

**COUNTY OF HUMBOLDT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**COUNTY OF HUMBOLDT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INTRODUCTORY SECTION

| | |
|-------------------------------|---|
| Directory of Public Officials | i |
|-------------------------------|---|

FINANCIAL SECTION

| | |
|------------------------------|---|
| Independent Auditors' Report | 1 |
|------------------------------|---|

Basic Financial Statements

Government-Wide Financial Statements

| | |
|---------------------------|---|
| Statement of Net Position | 5 |
|---------------------------|---|

| | |
|-------------------------|---|
| Statement of Activities | 6 |
|-------------------------|---|

Fund Financial Statements

Governmental Funds

| | |
|---------------|---|
| Balance Sheet | 8 |
|---------------|---|

| | |
|--------------------------------------------------------------------------------------------------------------------------------------|---|
| Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities | 9 |
|--------------------------------------------------------------------------------------------------------------------------------------|---|

| | |
|-------------------------------------------------------------------|----|
| Statement of Revenues, Expenditures, and Changes in Fund Balances | 10 |
|-------------------------------------------------------------------|----|

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities | 11 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|

Proprietary Funds

| | |
|---------------------------|----|
| Statement of Net Position | 12 |
|---------------------------|----|

| | |
|--------------------------------------------------------------|----|
| Statement of Revenues, Expenses, and Changes in Net Position | 13 |
|--------------------------------------------------------------|----|

| | |
|-------------------------|----|
| Statement of Cash Flows | 14 |
|-------------------------|----|

Fiduciary Funds

| | |
|---------------------------|----|
| Statement of Net Position | 16 |
|---------------------------|----|

| | |
|--------------------------------------|----|
| Statement of Changes in Net Position | 17 |
|--------------------------------------|----|

| | |
|-------------------------------------|----|
| Notes to Basic Financial Statements | 18 |
|-------------------------------------|----|

REQUIRED SUPPLEMENTARY INFORMATION

| | |
|---------------------------------------------------------------------|----|
| Schedule of Changes in the Net Pension Liability and Related Ratios | 54 |
|---------------------------------------------------------------------|----|

| | |
|----------------------------------------|----|
| Schedule of Pension Plan Contributions | 56 |
|----------------------------------------|----|

| | |
|--------------------------------------------------------------|----|
| Schedule of Changes to Net OPEB Liability and Related Ratios | 57 |
|--------------------------------------------------------------|----|

Budgetary Comparison Schedule

| | |
|--------------------------------|----|
| General Fund – Budgetary Basis | 58 |
|--------------------------------|----|

| | |
|-----------|----|
| Road Fund | 60 |
|-----------|----|

| | |
|--------------------------------------------|----|
| Note to Required Supplementary Information | 61 |
|--------------------------------------------|----|

**COUNTY OF HUMBOLDT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND
SCHEDULES**

| | |
|--------------------------------------------------------------------------------|----|
| Nonmajor Governmental Funds | |
| Combining Balance Sheet | 62 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 64 |
| Internal Service Funds | |
| Combining Statement of Net Position | 66 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position | 68 |
| Combining Statement of Cash Flows | 70 |
| Insurance Funds | |
| Combining Schedule of Net Position | 74 |
| Combining Schedule of Revenues, Expenses, and Changes in Net Position | 77 |
| Combining Schedule of Cash Flows | 80 |

INTRODUCTORY SECTION

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**COUNTY OF HUMBOLDT
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2022**

**BOARD OF SUPERVISORS
(as of June 30, 2022)**

| <u>Name</u> | <u>Office</u> |
|-------------------|------------------------|
| Rex Bohn | Supervisor, District 1 |
| Michelle Bushnell | Supervisor, District 2 |
| Mike Wilson | Supervisor, District 3 |
| Natalie Arroyo | Supervisor, District 4 |
| Steve Madrone | Supervisor, District 5 |

