributions from Investment Pool	539,695,195	-
Other Distributions	-	468,103,557
Total Deductions	<u>539,695,195</u>	<u>468,103,557</u>
CHANGES IN NET POSITION	(4,726,454)	(552,181)
Net Position - Beginning of Year	<u>188,972,167</u>	<u>31,809,177</u>
NET POSITION - END OF YEAR	<u><u>\$ 184,245,713</u></u>	<u><u>\$ 31,256,996</u></u>

See accompanying Notes to Basic Financial Statements.

BASIC FINANCIAL STATEMENTS

Notes to Basic Financial Statements

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County operates under an Administrator Board of Supervisors form of government and provides various services on a county-wide basis including law and justice, education, detention, social, health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

Accounting principles generally accepted in the United States of America require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Tehama, Auditor – Controller's Office, 444 Oak Street – Room J, Red Bluff, California 96080.

Blended Component Units

The County Board of Supervisors is the governing body of a number of special purpose district funds. Among its duties, the County Board of Supervisors approves the budgets, special taxes, and fees of these special districts. As an integral part of the County, these special districts are reported as funds in the County's financial statements as follows:

Special Revenue Funds:

Air Pollution

The Air Pollution District was established to provide better air quality to residents.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Special Revenue Funds (Continued):

Los Molinos Lighting

The Los Molinos Lighting District was established to provide lighting to district residents.

Tehama County Flood Control and Tehama County Flood Zone 3

The Tehama County Flood Control and Tehama County Flood Zone 3 were established to provide for flood control in the County.

Tehama Power Authority

The Tehama Power Authority was established to provide power services for the County.

Enterprise Funds:

Health Center

The Tehama County Health Center was established to account for operations involved in providing health services to County residents.

Tehama County Sanitation District #1

The Tehama County Sanitation District #1 was established to provide sanitation services to certain County residents in the Mineral area.

Discretely Presented Component Units

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

Joint Agencies

The County is a member of the California State Association of Counties Excess Insurance Authority (CSACEIA). CSACEIA is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. CSACEIA operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. CSACEIA is under the control and direction of a board of directors consisting of representatives of the 50-member counties. Complete audited financial statements can be obtained from CSACEIA's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630. The County is not financially accountable for this organization and therefore, it is not a component unit under the requirements of the Governmental Accounting Standards Board.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the County and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down are included in the program expense reported for individual functions and activities. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary and fiduciary. The emphasis is placed on major funds within the governmental category and enterprise funds in the proprietary type; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund

The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the general fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation services.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Road Fund

The Road fund is a special revenue fund used to account for revenues and expenditures associated with the public works department. Funding comes primarily from state and federal grant revenues.

Public Safety Fund

The Public Safety fund is a special revenue fund used to account for revenues and expenditures associated with specific public protection programs. Funding comes primarily from state and federal grant revenues.

Public Assistance Fund

The Public Assistance fund is a special revenue fund used to account for revenues and expenditures associated with the federal and state mandates of various Health and Welfare Codes. Funding comes primarily from state grant revenues.

Health Services Fund

The Health Services fund is a special revenue fund used to account for revenues and expenditures associated with providing health care services to County residents. Funding comes primarily from state and federal grant revenues.

The County reports the following additional fund types:

Proprietary Funds

Proprietary funds account for the Health Center and the Tehama County Sanitation District.

Internal Service Funds

Internal Service funds account for the County's risk management and self-insurance programs which provide services to other departments on a cost reimbursement basis.

Investment Trust Funds

The Investment Trust funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of two separate funds: Special Districts governed by Local Boards and School Districts. The County is obligated to disburse monies from these funds on demand.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Custodial Funds

Custodial funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The custodial funds maintained by the County are aggregated for presentation in one component.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes are considered susceptible to accrual and are accrued when their receipt occurs within 60 days after the end of the fiscal year. Sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within 60 days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

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

D. Noncurrent Governmental Assets and Liabilities

Noncurrent governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities' column in the government-wide statement of net position.

E. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased including cash with fiscal agent and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. Investments

The County sponsors an investment pool that is managed by the County Treasurer. The County's pool activity is governed by California Government Code Sections 27000.1 and 53607 as well as the County's investment policy.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short-term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund (LAIF), an external pool, are reported at amortized cost which approximates fair value. All other investments are reported at fair value. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2025, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments (Continued)

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

G. Receivables

Receivables for governmental activities consist mainly of accounts, taxes, and intergovernmental revenue. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

H. Other Assets

Inventory

Inventories are stated at cost (first in, first out basis) for governmental and proprietary funds. Inventory recorded by governmental funds are essentially prepaid costs for materials and supplies held for repairs and maintenance of roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2025, are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Loans Receivable

The County provided an advance of funds to the 30th District Agricultural Association (the Association), in the amount of \$165,162 to pay off an existing financial obligation relating to the PVII project, obtain clear title to photovoltaic equipment, and resolve the PNC Equipment Finance, LLC litigation. The advance was made on April 1, 2015, and accrues interest at 2% and will be repaid with interest in equal monthly installments over a period of 10 years. As of June 30, 2025, the loan has been fully repaid and the outstanding balance is \$-0-.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, and similar items) are defined by the County as assets with a cost of more than \$1,500 and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

The County has elected to use the modified approach for reporting its infrastructure capital assets. Under the modified approach depreciation is not reported for these assets and all expenditures, except for betterments and major improvements made to the system, are expensed.

The County manages its maintained road, bridge, and sign subsystems of the road network using the Carte Graph Pavement Management Program and accounts for them using the modified approach. The program establishes scales to determine the conditions of the various subsystems. It is the County's policy to maintain 75% of its road, bridge, and sign subsystems at a fair or better condition. Currently, the right of way value provided is a rough valuation based on several estimations and assumptions to establish the valuation parameters. A final detailed valuation will be available in future years.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Assets</u>	<u>Estimated Lives</u>
Equipment, Furniture, and Fixtures	5 Years
Structures and Improvements	50 Years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

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

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax

The state of California's (the State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per fiscal year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the County, cities, school districts, and other districts.

The County of Tehama is responsible for assessing, collecting, and distributing property taxes in accordance with state law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction.

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

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

The County of Tehama apportions secured property tax revenue in accordance with the alternate method of distribution, the Teeter Plan, as described by Sections 4701 through 4717 of the California Revenue and Taxation code. Under the Teeter Plan, the County allocates to certain local taxing agencies 100% of the secured property taxes billed. In return, the County retains penalties and interest on delinquent secured taxes in the Tax Loss Reserve Fund (TLRF) included in the General Fund. The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County is legally required to maintain a minimum balance of 1% of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$1,800,301 at June 30, 2025. The County's management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are held for the participants in the County's Teeter Plan and accounted for in the General Fund.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Transactions

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

Loans reported as receivables and payables are referred to as either "due to/from other funds" or "advances to/from other funds" as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are eliminated to be reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

M. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. Revenue is earned when services are provided, or eligibility requirements are met. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

N. Leases

Lessee

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

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Leases (Continued)

Lessee (Continued)

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

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

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

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

O. Subscription-Based Information Technology Arrangements (SBITAs)

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

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

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

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

P. Compensated Absences

The County of Tehama recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more-likely-than-not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, four types of leave qualify for liability recognition for compensated absences – *vacation*, *PTO*, *comp time*, and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation/PTO

The County of Tehama's policy permits employees to accumulate earned but unused vacation/PTO benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Comp Time

The County of Tehama's policy permits employees to accumulate comp time benefits, which are eligible for payment at the employee's current pay rate upon separation of employment. The amount of comp time accumulated varies by bargaining unit.

Sick Leave

The County of Tehama's policy permits employees to accumulate earned but unused sick leave up to 500 hours. If an employee retires from the county they are eligible for payout at 50% if employed by the county for 15 years. If the employee retires with less than 15 years, 176 hours are subtracted from their leave balance, and they receive a payout of 50% of the remaining balance of sick leave. All sick leave lapses when employees leave the employ of the County of Tehama without retiring and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Pension

For purposes of measuring the net pension liability and deferred outflows and inflows of resources related to pension, and pension expense, information about the fiduciary net position of the County's California Public Employees' Retirement System (CalPERS) Plan (the Plan) and additions to and deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

R. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's plan (OPEB Plan), and additions to and deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

S. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the statement of net position at the government-wide and proprietary fund level.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the County's availability period of 30 days. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item relates to the inflows from changes in the net pension liability and OPEB liability and is reported on the statement of net position at the government-wide and proprietary fund level.

T. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

U. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statement has been implemented, if applicable, in the current financial statements.

GASB Statement No. 101 - *Compensated Absences*

In June of 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but has not yet been paid. This statement is effective for reporting periods beginning after December 15, 2023, which for the County applies to the fiscal year ending June 30, 2025.

The County adopted the requirements of the guidance effective July1, 2024 and has applied the provisions of this statement to the beginning of the period of adoption. The results of this implementation are discussed in Note 15.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance and Net Position

The following special revenue funds had deficit fund balances:

- The Transportation Operations Fund had a fund balance deficit of \$391,300, which is expected to be reduced in future years.
- The Tehama County Flood Control Fund had a fund balance deficit of \$1,954,331, which is expected to be reduced in future years.

B. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the IRS at least every five years. At June 30, 2025, the County does not expect to incur a liability.

NOTE 3 CASH AND INVESTMENTS

The County Treasurer manages, in accordance with California Government Code Section 53600, funds deposited in the investment pool by the County, all County school districts, various special districts, and some cities within the County. The County investment pool is not registered with the Securities and Exchange Commission as an investment company. California Government Code and the County's investment policy govern the investment pool activity. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The pool attempts to match maturities with planned outlays and maximize the return on investment over various market cycles. Yield is considered only after safety and credit quality have been met, consistent with limiting risk and prudent investment principles.

The Board of Supervisors monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the Board of Supervisors and the investment pool participants twice per year. The report covers the type of investment in the pool, maturity dates, par value, actual cost, and fair value. All cash and investments, with the exception of deposits with fiscal agents, are considered part of the investment pool.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Funds which do not have separate financial reports. The state of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The investments of involuntary participation in the investment pool totaled \$184,713,534 at June 30, 2025.

A. Financial Statement Presentation

As of June 30, 2025, the County's cash and investments are reported in the financial statements as follows:

Primary Government	\$ 104,107,261
Investment Trust Funds	184,713,534
Custodial Funds	<u>23,096,784</u>
Total Cash and Investments	<u><u>\$ 311,917,579</u></u>

As of June 30, 2025, the County's cash and investments consisted of the following:

Cash:	
Cash on Hand	\$ 61,204
Deposits (Less Outstanding Checks)	<u>12,955,466</u>
Total Cash in County Pool	13,016,670
Deposits With Fiscal Agents	<u>6,924,504</u>
Total Cash	19,941,174
Investments:	
In Treasurer's Pool	<u>291,976,405</u>
Total Cash and Investments	<u><u>\$ 311,917,579</u></u>

B. Cash

At year-end, the carrying amount of the County's cash deposits (including amounts in checking accounts, money market accounts, and deposits with fiscal agents) was \$19,879,970 and the bank balance was \$20,777,996. In addition, the County had cash on hand of \$61,204.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

B. Cash (Continued)

Custodial Credit Risk For Deposits

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

C. Investments

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

- State Treasurer's Local Agency Investment Fund (LAIF)
- Sweep Accounts
- Bank Deposits
- California Asset Management Program (CAMP)
- U.S. Treasury Notes or other indebtedness secured by the full-faith and credit of the federal government
- Securities Issued by U.S. Government Agencies and Government-Sponsored Enterprises
- Bankers' Acceptances
- Commercial Paper
- Negotiable CD's
- Medium-Term Notes
- Money Market Mutual Funds
- Obligations of the state of California
- Registered treasury notes or bonds of any of the other 49 states in addition to California
- Mortgage Pass-Through Securities and Asset-Backed Securities
- Guaranteed Investment Contracts
- Repurchase Agreements
- Supranational Debt

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Fair Value of Investments

The County measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1 – Quoted prices for identical investments in active markets;

Level 2 – Observable inputs other than quoted market prices; and

Level 3 – Unobservable inputs.

The County's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the County's investments in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2025, the County had the following recurring fair value measurements:

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Treasury Notes	\$ 126,683,703	\$ 126,683,703	\$ -	\$ -
Government Agencies	53,220,888	-	53,220,888	-
Medium-Term Notes	50,603,096	-	50,603,096	-
Asset-Backed Securities	10,788,492	-	10,788,492	-
Negotiable CD's	26,479,000	-	26,479,000	-
Total Investments				
Measured at Fair Value	267,775,179	<u>\$ 126,683,703</u>	<u>\$ 141,091,476</u>	<u>\$ -</u>
Investments in External				
Investment Pools:				
Cash Equivalents	16,091,928			
CalTrust	2,237,573			
LAIF	1,000			
CAMP	5,870,725			
Total Investments	<u>\$ 291,976,405</u>			

Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations. Any investments that mature more than five years from the date of purchase require prior approval of the Board of Supervisors.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Interest Rate Risk (Continued)

As of June 30, 2025, the County had the following investments, all of which had a maturity of five years or less:

Investment Type	Interest Rates	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury Notes	0.250-4.500%	\$ 126,683,703	2.36
Government Agencies	0.380-5.130%	53,220,888	2.19
Corporate Notes	0.610-5.650%	50,603,096	1.60
Asset-Backed Securities	0.810-4.980%	10,788,492	3.40
Negotiable CD's	0.400-5.250%	26,479,000	3.46
Cash Equivalents	Variable	16,091,928	-
CalTrust	Variable	2,237,573	-
LAIF	Variable	1,000	-
CAMP	Variable	5,870,725	-
Total Investments		<u>\$ 291,976,405</u>	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by the type of investment to be met at time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the County's investment policy, and the actual rating as of year-end for each investment type.

Investment Type	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Certificates of Deposit	NR/FDIC	NR/FDIC	8.9 %
Corporate Notes	BAA2 - AAA	BBB - AAA	19.0
U.S. Agency	AAA	AA+	16.3
U.S. Treasury	AAA	AA+	31.3
Asset-Backed Security	AAA	AAA	1.9
Cash Equivalents	N/A	N/A	9.0
CalTrust	N/A	N/A	6.8
Capital Asset Management Program (CAMP)	N/A	N/A	6.8
Local Agency Investment Fund (LAIF)	N/A	N/A	0.0
Total			<u>100.0 %</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss.

D. Investment in External Investment Pool

The County of Tehama maintains an investment in the state of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company but is required to invest according to California State Code. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2025, the County's investment in LAIF valued at amortized cost was \$1,000 and is the same as the value of the Pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in PMIA on that day was \$178 billion. Of that amount, 1.40% was invested in structured notes and medium-term asset-backed securities and 1.60% was invested in short-term asset-backed commercial paper.

E. County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's Pool at June 30, 2025:

	Internal Participants	External Participants	Total Pool
Statement of Net Position:			
Cash on Hand	\$ 55,354	\$ -	\$ 55,354
Deposits (Less Outstanding Checks)	12,955,466	-	12,955,466
Investments	107,730,692	184,245,713	291,976,405
Net Position at June 30, 2025	<u>\$ 120,741,512</u>	<u>\$ 184,245,713</u>	<u>\$ 304,987,225</u>
Statement of Changes in Net Position:			
Net Position at July 1, 2024	\$ 128,157,319	\$ 188,972,167	\$ 317,129,486
Net Changes in Investments by Pool Participants	(7,415,807)	(4,726,454)	(12,142,261)
Net Position at June 30, 2025	<u>\$ 120,741,512</u>	<u>\$ 184,245,713</u>	<u>\$ 304,987,225</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,014,926	\$ -	\$ -	\$ -	\$ 2,014,926
Infrastructure	111,260,688	34,865,179	(914,592)	-	145,211,275
Construction in Progress	195,414,393	1,208,315	-	326	196,623,034
Total Capital Assets, Not Being Depreciated	308,690,007	36,073,494	(914,592)	326	343,849,235
Capital Assets, Being Depreciated:					
Buildings and Improvements	73,987,956	-	-	-	73,987,956
Equipment	36,010,613	5,465,983	(639,989)	450,034	41,286,641
Software	1,136,563	477,036	(153,844)	(575,186)	884,569
Total Capital Assets, Being Depreciated	111,135,132	5,943,019	(793,833)	(125,152)	116,159,166
Less: Accumulated Depreciation for:					
Buildings and Improvements	(29,137,686)	(1,405,402)	-	-	(30,543,088)
Equipment	(28,829,103)	(3,084,271)	639,989	(39,550)	(31,312,935)
Software	(956,755)	(77,547)	153,844	75,647	(804,811)
Total Accumulated Depreciation	(58,923,544)	(4,567,220)	793,833	36,097	(62,660,834)
Total Capital Assets, Being Depreciated, Net	52,211,588	1,375,799	-	(89,055)	53,498,332
Right-to-Use Assets, Being Amortized:					
Structures	3,151,275	2,500	(689,298)	543,572	3,008,049
Equipment	392,741	-	-	-	392,741
Total Right-to-Use Assets, Being Amortized	3,544,016	2,500	(689,298)	543,572	3,400,790
Less: Accumulated Amortization for:					
Structures	(1,175,283)	(515,414)	689,298	91,504	(909,895)
Equipment	(261,828)	(87,276)	-	-	(349,104)
Total Accumulated Amortization	(1,437,111)	(602,690)	689,298	91,504	(1,258,999)
Total Right-to-Use Assets, Being Amortized, Net	2,106,905	(600,190)	-	635,076	2,141,791
SBITA Assets, Being Amortized	1,525,910	-	(114,679)	502,182	1,913,413
Less: Accumulated Amortization	(772,840)	(517,153)	114,679	-	(1,175,314)
Total SBITA Assets, Being Amortized, Net	753,070	(517,153)	-	502,182	738,099
Governmental Activities Capital Assets, Net	<u>\$ 363,761,570</u>	<u>\$ 36,331,950</u>	<u>\$ (914,592)</u>	<u>\$ 1,048,529</u>	<u>\$ 400,227,457</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 38,047	\$ -	\$ -	\$ -	\$ 38,047
Capital Assets, Being Depreciated:					
Buildings and Improvements	1,688,486	-	-	-	1,688,486
Equipment	26,031	-	-	-	26,031
Total Capital Assets, Being Depreciated	1,714,517	-	-	-	1,714,517
Less: Accumulated Depreciation for:					
Buildings and Buildings and Improvements	(1,181,889)	(39,221)	-	-	(1,221,110)
Equipment	(12,556)	(3,853)	-	-	(16,409)
Total Accumulated Depreciation	(1,194,445)	(43,074)	-	-	(1,237,519)
Total Capital Assets, Being Depreciated, Net	520,072	(43,074)	-	-	476,998
Business-Type Activities Capital Assets, Net	<u>\$ 558,119</u>	<u>\$ (43,074)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515,045</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 334,029
Public Protection	2,050,013
Public Ways and Facilities	1,225,511
Health and Welfare	426,076
Public Assistance	308,736
Education	163,119
Culture and Recreation	59,736
Governmental Activities	<u>\$ 4,567,220</u>

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

Tehama County Sanitation District #1	<u>\$ 43,074</u>
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Amortization of Right-to-Use Assets

Amortization expense was charged to governmental activities as follows:

General Government	\$ 381,807
Public Protection	231,604
Public Ways and Facilities	119,584
Health and Welfare	139,645
Public Assistance	247,203
Governmental Activities	<u>\$ 1,119,843</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 CAPITAL ASSETS (CONTINUED)

Construction in Progress

Construction in progress for governmental activities at June 30, 2025, relates to work performed on various County projects relating to buildings, bridges, roads, and infrastructure.

NOTE 5 INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2025:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 6,445,447	\$ -
Road Fund	-	3,292,420
Public Assistance	-	48,519
Health Services	250,000	-
Custodial Funds	-	1,702,623
Nonmajor Governmental Funds	-	1,651,885
Total	<u>\$ 6,695,447</u>	<u>\$ 6,695,447</u>

Advances To/From Other Funds

Advances to/from other funds are noncurrent interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advances to/from other funds as of June 30, 2025:

	Advances To Other Funds	Advances From Other Funds
General Fund	\$ 1,272,650	\$ -
Public Assistance	76,000	-
Custodial Funds	-	168,650
Nonmajor Governmental Funds	634,000	634,000
Internal Service Funds	-	1,180,000
Total	<u>\$ 1,982,650</u>	<u>\$ 1,982,650</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2025:

	Transfers In	Transfers Out
General Fund	\$ 291,382	\$ 24,798,019
Road	3,580	49,006
Public Safety	22,641,605	-
Public Assistance	857,253	107,042
Health Services	58,827	118,954
Nonmajor Governmental Funds	1,220,374	-
Total	<u>\$ 25,073,021</u>	<u>\$ 25,073,021</u>

NOTE 6 UNEARNED REVENUE

At June 30, 2025, the components of unearned revenue were as follows:

	<u>Unearned</u>
General Fund:	
American Rescue Plan Act Funding	
Received in Advance	\$ 7,268,447
Public Safety:	
Other Revenues Received But Not Earned	178
Health Services:	
Opioid Abatement Revenues Received But Not Earned	1,672,996
Public Assistance:	
Social Services Revenues Received But Not Earned	917,489
Nonmajor Governmental Funds:	
Senior Nutrition Revenues Received But Not Earned	63,683
Total	<u>\$ 9,922,793</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

Type of Indebtedness	Restated Beginning Balance	Additions	Retirements	Adjustments	Ending Balance	Amounts Due Within One Year
Governmental Activities:						
Certificates of Participation	\$ 6,440,000	\$ -	\$ (635,000)	\$ -	\$ 5,805,000	\$ 660,000
Unamortized Premium	439,812	-	(29,321)	-	410,491	-
Certificates of Participation, Net	6,879,812	-	(664,321)	-	6,215,491	660,000
Financed Purchase	7,079,423	-	(423,076)	-	6,656,347	425,590
Lease Liability	2,117,297	2,500	(655,746)	665,599	2,129,650	463,697
SBITA Liability	728,997	-	(508,048)	376,823	597,772	424,012
Claims Liability	3,793,259	2,306,295	(887,679)	-	5,211,875	5,211,875
Compensated Absences	6,373,918	159,250	-	-	6,533,168	5,874,768
Total Governmental Activities	<u>\$ 26,972,706</u>	<u>\$ 2,468,045</u>	<u>\$ (3,138,870)</u>	<u>\$ 1,042,422</u>	<u>\$ 27,344,303</u>	<u>\$ 13,059,942</u>
Business-Type Activities:						
Bonds	\$ 210,700	\$ -	\$ (24,000)	\$ 10,300	\$ 197,000	\$ 25,000
Total Business-Type Activities	<u>\$ 210,700</u>	<u>\$ -</u>	<u>\$ (24,000)</u>	<u>\$ 10,300</u>	<u>\$ 197,000</u>	<u>\$ 25,000</u>

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. The vehicle financing is liquidated by payments made by the departments using the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred, which is primarily the general fund.