FINANCE ADMINISTRATORS

| <u>Name</u> | <u>Office</u> |
|---------------------|-------------------------------|
| Elishia Hayes | County Administrative Officer |
| Karen Paz Dominguez | Auditor/Controller |
| Amy Christensen | Treasurer/Tax Collector |

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Board of Supervisors
County of Humboldt
Eureka, California

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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

Summary of Opinions

| Opinion Unit | Type of Opinion |
|--------------------------------------|-----------------|
| Governmental Activities | Unmodified |
| Business-Type Activities | Unmodified |
| Discretely Presented Component Unit | Adverse |
| General Fund | Unmodified |
| Headwaters Mitigation Fund | Unmodified |
| Road Fund | Unmodified |
| Aviation Fund | Unmodified |
| Aggregate Remaining Fund Information | Unmodified |

Adverse Opinion Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of Discretely Presented Component Unit of the County of Humboldt, as of June 30, 2022, or the changes in financial position or cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, Business-Type Activities, each Major Fund, and the Aggregate Remaining Fund Information of the County of Humboldt, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion

Management has not included the Fortuna Fire Protection District in the County's Financial Statements. Accounting principles generally accepted in the United States of America require the Fortuna Fire Protection District to be presented as a discretely presented component unit. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses of the omitted discretely presented component unit has not been determined.

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 the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

Change in accounting principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the County of Humboldt, California, adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms of greater than twelve months. Our opinion is not modified with respect to this matter.

Prior Period Adjustment

As disclosed in Note 14 to the financial statements, a prior period adjustment was recorded for the correction of an error in prior year financial statements. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in net pension liability and related ratios and schedule of contributions, schedule of changes to net OPEB liability and related ratios, and budgetary comparison information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements 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 and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

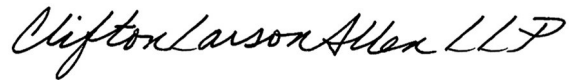
Other Information

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 July 22, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
July 22, 2024

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**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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COUNTY OF HUMBOLDT
STATEMENT OF NET POSITION
JUNE 30, 2022