For business-type activities, all debt is accounted for in the Sanitary District fund where the liability occurred.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

All debt is direct borrowing. Individual issues of debt payable outstanding at June 30, 2025, are as follows:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Certificates of Participation:	
2014 Certificates of Participation, issued May 13, 2014, in the amount of \$14,660,000, payable in annual instalments of \$300,000 to \$965,000, with an interest rate of 2.0% to 5.0% and maturity on September 15, 2038. The certificates of participation are secured by the County of Tehama Courthouse Annex and the Juvenile Detention Facility. The certificates were used to refund the 1998 and 2002 certificates of participation which were used to finance capital projects and to finance additional capital improvements.	\$ 5,805,000
Financed Purchase:	
Series 2022A Lease Agreement for Energy Efficiency Project, issued May 26, 2022, in the amount of \$7,500,000 payable in annual installments of \$420,000 to \$463,000, with an interest rate of 2.42% and a maturity date of June 30, 2040. The Series 2022A Lease is secured by the Tehama County Administrative Building. The funding was used to implement cost effective energy conservation measures in county owned buildings and to install solar arrays at some county building locations. capital improvements.	6,656,347
Total Governmental Activities	<u>\$ 12,461,347</u>
Business-Type Activities:	
Bonds:	
1997 Sanitation District #1 Bonds, issued November 13, 1996, in the amount of \$824,465, payable in annual instalments of \$8,000 to \$35,000 with an interest rate of 4.50% and maturity on September 2, 2031. The bonds are secured by direct charge assessments placed on the secured property tax roll. The bonds were used to finance construction and upgrade of the sanitation system.	\$ 197,000
Total Business-Type Activities	<u>\$ 197,000</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt.

Governmental Activities

<u>Year Ending June 30,</u>	Certificates of Participation		
	Principal	Interest	Total
2026	\$ 660,000	\$ 209,675	\$ 869,675
2027	680,000	188,313	868,313
2028	385,000	170,766	555,766
2029	300,000	159,019	459,019
2030	315,000	148,059	463,059
2031-2035	1,765,000	540,650	2,305,650
2036-2039	1,700,000	147,863	1,847,863
Total	<u>\$ 5,805,000</u>	<u>\$ 1,564,344</u>	<u>\$ 7,369,344</u>

<u>Year Ending June 30,</u>	Notes Payable		
	Principal	Interest	Total
2026	\$ 425,590	\$ 171,322	\$ 596,912
2027	428,119	161,084	589,203
2028	430,663	150,784	581,447
2029	433,222	140,424	573,646
2030	435,796	130,002	565,798
2031-2035	2,218,134	491,498	2,709,632
2036-2040	2,284,824	199,186	2,484,010
Total	<u>\$ 6,656,347</u>	<u>\$ 1,444,300</u>	<u>\$ 8,100,647</u>

Business-Type Activities

<u>Year Ending June 30,</u>	Bonds		
	Principal	Interest	Total
2026	\$ 25,000	\$ 8,303	\$ 33,303
2027	26,000	7,155	33,155
2028	27,000	5,963	32,963
2029	28,000	4,725	32,725
2030	29,000	3,443	32,443
2031-2034	62,000	3,263	65,263
Total	<u>\$ 197,000</u>	<u>\$ 32,850</u>	<u>\$ 229,850</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 LEASES

Leases Payable

The County leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2038 and thereafter.

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

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 463,697	\$ 34,795
2027	394,200	30,561
2028	230,295	27,008
2029	136,728	24,397
2030	136,975	21,872
2031-2035	145,845	92,848
2036 and Thereafter	621,910	168,423
Total Minimum Lease Payments	<u>\$ 2,129,650</u>	<u>\$ 399,904</u>

NOTE 9 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

SBITAs Payable

The County has entered into long-term, noncancellable subscription-based information technology arrangements for the right-to-use software. These arrangements expire at various dates through 2028 and thereafter.

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

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 424,013	\$ 6,067
2027	98,364	1,351
2028	75,395	484
Total Minimum Lease Payments	<u>\$ 597,772</u>	<u>\$ 7,902</u>

NOTE 10 NET POSITION

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

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

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 NET POSITION (CONTINUED)

Restricted Net Position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – all other net position that does not meet the definition of restricted or net investment in capital assets.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

NOTE 11 FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2025, fund balance for the governmental funds is made up of the following:

Nonspendable Fund Balance – Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.

Restricted Fund Balance – Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.

Committed Fund Balance – Amounts that can only be used for the specific purposes determined by formal action of the County's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the County that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 FUND BALANCES (CONTINUED)

Assigned Fund Balance – Amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be established by the Board of Supervisors or official or body to whom the Board has delegated its authority.

Unassigned Fund Balance – The residual classification for the County’s general fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all major and nonmajor governmental funds as of June 30, 2025, were distributed as follows:

	General Fund	Road	Public Safety	Public Assistance	Health Services	Other Governmental Funds	Total
Nonspendable:							
Prepaid Costs	\$ 82,646	\$ 2,104	\$ 92,099	\$ 75,838	\$ 112,790	\$ 3,596	\$ 369,073
Advances	1,272,650	-	-	-	-	-	1,272,650
Inventory	-	553,777	-	-	-	-	553,777
Subtotal	1,355,296	555,881	92,099	75,838	112,790	3,596	2,195,500
Restricted:							
Public Safety	-	352,875	11,849,686	18,055,571	5,218,340	-	35,476,472
Local Innovation	588,021	-	-	-	-	-	588,021
Recorder Modernization	917,782	-	-	-	-	-	917,782
Safe Drinking Water	339,654	-	-	-	-	-	339,654
Underground Storage	101,173	-	-	-	-	-	101,173
Vital Health and Stats	185,887	-	-	-	-	-	185,887
Fish and Game	-	-	-	-	-	126,811	126,811
Fire	-	-	-	-	-	13,563,492	13,563,492
Child Support	-	-	-	-	-	213,686	213,686
Building and Safety	-	-	-	-	-	3,753,045	3,753,045
Senior Nutrition	-	-	-	-	-	152,271	152,271
Air Pollution	-	-	-	-	-	2,813,327	2,813,327
Los Molinos Lighting	-	-	-	-	-	140,135	140,135
Tehama County Flood	-	-	-	-	-	2,113,048	2,113,048
Tehama Power Authority	-	-	-	-	-	6,394	6,394
AB 923	-	-	-	-	-	1,032,096	1,032,096
Small Claim Fees	-	-	-	-	-	20,740	20,740
Community Block Grant	-	-	-	-	-	5,594	5,594
Impact Fees	-	-	-	-	-	2,734,563	2,734,563
Capital Projects	-	-	-	-	-	2,951,028	2,951,028
Debt Service	-	-	-	-	-	1,542,327	1,542,327
Other Restrictions	10,257,007	-	-	-	-	-	10,257,007
Subtotal	12,389,524	352,875	11,849,686	18,055,571	5,218,340	31,168,557	79,034,553
Committed:							
Economic Uncertainty	6,821,577	-	-	-	-	-	6,821,577
Unfunded Liability	2,548,387	-	-	-	-	-	2,548,387
Uniform Allowance	72,500	-	-	-	-	-	72,500
Subtotal	9,442,464	-	-	-	-	-	9,442,464
Assigned:							
Capital Projects	1,263,998	-	-	-	-	-	1,263,998
Other	2,991,704	-	-	-	-	-	2,991,704
Subtotal	4,255,702	-	-	-	-	-	4,255,702
Unassigned	10,197,980	-	-	-	-	(2,345,745)	7,852,235
Total	\$ 37,640,966	\$ 908,756	\$ 11,941,785	\$ 18,131,409	\$ 5,331,130	\$ 28,826,408	\$ 102,780,454

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Supervisors has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements, and establishes a hierarchy of fund balance expenditures. The policy also provides for the County to establish and maintain a minimum committed fund balance in the general fund equal to 8.33% of adopted (final) budgeted general fund appropriations for economic uncertainty.

NOTE 12 PENSION PLAN

A. General Information About the Pension Plan

Plan Description

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

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

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 PENSION PLAN (CONTINUED)

A. General Information About the Pension Plan (Continued)

Summary of Rate of Tiers and Eligible Participants

Open for New Enrollment:	
Miscellaneous PEPRA	Miscellaneous Members Hired on or After January 1, 2013
Safety PEPRA	Safety Employees Hired on or After January 1, 2013
Closed to New Enrollment:	
Miscellaneous	Miscellaneous Employees Hired Before January 1, 2013
Safety	Safety Employees Hired Before January 1, 2013

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2103) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Benefit Formula	Retirement Age	Monthly Benefits as a % of Eligible Compensation
Miscellaneous	2.0% @ 55	50 - 55	1.426% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52 - 62	1.000% to 2.500%
Safety	3.0% @ 55	50 - 55	2.400% to 3.000%
Safety PEPRA	2.7% @ 57	50 - 57	2.000% to 2.700%

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 PENSION PLAN (CONTINUED)

A. General Information About the Pension Plan (Continued)

Employees Covered

At June 30, 2025, the following employees were covered by the benefit terms for the Plan including independent entities (Court and First Five):

	Inactive Employees or Beneficiaries Currently Receiving Benefits	Inactive Employees Entitled to But Not Yet Receiving Benefits	Active Employees
Miscellaneous	996	1019	609
Safety	205	132	122

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
Miscellaneous	9.930 %	7.000 %	0.000 % *
Miscellaneous PEPRA	9.930	8.000	0.000
Safety	18.360	9.000	0.000 *
Safety PEPRA	18.360	13.750	0.000

*The County pays 100% of the employee's contribution for elected officials and 3% of the employee's contribution for police officers and probation.

B. Net Pension Liability

The County's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Miscellaneous and Safety Plans are measured as of June 30, 2024, using annual actuarial valuations as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used in both actuarial valuations to determine the net pension liability is shown below.

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Projected Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS' membership data for all funds
Post-Retirement Benefits Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from June 30 2021, that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

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

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

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

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability

As of June 30, 2025, the changes in the net pension liability of the agent multiemployer defined benefit pension plan is as follows:

	Miscellaneous		
	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2023	\$ 288,993,877	\$ 206,060,372	\$ 82,933,505
Changes in the Year:			
Service Cost	5,601,531	-	5,601,531
Interest on the Total Pension Liability	19,855,542	-	19,855,542
Differences Between Expected and Actual Experience	3,655,317	-	3,655,317
Contributions - Employer	-	11,556,192	(11,556,192)
Contributions - Employee	-	2,754,146	(2,754,146)
Net Investment Income	-	19,824,836	(19,824,836)
Benefit Payments, Including Refunds of Employee Contributions	(16,908,782)	(16,908,782)	-
Administrative Expenses	-	(168,117)	168,117
Change in Allocation	765,915	546,117	219,798
Net Changes	<u>12,969,523</u>	<u>17,604,392</u>	<u>(4,634,869)</u>
Balances at June 30, 2024	<u>\$ 301,963,400</u>	<u>\$ 223,664,764</u>	<u>\$ 78,298,636</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 PENSION PLAN (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

	Safety		
	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2023	\$ 114,982,213	\$ 78,512,854	\$ 36,469,359
Changes in the Year:			
Service Cost	2,520,994	-	2,520,994
Changes of Benefit Terms	8,020,349	-	8,020,349
Differences Between Expected and Actual Experience	2,965,322	-	2,965,322
Contributions - Employer	-	4,522,411	(4,522,411)
Contributions - Employee	-	1,049,340	(1,049,340)
Net Investment Income	-	7,542,393	(7,542,393)
Benefit Payments, Including Refunds of Employee Contributions	(5,942,180)	(5,942,180)	-
Administrative Expenses	-	(63,886)	63,886
Net Changes	7,564,485	7,108,078	456,407
Balances at June 30, 2024	\$ 122,546,698	\$ 85,620,932	\$ 36,925,766

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

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

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Miscellaneous	\$ 124,659,811	\$ 78,298,636	\$ 50,737,935
Safety	53,753,696	36,925,766	23,148,170

Pension Plan Fiduciary Net Position

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

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 12 PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2025, the County recognized pension expense of \$19,713,960. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 10,285,074	\$ -
Difference Between Expected and Actual Experience	3,397,764	-
Difference Between Projected and Actual Earnings on Plan Investments	3,159,877	-
Total	<u>\$ 16,842,715</u>	<u>\$ -</u>

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 4,458,904	\$ -
Changes of Assumptions	383,697	-
Difference Between Expected and Actual Experience	3,530,256	379,658
Difference Between Projected and Actual Earnings on Plan Investments	1,179,166	-
Total	<u>\$ 9,552,023</u>	<u>\$ 379,658</u>

Deferred outflows of resources related to contributions subsequent to the measurement date reported as \$14,743,978, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2025	\$ 2,436,438	\$ 1,726,743	\$ 4,163,181
2026	6,128,155	3,326,194	9,454,349
2027	(872,614)	89,178	(783,436)
2028	(1,134,338)	(428,654)	(1,562,992)
Total	<u>\$ 6,557,641</u>	<u>\$ 4,713,461</u>	<u>\$ 11,271,102</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information About the OPEB Plan

Plan Description

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

Benefits Provided

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

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

Contributions

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

Employees Covered by Benefit Terms

At July 1, 2024, the most recent valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefit Payments	3
Active Employees	610
Total	<u>613</u>

**COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Total OPEB Liability

The County's total OPEB liability of \$737,110, was measured as of June 30, 2025, and was determined by the actuarial valuation as of July 1, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2024
Funding Method	Entry-Age, Level of Percent of Pay
Discount Rate	5.20%
Salary Increase	3.00%
Inflation Rate	2.50%
	7.00% for 2025, 5.40% for 2029, 5.25% for 2030-2034, 4.60% for 2035-2049, 4.50% for 2050-2064, and 4.25% for 2065-2074 and later years; Medicare ages: 4.50% for 2025-2064 and 4.25% for 2065-2074, and 4.00 % for 2075 and later years.
Healthcare Cost Trend Rate	

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

Discount Rate

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

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the County's total OPEB liability is based on these requirements and the following information:

<u>Reporting Date</u>	<u>Measurement Date</u>	<u>Fidelity GO AA 20 Years Municipal Index</u>	<u>Discount Rate</u>
June 30, 2024	June 30, 2024	3.97%	3.97%
June 30, 2025	June 30, 2025	3.20%	5.20%

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Total OPEB Liability

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balance at Fiscal Year Ending June 30, 2023	\$ 606,302
Changes for the Year:	
Service Cost	80,654
Interest	32,188
Changes of Assumptions	(47,554)
Differences Between Expected and Actual Experience	120,605
Benefit Payments	<u>(55,085)</u>
Net Changes	<u>130,808</u>
Balance at Fiscal Year Ending June 30, 2024	<u><u>\$ 737,110</u></u>

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

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

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	<u>\$ 799,921</u>	<u>\$ 737,110</u>	<u>\$ 679,723</u>

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

The following presents the total OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 649,339</u>	<u>\$ 737,110</u>	<u>\$ 842,038</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

For the year ended June 30, 2025, the County recognized an OPEB credit of \$25,865. At June 30, 2025, the County reported deferred outflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 129,164	\$ 86,511
Change of Assumptions	57,432	1,020,862
Total	<u>\$ 186,596</u>	<u>\$ 1,107,373</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (143,148)
2027	(157,179)
2028	(170,500)
2029	(156,132)
2030	(144,789)
Thereafter	(149,029)
Total	<u>\$ (920,777)</u>

NOTE 14 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (Internal Service Funds) to finance its insured and uninsured risks of loss. The County's uninsured risk of loss is as follows: General liability \$100,000. The County is a member of the California State Association of Counties Excess Insurance Authority (CSACEIA), a public entity risk pool currently operating as a common risk management and insurance program for counties. Should actual loss among participants be greater than anticipated, the County will be assessed its pro rata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. Actual claims unpaid as of June 30, 2025, including any estimates for incurred but not reported (IBNR) amounts, constitute claims payable. The claims liability at June 30, 2025, was as follows:

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 RISK MANAGEMENT (CONTINUED)

General Liability	\$ 5,111,137
Dental Insurance	87,891
Vision Insurance	12,847
Total	<u>\$ 5,211,875</u>

All funds of the County participate in the program and make payments to the risk management funds based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$5,211,875 reported in the funds at June 30, 2025, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably determined.

Changes in the County's claims liability amount for the fiscal years June 30, 2024 and 2025, were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
June 30, 2024	\$ 2,053,068	\$ 4,777,116	\$ 3,036,925	\$ 3,793,259
June 30, 2025	3,793,259	2,306,295	887,679	5,211,875

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

NOTE 15 CHANGE IN ACCOUNTING PRINCIPLE

Effective July 1, 2024, the County implemented GASB Statement No. 101, *Compensated Absences*. As a result of the implementation of this standard, the compensated absences liability as of July 1, 2024 was restated by \$1.5 million in the governmental activities. The effect of the implementation of this standard is shown in the table below:

	June 30, 2024 As Previously Reported	Change in Accounting Principle	June 30, 2024 As Adjusted or Restated
Government-Wide:			
Governmental Activities	<u>\$ 382,541,007</u>	<u>\$ (1,502,811)</u>	<u>\$ 381,038,196</u>

COUNTY OF TEHAMA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 OTHER INFORMATION

A. Commitments and Contingencies

The County had active construction projects as of June 30, 2025. The estimated costs to be incurred for these projects is \$760,880.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The County is involved in several lawsuits. Due to the nature of the cases, County Counsel is unable to estimate at this time the probability of favorable or unfavorable outcomes. Therefore, no provision has been made in the financial statements for a loss contingency.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

COUNTY OF TEHAMA
COUNTY PENSION PLAN – MISCELLANEOUS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	Measurement Date									
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Total Pension Liability:										
Service Cost	\$ 4,685,705	\$ 4,599,406	\$ 5,171,753	\$ 5,260,697	\$ 5,377,346	\$ 5,061,793	\$ 4,998,466	\$ 5,118,801	\$ 5,364,695	\$ 5,601,530
Interest	15,360,205	15,987,281	16,352,617	16,955,993	17,963,362	17,451,893	17,947,297	18,115,049	18,997,386	19,855,542
Changes of Benefit Terms	-	-	-	-	-	-	-	-	580,218	-
Change in Assumptions	(3,523,041)	-	12,803,697	(1,282,339)	-	-	-	7,334,735	-	-
Difference Between Expected and Actual Experience	(2,080,052)	(991,661)	(2,599,651)	199,923	4,774,560	569,560	(287,633)	(3,692,730)	5,206,022	3,655,317
Benefit Payments, Including Refunds of Employee Contributions	(10,569,848)	(11,058,235)	(11,647,820)	(12,447,391)	(13,473,581)	(13,995,288)	(14,313,216)	(15,075,716)	(16,020,581)	(16,908,782)
Change in Allocation	-	-	-	-	-	(17,171,487)	(1,111,419)	(427,660)	(807,400)	765,915
Net Change in Total Pension Liability	3,872,969	8,536,791	20,080,596	8,686,883	14,641,687	(8,083,529)	7,233,495	11,372,479	13,320,340	12,969,522
Pension Liability - Beginning of Year	209,332,166	213,205,135	221,741,926	241,822,522	250,509,405	265,151,092	257,067,563	264,301,058	275,673,537	288,993,877
Pension Liability - End of Year (a)	213,205,135	221,741,926	241,822,522	250,509,405	265,151,092	257,067,563	264,301,058	275,673,537	288,993,877	301,963,399
Plan Fiduciary Net Position:										
Contributions - Employer	4,557,693	4,982,192	5,383,166	5,951,937	6,794,734	7,235,620	7,715,978	8,497,012	11,293,802	11,556,192
Contributions - Employee	2,171,594	2,211,464	2,181,169	2,233,073	2,278,146	2,177,073	2,040,349	2,113,500	2,242,985	2,754,146
Net Investment Income	3,676,095	870,103	17,797,827	14,676,525	12,077,725	8,891,000	41,035,669	(16,473,702)	12,155,331	19,824,836
Benefit Payments, Including Refunds of Employee Contributions	(10,569,848)	(11,058,235)	(11,647,820)	(12,447,391)	(13,473,581)	(13,995,288)	(14,313,216)	(15,075,716)	(16,020,581)	(16,908,782)
Plan to Plan Resource Movement	(71,138)	(10,813)	8,903	(427)	-	-	-	-	-	-
Administrative Expense	(186,719)	(99,838)	(237,280)	(271,448)	(131,181)	(252,314)	(182,049)	(135,917)	(144,521)	(168,117)
Change in Allocation	-	-	-	-	-	(12,394,136)	(791,337)	(353,612)	(577,302)	546,116
Other Miscellaneous Expense	-	-	-	(515,485)	427	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(422,323)	(3,105,127)	13,485,965	9,626,784	7,546,270	(8,338,044)	35,505,394	(21,428,435)	8,949,714	17,604,391
Plan Fiduciary Net Position - Beginning of Year	164,239,444	163,817,121	160,711,994	174,197,959	183,824,743	191,371,743	183,033,699	218,539,093	197,110,658	206,060,372
Plan Fiduciary Net Position - End of Year (b)	163,817,121	160,711,994	174,197,959	183,824,743	191,371,013	183,033,699	218,539,093	197,110,658	206,060,372	223,664,763
Net Pension Liability - End of Year (a)-(b)	\$ 49,388,014	\$ 61,029,932	\$ 67,624,563	\$ 66,684,662	\$ 73,780,079	\$ 74,033,864	\$ 45,761,965	\$ 78,562,879	\$ 82,933,505	\$ 78,298,636
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.84%	72.48%	72.04%	73.38%	72.17%	71.20%	82.69%	71.50%	71.30%	74.07%
Covered Payroll	\$ 31,825,748	\$ 31,761,661	\$ 32,461,415	\$ 33,123,640	\$ 33,849,590	\$ 34,385,642	\$ 34,431,014	\$ 31,826,186	\$ 34,043,359	\$ 36,504,933
Net Pension Liability as a Percentage of Covered Payroll	155.18%	192.15%	208.32%	201.32%	217.96%	215.30%	132.91%	246.85%	243.61%	214.49%

See accompanying Note to County Pension Plans.