| | Primary Government | | Totals |
|-----------------------------------------|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | |
| ASSETS | | | |
| Cash and Investments | \$ 202,799,885 | \$ 1,742,015 | \$ 204,541,900 |
| Restricted Cash and Investments: | | | |
| Cash with Fiscal Agent | 6,118,136 | - | 6,118,136 |
| Receivables, Net | 56,291,476 | 198,071 | 56,489,547 |
| Leases Receivable | 90,220 | 23,810 | 114,030 |
| Inventory | - | 102,978 | 102,978 |
| Deposits and Other Assets | 1,103,552 | - | 1,103,552 |
| Loan Receivable | 24,918,550 | - | 24,918,550 |
| Capital Assets: | | | |
| Nondepreciable | 69,227,285 | 13,715,160 | 82,942,445 |
| Depreciable, Net | 242,776,945 | 19,401,203 | 262,178,148 |
| Lease Asset, Net | 43,558,010 | 2,436 | 43,560,446 |
| Total Assets | <u>646,884,059</u> | <u>35,185,673</u> | <u>682,069,732</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Outflows Related to Pension | 43,023,249 | 248,671 | 43,271,920 |
| Deferred Outflows Related to OPEB | 9,455,963 | - | 9,455,963 |
| Total Deferred Outflows of Resources | <u>52,479,212</u> | <u>248,671</u> | <u>52,727,883</u> |
| LIABILITIES | | | |
| Accounts Payable | 38,349,552 | 632,654 | 38,982,206 |
| Accrued Salaries and Benefits | 10,712,348 | 101,627 | 10,813,975 |
| Interest Payable | 469 | 211 | 680 |
| Unearned Revenues | 34,165,785 | - | 34,165,785 |
| Long-Term Liabilities: | | | |
| Portion Due or Payable Within One Year: | | | |
| Notes Payable | 93,627 | - | 93,627 |
| Leases Payable | 5,240,410 | 1,114 | 5,241,524 |
| Compensated Absences | 7,508,581 | 87,164 | 7,595,745 |
| Claims Liability | 2,100,410 | - | 2,100,410 |
| Portion Due or Payable After One Year: | | | |
| Notes Payable | 133,242 | - | 133,242 |
| Leases Payable | 38,972,363 | 1,215 | 38,973,578 |
| Compensated Absences | 11,336,261 | 130,746 | 11,467,007 |
| OPEB Liability - Current | 1,507,223 | - | 1,507,223 |
| OPEB Liability - Noncurrent | 45,086,605 | - | 45,086,605 |
| Net Pension Liability | 202,098,391 | 1,179,424 | 203,277,815 |
| Total Liabilities | <u>397,305,267</u> | <u>2,134,155</u> | <u>399,439,422</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Inflows Related to Pension | 81,010,652 | 478,634 | 81,489,286 |
| Deferred Inflows Related to OPEB | 10,721,794 | - | 10,721,794 |
| Deferred Inflows Related to Leases | 90,088 | 23,602 | 113,690 |
| Total Deferred Inflows of Resources | <u>91,822,534</u> | <u>502,236</u> | <u>92,324,770</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 308,891,662 | 32,789,448 | 341,681,110 |
| Restricted for: | | | |
| Economic Development | 38,391,745 | - | 38,391,745 |
| Debt Service and Capital Projects | 1,746,225 | - | 1,746,225 |
| PARS Trust | 6,118,136 | - | 6,118,136 |
| General Government | 975,242 | - | 975,242 |
| Public Protection | 41,732,992 | - | 41,732,992 |
| Public Works | 18,054,388 | - | 18,054,388 |
| Health and Sanitation | 41,245,180 | - | 41,245,180 |
| Public Assistance | 6,743,424 | - | 6,743,424 |
| Education | 2,053,313 | - | 2,053,313 |
| Unrestricted | <u>(255,716,837)</u> | <u>8,505</u> | <u>(255,708,332)</u> |
| Total Net Position | <u>\$ 210,235,470</u> | <u>\$ 32,797,953</u> | <u>\$ 243,033,423</u> |

See accompanying Notes to Basic Financial Statements.

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

| Functions/Programs | Expenses | Program Revenues | | |
|--------------------------------|-----------------------|---------------------------------------------|------------------------------------------|----------------------------------------|
| | | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 25,026,446 | \$ 4,516,467 | \$ 1,751,634 | \$ 1,637,685 |
| Public Protection | 110,218,352 | 15,331,519 | 85,628,727 | - |
| Public Ways and Facilities | 29,722,239 | 1,633,886 | 31,305,062 | 3,039,433 |
| Health and Sanitation | 106,570,955 | 31,306,454 | 51,997,624 | - |
| Public Assistance | 109,911,186 | 4,527,356 | 107,086,502 | - |
| Education | 4,411,241 | 19,680 | 241,853 | - |
| Recreation and Culture | 1,509,851 | 659,107 | 353,580 | 1,428,529 |
| Interest | 531,067 | - | - | - |
| Total Governmental Activities | <u>387,901,337</u> | <u>57,994,469</u> | <u>278,364,982</u> | <u>6,105,647</u> |
| Business-Type Activities | | | | |
| Aviation | 7,406,336 | 3,568,925 | 2,924,208 | 2,046,161 |
| Total Business-Type Activities | <u>7,406,336</u> | <u>3,568,925</u> | <u>2,924,208</u> | <u>2,046,161</u> |
| Total Humboldt County | <u>\$ 395,307,673</u> | <u>\$ 61,563,394</u> | <u>\$ 281,289,190</u> | <u>\$ 8,151,808</u> |

General Revenues

Taxes:

Property Taxes

Sales and Use Taxes

Transient Occupancy Tax

Property Taxes In Lieu of Motor Vehicle License Fees

Other

Unrestricted Interest and Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, As Restated

Net Position - End of Year

See accompanying Notes to Basic Financial Statements.