COUNTY OF TEHAMA
COUNTY PENSION PLAN – SAFETY
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	Measurement Date									
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Total Pension Liability:										
Service Cost	\$ 1,721,662	\$ 1,852,609	\$ 2,150,880	\$ 2,391,084	\$ 2,386,413	\$ 2,339,472	\$ 2,180,451	\$ 2,160,807	\$ 2,251,319	\$ 2,520,993
Interest	5,270,117	5,567,657	5,807,772	6,077,081	6,448,526	6,754,357	7,000,457	7,041,285	7,535,102	8,020,349
Changes of Benefit Terms	-	-	-	-	-	-	-	-	103,247	-
Change in Assumptions	(1,316,679)	-	4,944,935	233,130	-	-	-	2,302,191	-	-
Difference Between Expected and Actual Experience	141,736	275,562	(465,016)	(790,006)	704,907	(150,066)	(818,891)	(2,277,947)	3,295,059	2,965,322
Benefit Payments, Including Refunds of Employee Contributions	(3,404,624)	(3,482,186)	(3,720,945)	(3,789,702)	(4,161,674)	(4,606,445)	(4,900,482)	(5,211,948)	(5,765,835)	(5,942,180)
Net Change in Total Pension Liability	2,412,212	4,213,642	8,717,626	4,121,587	5,378,172	4,337,318	3,461,535	4,014,388	7,418,892	7,564,484
Pension Liability - Beginning of Year	70,906,841	73,319,053	77,532,695	86,250,321	90,371,908	95,750,080	100,087,398	103,548,933	107,563,321	114,982,213
Pension Liability - End of Year (a)	73,319,053	77,532,695	86,250,321	90,371,908	95,750,080	100,087,398	103,548,933	107,563,321	114,982,213	122,546,697
Plan Fiduciary Net Position:										
Contributions - Employer	1,974,637	2,091,533	2,542,771	2,654,860	2,938,957	3,334,489	3,572,786	3,868,138	4,651,088	4,522,411
Contributions - Employee	662,280	697,072	793,978	857,150	856,346	804,525	754,724	833,316	907,618	1,049,340
Net Investment Income	1,108,588	273,694	5,644,790	4,746,231	3,987,999	3,209,699	15,091,203	(6,157,500)	4,631,978	7,542,393
Benefit Payments, Including Refunds of Employee Contributions	(3,404,624)	(3,482,186)	(3,720,945)	(3,789,702)	(4,161,674)	(4,606,445)	(4,900,482)	(5,211,948)	(5,765,835)	(5,942,180)
Plan to Plan Resource Movement	-	-	(8,903)	(139)	-	-	-	-	-	-
Administrative Expense	(57,661)	(31,226)	(74,981)	(87,205)	(42,944)	(89,881)	(66,339)	(50,372)	(54,521)	(63,886)
Other Miscellaneous Expense	-	-	-	(165,603)	139	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	283,220	(451,113)	5,176,710	4,215,592	3,578,823	2,652,387	14,451,892	(6,718,366)	4,370,328	7,108,078
Plan Fiduciary Net Position - Beginning of Year	50,953,381	51,236,601	50,785,488	55,962,198	60,177,790	63,756,613	66,409,000	80,860,892	74,142,526	78,512,854
Plan Fiduciary Net Position - End of Year (b)	51,236,601	50,785,488	55,962,198	60,177,790	63,756,613	66,409,000	80,860,892	74,142,526	78,512,854	85,620,932
Net Pension Liability - End of Year (a)-(b)	\$ 22,082,452	\$ 26,747,207	\$ 30,288,123	\$ 30,194,118	\$ 31,993,467	\$ 33,678,398	\$ 22,688,041	\$ 33,420,795	\$ 36,469,359	\$ 36,925,765
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.88%	65.50%	64.88%	66.59%	66.59%	66.35%	78.09%	68.93%	68.28%	69.87%
Covered Payroll	\$ 7,167,321	\$ 7,771,989	\$ 8,159,327	\$ 8,736,149	\$ 8,640,163	\$ 8,510,267	\$ 7,954,947	\$ 7,458,774	\$ 7,458,947	\$ 7,608,126
Net Pension Liability as a Percentage of Covered Payroll	308.10%	344.15%	371.21%	345.62%	370.29%	395.74%	285.21%	448.07%	488.93%	485.35%

See accompanying Note to County Pension Plans.

COUNTY OF TEHAMA
COUNTY PENSION PLAN – MISCELLANEOUS
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS

	Fiscal Year									
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Contractually Required Contributions (Actuarially Determined)	\$ 4,982,192	\$ 5,383,166	\$ 5,951,937	\$ 6,794,734	\$ 7,736,447	\$ 7,892,743	\$ 8,302,357	\$ 9,068,984	\$ 9,130,422	\$ 10,285,074
Contributions in Relation to the Actuarially Determined Contributions	(4,192,192)	(5,383,166)	(5,951,937)	(6,794,734)	(7,736,447)	(7,892,743)	(8,645,951)	(9,068,984)	(9,130,422)	(10,285,074)
Contribution Deficiency (Excess)	\$ 790,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (343,594)	\$ -	\$ -	\$ -
Covered Payroll	\$ 31,761,661	\$ 32,461,415	\$ 33,123,640	\$ 33,849,590	\$ 34,385,642	\$ 34,431,014	\$ 31,826,186	\$ 34,043,359	\$ 35,789,150	\$ 36,504,933
Contributions as a Percentage of Covered Payroll	15.69%	16.56%	17.97%	20.07%	22.50%	22.92%	26.09%	26.64%	25.51%	28.17%

See accompanying Note to County Pension Plans.

COUNTY OF TEHAMA
COUNTY PENSION PLAN – SAFETY
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS

	Fiscal Year									
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Contractually Required Contributions (Actuarially Determined)	\$ 2,091,533	\$ 2,542,771	\$ 2,654,860	\$ 2,938,957	\$ 3,334,698	\$ 3,562,962	\$ 3,901,567	\$ 4,091,315	\$ 3,901,600	\$ 4,458,904
Contributions in Relation to the Actuarially Determined Contributions	(2,091,533)	(2,542,771)	(2,654,860)	(2,938,957)	(3,334,698)	(3,562,962)	(3,868,138)	(4,091,315)	(3,901,600)	(4,458,904)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,429	\$ -	\$ -	\$ -
Covered Payroll	\$ 7,771,989	\$ 8,159,327	\$ 8,736,149	\$ 8,640,163	\$ 8,510,267	\$ 7,954,947	\$ 7,458,947	\$ 7,608,126	\$ 7,760,289	\$ 7,915,494
Contributions as a Percentage of Covered Payroll	26.91%	31.16%	30.39%	34.02%	39.18%	44.79%	52.31%	53.78%	50.28%	56.33%

See accompanying Note to County Pension Plans.

**COUNTY OF TEHAMA
NOTE TO COUNTY PENSION PLANS
JUNE 30, 2025**

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

Benefits Change

The figures do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2024 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (aka: Golden Handshakes).

Changes of Assumptions

There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. No changes were made for 2019, 2020, 2021, or 2022 reporting periods. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

COUNTY OF TEHAMA
COUNTY OPEB PLAN
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS*

	Fiscal Year							
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Total OPEB Liability:								
Service Cost	\$ 169,470	\$ 174,553	\$ 184,538	\$ 199,232	\$ 220,270	\$ 40,804	\$ 40,897	\$ 80,654
Interest	38,623	44,944	52,088	49,714	43,810	23,185	23,962	32,188
Actual and Expected Experience Difference	-	-	-	58,568	(275,978)	(128,373)	-	120,605
Change of Assumptions	-	54,759	87,320	122,842	-	(1,259,954)	(4,823)	(47,554)
Benefit Payments	(43,991)	(22,812)	(49,758)	(97,817)	(99,520)	(62,391)	(66,603)	(55,085)
Net Change in Total OPEB Liability	164,102	251,444	274,188	332,539	(111,418)	(1,386,729)	(6,567)	130,808
Total OPEB Liability - Beginning of Year	1,088,743	1,252,845	1,504,289	1,778,477	2,111,016	1,999,598	612,869	606,302
Total OPEB Liability - End of Year	<u>\$ 1,252,845</u>	<u>\$ 1,504,289</u>	<u>\$ 1,778,477</u>	<u>\$ 2,111,016</u>	<u>\$ 1,999,598</u>	<u>\$ 612,869</u>	<u>\$ 606,302</u>	<u>\$ 737,110</u>
Covered Employee Payroll	\$ 42,612,781	\$ 43,122,849	\$ 41,868,737	\$ 41,946,344	\$ 40,857,753	\$ 44,683,049	\$ 47,911,359	\$ 49,391,512
Total OPEB Liability as a Percentage of Covered Employee Payroll	2.94%	3.49%	4.25%	5.03%	4.89%	1.37%	1.27%	1.49%

*The County implemented GASB 75 for the fiscal year June 30, 2018, therefore, only eight years are shown. Additional years' information will be displayed as it becomes available.

**COUNTY OF TEHAMA
NOTE TO COUNTY OPEB PLAN
JUNE 30, 2025**

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

Change of Assumptions

The discount rate was changed from 3.97% as of the June 30, 2024 measurement date to 5.20% as of the June 30, 2025 measurement date.

The discount rate was changed from 3.86% as of the June 30, 2023 measurement date to 3.97% as of the June 30, 2024 measurement date.

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

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

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

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

**COUNTY OF TEHAMA
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH
YEAR ENDED JUNE 30, 2025**

The assessed conditions report for the fiscal year ending June 30, 2025, was completed on November 1, 2025.

A. Roads

The County of Tehama manages its maintained road network using the StreetSaver Management Program and accounts for it using the modified approach as set forth in GASB 34. The software, in compliance with ASTM D6433 Standard Practice for Roads and Parking Lots Pavement Condition Index Surveys, establishes scales from 0 to 100 for roads maintained by the Department of Public Works. ASTM D6433 considers a road indexed below 55 to be in poor quality and meet the requirements for reconstruction. Roads fall into categories ranging from Good to Poor, with numerical rankings as follow:

Good	70 to 100
Fair	55 to 69
Poor	0 to 54

The scales have been modified from previous years to combine roads in Excellent condition with roads in Good condition, and unpaved roads have been separated from paved roads. Paved roads are given a Pavement Condition Index (PCI) and unpaved roads are given an Overall Condition Index (OCI).

The County's Department of Public Works recommends that 50% of the County's maintained road system be maintained at a rating of Fair or better. Conditional assessments (ratings) are conducted on three-year cycles with detailed inspection occurring on an ongoing basis. The results of the past three cycles are as follows:

	<u>2018</u>	<u>2021</u>	<u>2024</u>	<u>2024</u>
Roads	42.90 %	59.00 %	43.00 %	40.00 %
Bridges	89.32	91.90	92.20	92.20
Signs	93.74	94.88	89.50	90.00

As of June 30, 2025, the condition of the County's paved maintained road system was rated Fair or better for 38% of Arterial and Collector roads and 41% of Local roads, a combined 40% for all paved roads. 100% of the County's 260 miles of unpaved roads are currently rated in Fair condition.

**COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)
YEAR ENDED JUNE 30, 2025**

A. Roads (Continued)

The County also maintains records of 0.96 miles of unconstructed/unrated right of way. At June 30, 2025, the recorded number of miles maintained by the County is 1,088.

The majority of roads falling below the established rating of Fair (PCI<54) are in the Local road category and were generally acquired by the County with inadequate or no structural section. Many of these roads are in rural settings and support minimal traffic, and it would require large expenditures and many years to increase the PCI rating.

B. Bridges

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

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

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

C. Signs

The County manages its maintained traffic sign system using the StreetSaver Sign Management Program. The state and federal Manual of Uniform Traffic Control Devices (MUTCD) identifies sign reflectivity requirements as a crucial rating factor and has established standards for Minimum Retro reflectivity. County sign reflectivity is inspected by County personnel using a Retro reflectometer, which provides a basis for nonsubjective Pass or Fail ratings.

The Public Works staff have a functional geo-referenced database integrated Google Maps. This allows staff to easily locate and view sign locations, including their Pass or Fail status, from any computer or handheld mobile device.

Additionally, the County maintains a significant number of miles of road centerline and edge line striping, pavement markings, and object marker signs. These assets are visually inspected during routine operations and are maintained or replaced as needed to maintain maximum visibility.

COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH (CONTINUED)
YEAR ENDED JUNE 30, 2025

D. Cost of Maintenance

The estimated annual cost to maintain 50% of the roads and 75% of the bridges in Fair or better condition and signs in a Pass condition rating is \$23 million for the next five fiscal years. The average annual expenditures for each of the last five years was \$11.3 million. The funds expended have helped to slow the facility degradation, however, the overall ratings continue to decline, albeit at a slow place. The funds expended for all of the above noted facilities over the past five fiscal years are as follows:

<u>Fiscal Year Ending</u>	<u>Total</u> <u>Expenditures</u>	<u>Road and Bridge</u> <u>Construction</u> <u>Projects</u>	<u>Expenditures</u> <u>Net of</u> <u>Projects</u>
2024/2025	\$ 33,685,332	\$ 21,404,969	\$ (12,280,363)
2023/2024	41,760,405	29,350,558	(12,409,847)
2022/2023	18,305,512	6,832,286	(11,473,226)
2021/2022	30,859,840	21,024,976	(9,834,864)
2020/2021	25,859,167	15,328,401	(10,530,766)
Total	<u>\$ 150,470,256</u>	<u>\$ 93,941,190</u>	<u>\$ (56,529,066)</u>

COUNTY OF TEHAMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 29,993,124	\$ 29,993,124	\$ 30,676,202	\$ 683,078
Licenses and Permits	2,199,335	2,199,335	2,574,766	375,431
Fines and Forfeits	1,203,338	1,203,338	1,749,557	546,219
Use of Money and Property	1,131,087	1,131,087	4,255,157	3,124,070
Intergovernmental	4,446,851	7,142,925	7,089,764	(53,161)
Charges for Services	6,053,825	6,250,822	5,482,571	(768,251)
Other Revenues	627,389	671,105	384,316	(286,789)
Total Revenues	45,654,949	48,591,736	52,212,333	3,620,597
EXPENDITURES				
Current:				
General Government	12,256,842	12,835,022	11,133,360	1,701,662
Public Protection	8,289,664	11,022,041	9,349,381	1,672,660
Health and Welfare	1,123,256	1,176,898	1,169,335	7,563
Public Assistance	1,855,876	1,948,444	1,548,365	400,079
Education	1,098,950	1,107,856	1,040,787	67,069
Culture and Recreation	493,456	565,991	761,318	(195,327)
Debt Service:				
Principal	-	-	192,015	(192,015)
Interest and Other Charges	50,000	50,000	77,566	(27,566)
Capital Outlay	230,290	-	544,624	(544,624)
Total Expenditures	25,398,334	28,706,252	25,816,751	2,889,501
EXCESS OF REVENUES OVER EXPENDITURES	20,256,615	19,885,484	26,395,582	6,510,098
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	291,382	291,382
Transfers Out	(20,061,787)	(23,172,503)	(24,798,019)	(1,625,516)
Total Other Financing Sources (Uses)	(20,061,787)	(23,172,503)	(24,506,637)	(1,334,134)
NET CHANGE IN FUND BALANCES	<u>\$ 194,828</u>	<u>\$ (3,287,019)</u>	1,888,945	<u>\$ 5,175,964</u>
Fund Balances - Beginning of Year			35,752,021	
FUND BALANCES - END OF YEAR			<u>\$ 37,640,966</u>	

See accompanying Note to Budgetary Comparison Schedules.

**COUNTY OF TEHAMA
BUDGETARY COMPARISON SCHEDULE
ROAD – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and Assessments	\$ 850,000	\$ 850,000	\$ 510,041	\$ (339,959)
Licenses and Permits	10,000	10,000	8,715	(1,285)
Use of Money and Property	-	-	27,107	27,107
Intergovernmental	37,283,200	42,591,906	37,284,318	(5,307,588)
Charges for Services	597,102	597,102	236,569	(360,533)
Other Revenues	5,307,626	2,500	28,173	25,673
Total Revenues	44,047,928	44,051,508	38,094,923	(5,956,585)
EXPENDITURES				
Current:				
Public Ways and Facilities	42,125,135	42,317,338	33,454,540	8,862,798
Capital Outlay	878,375	878,375	718,570	159,805
Total Expenditures	43,003,510	43,195,713	34,173,110	9,022,603
EXCESS OF REVENUES OVER EXPENDITURES	1,044,418	855,795	3,921,813	3,066,018
OTHER FINANCING SOURCES (USES)				
Transfers In	3,580	3,580	3,580	-
Transfers Out	(1,047,998)	(855,795)	(49,006)	806,789
Total Other Financing Sources (Uses)	(1,044,418)	(852,215)	(45,426)	806,789
NET CHANGE IN FUND BALANCES	\$ -	\$ 3,580	3,876,387	\$ 3,872,807
Fund Balances - Beginning of Year			(2,967,631)	
FUND BALANCES - END OF YEAR			\$ 908,756	

See accompanying Note to Budgetary Comparison Schedules.

COUNTY OF TEHAMA
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY– MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and Permits	\$ 1,556	\$ 1,556	\$ 191	\$ (1,365)
Fines and Forfeitures	3,161	3,161	38,961	35,800
Use of Money and Property	-	-	238,228	238,228
Intergovernmental	16,764,660	17,799,677	15,694,372	(2,105,305)
Charges for Services	2,447,201	2,713,976	2,454,218	(259,758)
Other Revenues	29,033	144,631	435,841	291,210
Total Revenues	19,245,611	20,663,001	18,861,811	(1,801,190)
EXPENDITURES				
Current:				
Public Protection	42,535,538	43,200,449	40,611,898	2,588,551
Debt Service:				
Principal	-	-	218,074	(218,074)
Interest and Other Charges	-	-	1,626	(1,626)
Capital Outlay	319,898	1,427,949	1,319,876	108,073
Total Expenditures	42,855,436	44,628,398	42,151,474	2,476,924
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,609,825)	(23,965,397)	(23,289,663)	675,734
OTHER FINANCING SOURCES (USES)				
Transfers In	22,656,628	24,824,479	22,641,605	(2,182,874)
Transfers Out	(1,257,053)	(875,830)	-	875,830
Total Other Financing Sources (Uses)	21,399,575	23,948,649	22,641,605	(1,307,044)
NET CHANGE IN FUND BALANCES	<u>\$ (2,210,250)</u>	<u>\$ (16,748)</u>	(648,058)	<u>\$ (631,310)</u>
Fund Balances - Beginning of Year			12,589,843	
FUND BALANCES - END OF YEAR			<u>\$ 11,941,785</u>	

See accompanying Note to Budgetary Comparison Schedules.

COUNTY OF TEHAMA
BUDGETARY COMPARISON SCHEDULE
PUBLIC ASSISTANCE – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ 39,362	\$ 39,362	\$ 462,905	\$ 423,543
Intergovernmental	53,192,232	54,080,128	44,667,495	(9,412,633)
Charges for Services	128,634	136,654	149,381	12,727
Other Revenues	154,474	154,474	297,202	142,728
Total Revenues	53,514,702	54,410,618	45,576,983	(8,833,635)
EXPENDITURES				
Current:				
Public Assistance	54,373,183	55,192,711	51,300,807	3,891,904
Debt Service:				
Principal	-	-	130,546	(130,546)
Interest and Other Charges	-	-	30,438	(30,438)
Capital Outlay	15,000	91,388	30,558	60,830
Total Expenditures	54,388,183	55,284,099	51,492,349	3,791,750
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(873,481)	(873,481)	(5,915,366)	(5,041,885)
OTHER FINANCING SOURCES (USES)				
Transfers In	976,909	976,909	857,253	(119,656)
Transfers Out	(108,428)	(108,428)	(107,042)	1,386
Total Other Financing Sources (Uses)	868,481	868,481	750,211	(118,270)
NET CHANGE IN FUND BALANCES	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	(5,165,155)	<u>\$ (5,160,155)</u>
Fund Balances - Beginning of Year			23,296,564	
FUND BALANCES - END OF YEAR			<u>\$ 18,131,409</u>	

See accompanying Note to Budgetary Comparison Schedules.