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

| Net Revenue (Expense) and Changes in Net Position | | |
|------------------------------------------------------|-----------------------------|-----------------------|
| Primary Government | | |
| Governmental Activities | Business-Type Activities | Total |
| \$ (17,120,660) | \$ - | \$ (17,120,660) |
| (9,258,106) | - | (9,258,106) |
| 6,256,142 | - | 6,256,142 |
| (23,266,877) | - | (23,266,877) |
| 1,702,672 | - | 1,702,672 |
| (4,149,708) | - | (4,149,708) |
| 931,365 | - | 931,365 |
| (531,067) | - | (531,067) |
| <u>(45,436,239)</u> | <u>-</u> | <u>(45,436,239)</u> |
| - | 1,132,958 | 1,132,958 |
| <u>-</u> | <u>1,132,958</u> | <u>1,132,958</u> |
| (45,436,239) | 1,132,958 | (44,303,281) |
| 36,627,609 | - | 36,627,609 |
| 20,386,713 | - | 20,386,713 |
| 3,290,354 | - | 3,290,354 |
| 21,104,169 | - | 21,104,169 |
| 7,671,903 | - | 7,671,903 |
| (2,524,812) | (52,262) | (2,577,074) |
| 5,522,021 | 37,298 | 5,559,319 |
| 74,323 | (74,323) | - |
| <u>92,152,280</u> | <u>(89,287)</u> | <u>92,062,993</u> |
| 46,716,041 | 1,043,671 | 47,759,712 |
| <u>163,519,429</u> | <u>31,754,282</u> | <u>195,273,711</u> |
| <u>\$ 210,235,470</u> | <u>\$ 32,797,953</u> | <u>\$ 243,033,423</u> |

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**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

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

| ASSETS | General Fund | Headwaters Mitigation Fund | Road Fund | Other Governmental | Total |
|----------------------------------------------------------------------------|------------------------------|----------------------------------|-----------------------------|-----------------------------|------------------------------|
| Cash and Investments | \$ 160,980,958 | \$ 13,302,141 | \$ 200 | \$ 10,411,618 | \$ 184,694,917 |
| Department Cash Funds | - | - | - | 865 | 865 |
| Restricted Cash and Investments: | | | | | |
| Cash with Fiscal Agent | 6,118,136 | - | - | - | 6,118,136 |
| Receivables, Net | 41,733,785 | - | 14,201,449 | 351,910 | 56,287,144 |
| Leases Receivable | 90,220 | - | - | - | 90,220 |
| Due from Other Funds | 6,998,054 | - | - | - | 6,998,054 |
| Advance to Other Funds | 10,084,527 | - | - | - | 10,084,527 |
| Loans Receivable | 20,619,655 | 4,298,895 | - | - | 24,918,550 |
| Prepays and Other Assets | 676,190 | - | 475 | 40,702 | 717,367 |
| Total Assets | <u>\$ 247,301,525</u> | <u>\$ 17,601,036</u> | <u>\$ 14,202,124</u> | <u>\$ 10,805,095</u> | <u>\$ 289,909,780</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 32,774,046 | \$ - | \$ 2,383,373 | \$ 1,175,136 | \$ 36,332,555 |
| Accrued Salaries and Benefits | 9,643,818 | - | 458,258 | 316,870 | 10,418,946 |
| Due to Other Funds | - | - | 6,588,997 | 357,128 | 6,946,125 |
| Advance from Other Funds | - | - | - | 10,084,527 | 10,084,527 |
| Unearned Revenue | 34,165,785 | - | - | - | 34,165,785 |
| Total Liabilities | <u>76,583,649</u> | <u>-</u> | <u>9,430,628</u> | <u>11,933,661</u> | <u>97,947,938</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Revenue | 19,880,589 | - | 10,157,486 | 85,150 | 30,123,225 |
| Leases | 90,088 | - | - | - | 90,088 |
| Total Deferred Inflows of Resources | <u>19,970,677</u> | <u>-</u> | <u>10,157,486</u> | <u>85,150</u> | <u>30,213,313</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 655,772 | - | 475 | 40,702 | 696,949 |
| Restricted | 102,916,671 | 17,601,036 | - | 6,229,964 | 126,747,671 |
| Committed | - | - | - | - | - |
| Assigned | 26,394,143 | - | - | - | 26,394,143 |
| Unassigned | 20,780,613 | - | (5,386,465) | (7,484,382) | 7,909,766 |
| Total Fund Balances | <u>150,747,199</u> | <u>17,601,036</u> | <u>(5,385,990)</u> | <u>(1,213,716)</u> | <u>161,748,529</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 247,301,525</u> | <u>\$ 17,601,036</u> | <u>\$ 14,202,124</u> | <u>\$ 10,805,095</u> | <u>\$ 289,909,780</u> |