COUNTY OF TEHAMA
BUDGETARY COMPARISON SCHEDULE
HEALTH SERVICES – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive Negative
REVENUES				
Fines and Forfeitures	\$ -	\$ -	\$ 18,458	\$ 18,458
Use of Money and Property	-	-	99,817	99,817
Intergovernmental	24,342,296	24,342,296	30,910,714	6,568,418
Charges for Services	15,472,995	15,472,995	15,023,168	(449,827)
Other Revenues	187,655	83,392	824,270	740,878
Total Revenues	40,002,946	39,898,683	46,876,427	6,977,744
EXPENDITURES				
Current:				
Health and Welfare	39,219,767	38,985,122	35,775,654	3,209,468
Debt Service:				
Principal	-	-	115,111	(115,111)
Interest and Other Charges	-	-	969,985	(969,985)
Capital Outlay	1,155,447	1,115,477	-	1,115,477
Total Expenditures	40,375,214	40,100,599	36,860,750	3,239,849
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(372,268)	(201,916)	10,015,677	10,217,593
OTHER FINANCING SOURCES (USES)				
Transfers In	83,392	83,392	58,827	(24,565)
Transfers Out	(288,869)	(192,970)	(118,954)	74,016
Total Other Financing Sources (Uses)	(205,477)	(109,578)	(60,127)	49,451
NET CHANGE IN FUND BALANCES	<u>\$ (577,745)</u>	<u>\$ (311,494)</u>	9,955,550	<u>\$ 10,267,044</u>
Fund Balances - Beginning of Year			<u>(4,624,420)</u>	
FUND BALANCES - END OF YEAR			<u>\$ 5,331,130</u>	

See accompanying Note to Budgetary Comparison Schedules.

COUNTY OF TEHAMA
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2025

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budget to actual results for the County's general and major special revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The following procedures are performed by the County in establishing the budgetary data reflected in the financial statements:

- (1) The County Administrative Officer submits to the Board of Supervisors a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Supervisors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to August 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrative Officer may authorize transfers from one object or purpose to another within the same department.
- (5) An operating budget is adopted each fiscal year for all governmental funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are authorized by the County Administrator's office and must be approved by the Board of Supervisors. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgeted amounts in the budgetary schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

COUNTY OF TEHAMA
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
JUNE 30, 2025

NOTE 1 BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

The County uses an encumbrance system as an extension of normal budgetary accounting for the general, special revenue, and debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed, or assigned fund balance since they do not constitute expenditures or liabilities. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

Expenditures Exceeding Appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the following:

General Fund	Culture and Recreation	\$ 195,327
General Fund	Debt Service	219,581
General Fund	Capital Outlay	544,624
Public Safety Fund	Debt Service	219,700
Public Assistance Fund	Debt Service	160,984
Health Services Fund	Debt Service	1,085,096

COMBINING NONMAJOR GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

Special Revenue									
	Fish and Game	Fire	Child Support	Building and Safety	Senior Nutrition	Transportation Operations	Air Pollution	Los Molinos Lighting	Tehama County Flood Control
ASSETS									
Cash and Investments	\$ 126,811	\$ 13,737,443	\$ 252,612	\$ 3,800,841	\$ 212,965	\$ -	\$ 3,234,343	\$ 140,135	\$ -
Cash With Fiscal Agent	-	-	-	-	-	-	-	-	-
Receivables:									
Accounts	-	178,292	5,818	8,040	195,454	15,703	41,862	-	574,571
Intergovernmental	-	4,544	73,683	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	3,107	375	-	-	114	-	-	-
Total Assets	\$ 126,811	\$ 13,923,386	\$ 332,488	\$ 3,808,881	\$ 408,419	\$ 15,817	\$ 3,276,205	\$ 140,135	\$ 574,571
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ -	\$ 340,300	\$ 6,740	\$ 3,925	\$ 561	\$ 256,001	\$ 446,652	\$ -	\$ 831,732
Salaries and Benefits Payable	-	11,943	48,004	22,453	5,587	-	16,226	-	8,805
Due to Other Governments	-	-	-	14,681	-	-	-	-	-
Other Liabilities	-	-	-	10,174	-	-	-	-	-
Unearned Revenues	-	-	63,683	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	250,000	151,116	-	-	1,054,365
Advances from Other Funds	-	-	-	-	-	-	-	-	634,000
Total Liabilities	-	352,243	118,427	51,233	256,148	407,117	462,878	-	2,528,902
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenues	-	4,544	-	4,603	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	3,107	375	-	-	114	-	-	-
Restricted	126,811	13,563,492	213,686	3,753,045	152,271	-	2,813,327	140,135	-
Unassigned	-	-	-	-	-	(391,414)	-	-	(1,954,331)
Total Fund Balances	126,811	13,566,599	214,061	3,753,045	152,271	(391,300)	2,813,327	140,135	(1,954,331)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 126,811	\$ 13,923,386	\$ 332,488	\$ 3,808,881	\$ 408,419	\$ 15,817	\$ 3,276,205	\$ 140,135	\$ 574,571

COUNTY OF TEHAMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2025

	Special Revenue								
	Tehama County Flood Zone 3	Tehama Power Authority	AB 923	Small Claim Fees	Community Block Grant	Impact Fees	Capital Projects Fund	Debt Service Fund	Total
ASSETS									
Cash and Investments	\$ 1,329,098	\$ 6,394	\$ 1,011,730	\$ 20,740	\$ 5,594	\$ 2,734,563	\$ 1,081,909	\$ 350,259	\$ 28,045,437
Cash With Fiscal Agent	-	-	-	-	-	-	1,309,605	1,192,068	2,501,673
Receivables:									
Accounts	153,700	-	20,366	-	-	-	2,045,569	-	3,239,375
Intergovernmental	-	-	-	-	-	-	-	-	78,227
Advances to Other Funds	634,000	-	-	-	-	-	-	-	634,000
Prepaid Costs	-	-	-	-	-	-	-	-	3,596
Total Assets	\$ 2,116,798	\$ 6,394	\$ 1,032,096	\$ 20,740	\$ 5,594	\$ 2,734,563	\$ 4,437,083	\$ 1,542,327	\$ 34,502,308
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,285,874	\$ -	\$ 3,171,785
Salaries and Benefits Payable	3,750	-	-	-	-	-	3,777	-	120,545
Due to Other Governments	-	-	-	-	-	-	-	-	14,681
Other Liabilities	-	-	-	-	-	-	-	-	10,174
Unearned Revenues	-	-	-	-	-	-	-	-	63,683
Due to Other Funds	-	-	-	-	-	-	196,404	-	1,651,885
Advances from Other Funds	-	-	-	-	-	-	-	-	634,000
Total Liabilities	3,750	-	-	-	-	-	1,486,055	-	5,666,753
DEFERRED INFLOWS OF RESOURCES									
Unavailable Revenues	-	-	-	-	-	-	-	-	9,147
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	3,596
Restricted	2,113,048	6,394	1,032,096	20,740	5,594	2,734,563	2,951,028	1,542,327	31,168,557
Unassigned	-	-	-	-	-	-	-	-	(2,345,745)
Total Fund Balances	2,113,048	6,394	1,032,096	20,740	5,594	2,734,563	2,951,028	1,542,327	28,826,408
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,116,798	\$ 6,394	\$ 1,032,096	\$ 20,740	\$ 5,594	\$ 2,734,563	\$ 4,437,083	\$ 1,542,327	\$ 34,502,308

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2025

	Special Revenue								
	Fish and Game	Fire	Child Support	Building and Safety	Senior Nutrition	Transportation Operations	Air Pollution	Los Molinos Lighting	Tehama County Flood Control
REVENUES									
Taxes and Assessments	\$ -	\$ 4,959,489	\$ -	\$ -	\$ -	\$ 1,134,272	\$ -	\$ 19,788	\$ 219,556
Licenses and Permits	-	-	-	1,281,488	-	-	720,400	-	-
Fines and Forfeits	1,396	-	-	5,731	-	-	20,700	-	-
Use of Money and Property	4,371	481,253	15,018	124,969	4,611	(31,220)	125,681	4,622	81
Intergovernmental	-	138,447	2,251,890	-	725,815	2,783,646	303,682	197	3,175,839
Charges for Services	-	2,420,585	-	6,092	18,622	1,010	-	-	177,300
Other Revenues	-	17,949	1,266	-	75,551	-	29	-	-
Total Revenues	5,767	8,017,723	2,268,174	1,418,280	824,599	3,887,708	1,170,492	24,607	3,572,776
EXPENDITURES									
Current:									
General Government	-	-	-	-	-	-	-	-	-
Public Protection	2,986	7,675,139	-	1,118,724	-	-	2,359,662	11,884	5,525,967
Public Ways and Facilities	-	-	-	-	-	3,459,795	-	-	-
Health and Welfare	-	-	-	-	678,221	-	-	-	-
Public Assistance	-	-	2,233,555	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	2,986	7,675,139	2,233,555	1,118,724	678,221	3,459,795	2,359,662	11,884	5,525,967
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,781	342,584	34,619	299,556	146,378	427,913	(1,189,170)	12,723	(1,953,191)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	35,000	-	8,080	-	-
NET CHANGES IN FUND BALANCES	2,781	342,584	34,619	299,556	181,378	427,913	(1,181,090)	12,723	(1,953,191)
Fund Balances - Beginning of Year	124,030	13,224,015	179,442	3,453,489	(29,107)	(819,213)	3,994,417	127,412	(1,140)
FUND BALANCES - END OF YEAR	\$ 126,811	\$ 13,566,599	\$ 214,061	\$ 3,753,045	\$ 152,271	\$ (391,300)	\$ 2,813,327	\$ 140,135	\$ (1,954,331)

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Tehama County Flood Zone 3	Tehama Power Authority	Special Revenue				Impact Fees	Capital Projects Fund	Debt Service Fund	Total
			AB 923	Small Claim Fees	Community Block Grant					
REVENUES										
Taxes and Assessments	\$ 149,728	\$ -	\$ -	\$ -	\$ -	\$ -	-	5,289	\$ -	\$ 6,488,122
Licenses and Permits	-	-	125,631	-	-	-	-	-	-	2,127,519
Fines and Forfeits	-	-	-	-	-	-	-	-	217,962	245,789
Use of Money and Property	45,606	219	33,371	-	649	90,623	-	60,351	113,308	1,073,513
Intergovernmental	155,187	-	-	-	-	-	-	13,751,901	-	23,286,604
Charges for Services	-	-	-	-	-	157,302	-	-	-	2,780,911
Other Revenues	-	-	-	711	-	-	-	109,000	-	204,506
Total Revenues	350,521	219	159,002	711	649	247,925	-	13,926,541	331,270	36,206,964
EXPENDITURES										
Current:										
General Government	-	-	-	-	-	-	-	135,403	-	135,403
Public Protection	154,130	-	-	-	-	-	-	-	-	16,848,492
Public Ways and Facilities	-	-	-	-	-	-	-	-	-	3,459,795
Health and Welfare	-	-	39,522	-	-	-	-	-	-	717,743
Public Assistance	-	-	-	-	-	-	-	-	-	2,233,555
Debt Service:										
Principal	-	-	-	-	-	-	-	-	1,058,076	1,058,076
Interest and Other Charges	-	-	-	-	-	-	-	-	400,835	400,835
Capital Outlay	-	-	-	-	-	-	-	13,299,465	-	13,299,465
Total Expenditures	154,130	-	39,522	-	-	-	-	13,434,868	1,458,911	38,153,364
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	196,391	219	119,480	711	649	247,925	-	491,673	(1,127,641)	(1,946,400)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	1,177,294	1,220,374
NET CHANGES IN FUND BALANCES	196,391	219	119,480	711	649	247,925	-	491,673	49,653	(726,026)
Fund Balances - Beginning of Year	1,916,657	6,175	912,616	20,029	4,945	2,486,638	-	2,459,355	1,492,674	29,552,434
FUND BALANCES - END OF YEAR	\$ 2,113,048	\$ 6,394	\$ 1,032,096	\$ 20,740	\$ 5,594	\$ 2,734,563	\$ -	\$ 2,951,028	\$ 1,542,327	\$ 28,826,408

NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

COUNTY OF TEHAMA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2025

	Health Center	Tehama County Sanitation District #1	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 20	\$ 547,656	\$ 547,676
Prepaid Costs	-	7,007	7,007
Total Current Assets	<u>20</u>	<u>554,663</u>	<u>554,683</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	-	38,047	38,047
Depreciable, Net	<u>-</u>	<u>476,998</u>	<u>476,998</u>
Total Noncurrent Assets	<u>-</u>	<u>515,045</u>	<u>515,045</u>
Total Assets	20	1,069,708	1,069,728
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	6,282	6,282
Accrued Interest Payable	-	2,178	2,178
Bonds Payable	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total Current Liabilities	-	33,460	33,460
Noncurrent Liabilities:			
Bonds Payable	<u>-</u>	<u>172,000</u>	<u>172,000</u>
Total Liabilities	<u>-</u>	<u>205,460</u>	<u>205,460</u>
NET POSITION			
Net Investment in Capital Assets	-	328,345	328,345
Unrestricted	<u>20</u>	<u>535,903</u>	<u>535,923</u>
Total Net Position	<u>\$ 20</u>	<u>\$ 864,248</u>	<u>\$ 864,268</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025

	Health Center	Tehama County Sanitation District #1	Total
OPERATING REVENUES			
Charges for Services	\$ -	\$ 315,165	\$ 315,165
OPERATING EXPENSES			
Salaries and Benefits	-	7,026	7,026
Services and Supplies	-	174,952	174,952
Professional Services	-	5,089	5,089
Insurance	-	26,362	26,362
Depreciation	-	43,074	43,074
Total Operating Expenses	<u>-</u>	<u>256,503</u>	<u>256,503</u>
OPERATING INCOME	-	58,662	58,662
NONOPERATING REVENUE (EXPENSES)			
Intergovernmental Revenue	-	44,529	44,529
Interest Income	-	19,159	19,159
Interest Expense	-	(10,425)	(10,425)
Total Nonoperating Revenue (Expenses)	<u>-</u>	<u>53,263</u>	<u>53,263</u>
CHANGES IN NET POSITION	-	111,925	111,925
Net Position - Beginning of Year	<u>20</u>	<u>752,323</u>	<u>752,343</u>
NET POSITION - END OF YEAR	<u>\$ 20</u>	<u>\$ 864,248</u>	<u>\$ 864,268</u>

**COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025**

	Health Center	Tehama County Sanitation District #1	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ -	\$ 315,165	\$ 315,165
Payments to Suppliers	-	(207,985)	(207,985)
Payments to Employees	-	(7,026)	(7,026)
Net Cash Provided by Operating Activities	-	100,154	100,154
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Intergovernmental Revenue Received	-	44,529	44,529
Principal Paid on Capital Debt	-	(13,700)	(13,700)
Interest Paid on Capital Debt	-	(10,425)	(10,425)
Net Cash Provided by Capital and Related Financing Activities	-	20,404	20,404
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends	-	19,159	19,159
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	139,717	139,717
Cash and Cash Equivalents - Beginning of Year	20	407,939	407,959
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 20</u>	<u>\$ 547,656</u>	<u>\$ 547,676</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2025

	Health Center	Tehama County Sanitation District #1	Total
	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING OPERATING			
Operating Income	\$ -	\$ 58,662	\$ 58,662
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	-	43,074	43,074
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:			
(Increase) Decrease in:			
Prepaid Items		(7,007)	(7,007)
Increase (Decrease) in:			
Accounts Payable	-	5,800	5,800
Accrued Interest	<u>-</u>	<u>(375)</u>	<u>(375)</u>
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ 100,154</u>	<u>\$ 100,154</u>

INTERNAL SERVICE FUNDS

COUNTY OF TEHAMA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Total
ASSETS					
Current Assets:					
Cash and Investments	\$ 4,081,795	\$ 283,215	\$ 128,953	\$ 74,739	\$ 4,568,702
Cash With Fiscal Agent	-	60,900	-	-	60,900
Accounts Receivable	-	-	410	-	410
Prepaid Costs	-	3,928	1,325,410	408	1,329,746
Deposits with Others	9,097,365	-	-	-	9,097,365
Total Current Assets	13,179,160	348,043	1,454,773	75,147	15,057,123
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Adjustments	129,985	-	-	-	129,985
Deferred OPEB Adjustments	1,350	-	-	-	1,350
Total Deferred Outflows of Resources	131,335	-	-	-	131,335
LIABILITIES					
Current Liabilities:					
Accounts Payable	65,389	96,387	-	12,001	173,777
Accrued Payroll and Benefits	21,567	-	-	-	21,567
Estimated Claims Liability	5,111,137	87,891	-	12,847	5,211,875
Total Current Liabilities	5,198,093	184,278	-	24,848	5,407,219
Noncurrent Liabilities:					
Advances From Other Funds	-	-	1,180,000	-	1,180,000
Compensated Absences	5,648	-	-	-	5,648
Net Pension Liability	604,277	-	-	-	604,277
Total OPEB Liability	5,332	-	-	-	5,332
Total Noncurrent Liabilities	615,257	-	1,180,000	-	1,795,257
Total Liabilities	5,813,350	184,278	1,180,000	24,848	7,202,476
DEFERRED INFLOWS OF RESOURCES					
Deferred OPEB Adjustments	8,010	-	-	-	8,010
NET POSITION					
Unrestricted	7,489,135	163,765	274,773	50,299	7,977,972
Total Net Position	\$ 7,489,135	\$ 163,765	\$ 274,773	\$ 50,299	\$ 7,977,972

COUNTY OF TEHAMA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Total
OPERATING REVENUES					
Charges for Services	\$ 8,614,761	\$ 498,276	\$ 16,475,079	\$ 93,912	\$ 25,682,028
Other Revenues	70,400	-	32,768	-	103,168
Total Operating Revenues	8,685,161	498,276	16,507,847	93,912	25,785,196
OPERATING EXPENSES					
Salaries and Benefits	641,021	-	-	-	641,021
Services and Supplies	3,985,935	61,418	3,646	13,820	4,064,819
Insurance	6,210	527,343	15,823,642	77,086	16,434,281
Self-Insurance Claims	2,306,295	-	-	-	2,306,295
Total Operating Expenses	6,939,461	588,761	15,827,288	90,906	23,446,416
OPERATING INCOME (LOSS)	1,745,700	(90,485)	680,559	3,006	2,338,780
NONOPERATING REVENUE (EXPENSES)					
Interest Income	465,503	9,829	10,649	2,279	488,260
CHANGES IN NET POSITION	2,211,203	(80,656)	691,208	5,285	2,827,040
Net Position - Beginning of Year	5,277,932	244,421	(416,435)	45,014	5,150,932
NET POSITION - END OF YEAR	<u>\$ 7,489,135</u>	<u>\$ 163,765</u>	<u>\$ 274,773</u>	<u>\$ 50,299</u>	<u>\$ 7,977,972</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2025

	Risk Management	Dental Insurance	Medical Insurance	Vision Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 8,685,161	\$ 498,276	\$ 16,507,437	\$ 93,912	\$ 25,784,786
Payments to Suppliers	(7,671,693)	(533,842)	(15,867,331)	(86,062)	(24,158,928)
Payments to Employees	(646,156)	-	-	-	(646,156)
Net Cash Provided (Used) by Operating Activities	367,312	(35,566)	640,106	7,850	979,702
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Paid to Other Funds	-	-	(521,802)	-	(521,802)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends	465,503	9,829	10,649	2,279	488,260
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	832,815	(25,737)	128,953	10,129	946,160
Cash and Cash Equivalents - Beginning of Year	3,248,980	369,852	-	64,610	3,683,442
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,081,795</u>	<u>\$ 344,115</u>	<u>\$ 128,953</u>	<u>\$ 74,739</u>	<u>\$ 4,629,602</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 1,745,700	\$ (90,485)	\$ 680,559	\$ 3,006	\$ 2,338,780
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
(Increase) Decrease in:					
Accounts Receivable	-	(3,928)	(410)	-	(4,338)
Prepaid Costs	-	-	(40,043)	(408)	(40,451)
Pension-Related Deferred Outflows of Resources	49,209	-	-	-	49,209
OPEB-Related Deferred Outflows of Resources	1,086	-	-	-	1,086
Increase (Decrease) in:					
Accounts Payable	62,863	56,079	-	5,026	123,968
Salaries and Benefits Payable	2,077	-	-	-	2,077
Deposits with Others	(2,849,296)	-	-	-	(2,849,296)
Estimated Claims Liability	1,415,622	2,768	-	226	1,418,616
Compensated Absences	(6,099)	-	-	-	(6,099)
Pension-Related Deferred Inflows of Resources	(7,941)	-	-	-	(7,941)
OPEB-Related Deferred Inflows of Resources	(17,255)	-	-	-	(17,255)
Net Pension Liability	(21,765)	-	-	-	(21,765)
Total OPEB Liability	(6,889)	-	-	-	(6,889)
Net Cash Provided (Used) by Operating Activities	<u>\$ 367,312</u>	<u>\$ (35,566)</u>	<u>\$ 640,106</u>	<u>\$ 7,850</u>	<u>\$ 979,702</u>

FIDUCIARY FUNDS

COUNTY OF TEHAMA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
JUNE 30, 2025

	Special Districts Governed by Local Boards	School Districts	Total
ASSETS			
Cash and Investments	\$ 6,980,385	\$ 177,733,148	\$ 184,713,533
LIABILITIES			
Accounts Payable	<u>104,170</u>	<u>363,650</u>	<u>467,820</u>
NET POSITION			
Net Position Held in Trust for Pool Participants	<u>\$ 6,876,215</u>	<u>\$ 177,369,498</u>	<u>\$ 184,245,713</u>

COUNTY OF TEHAMA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
YEAR ENDED JUNE 30, 2025

	Special Districts Governed by Local Boards	School Districts	Total
ADDITIONS			
Contributions to Investment Pool	\$ 5,334,419	\$ 529,411,501	\$ 534,745,920
Investment Earnings	222,821	-	222,821
Total Additions	<u>5,557,240</u>	<u>529,411,501</u>	<u>534,968,741</u>
DEDUCTIONS			
Distributions from Investment Pool	<u>6,195,903</u>	<u>533,499,292</u>	<u>539,695,195</u>
CHANGES IN NET POSITION	(638,663)	(4,087,791)	(4,726,454)
Net Position - Beginning of Year	<u>7,514,878</u>	<u>181,457,289</u>	<u>188,972,167</u>
NET POSITION - END OF YEAR	<u><u>\$ 6,876,215</u></u>	<u><u>\$ 177,369,498</u></u>	<u><u>\$ 184,245,713</u></u>



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