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2022**

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Fund Balance - Total Governmental Funds | \$ 161,748,529 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets, net of accumulated depreciation/amortization used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | 338,551,415 |
| Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds. | 30,123,225 |
| Deferred outflows of resources reported in the statement of net position. | 52,479,212 |
| Internal service funds are used by the County to charge the cost of its motor pool and copier pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | 29,907,754 |
| Deferred inflows of resources reported in the statement of net position. | (91,732,446) |
| Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the governmental funds. | |
| Notes Payable | (226,869) |
| Leases Payable | (43,518,548) |
| Net Pension Liability | (202,098,391) |
| Total OPEB Liability | (46,593,828) |
| Compensated Absences | (18,404,583) |
| Net Position of Governmental Activities | <u>\$ 210,235,470</u> |

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

| | General Fund | Headwaters Mitigation Fund | Road Fund | Other Governmental | Total |
|----------------------------------------------------------------------|-----------------------|----------------------------------|-----------------------|-----------------------|-----------------------|
| REVENUES | | | | | |
| Taxes | \$ 81,387,031 | \$ - | \$ 3,971,142 | \$ 3,722,575 | \$ 89,080,748 |
| Licenses and Permits | 3,990,655 | - | 147,271 | - | 4,137,926 |
| Fines, Forfeitures, and Penalties | 3,915,342 | - | - | 244,661 | 4,160,003 |
| Use of Money and Property | (3,852,959) | (23,042) | 96,535 | 61,675 | (3,717,791) |
| Aid from Other Governments | 243,647,720 | - | 31,568,010 | 8,417,226 | 283,632,956 |
| Charges for Services | 48,611,209 | 8,249 | 797,746 | 279,336 | 49,696,540 |
| Other Revenues | 2,843,802 | - | 33,273 | 337,399 | 3,214,474 |
| Total Revenues | <u>380,542,800</u> | <u>(14,793)</u> | <u>36,613,977</u> | <u>13,062,872</u> | <u>430,204,856</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General Government | 24,637,329 | - | - | - | 24,637,329 |
| Public Protection | 107,987,782 | - | 106,386 | 8,861,693 | 116,955,861 |
| Public Ways and Facilities | 2,951,046 | - | 32,821,625 | - | 35,772,671 |
| Health and Sanitation | 111,599,824 | - | - | - | 111,599,824 |
| Public Assistance | 116,111,970 | - | - | - | 116,111,970 |
| Education | 235,236 | - | - | 4,124,780 | 4,360,016 |
| Recreation and Culture | 3,694,853 | - | - | - | 3,694,853 |
| Debt Service: | | | | | |
| Principal | 4,086,826 | - | 221,545 | 375,593 | 4,683,964 |
| Interest and Other Charges | 415,581 | - | 37,215 | 86,008 | 538,804 |
| Total Expenditures | <u>371,720,447</u> | <u>-</u> | <u>33,186,771</u> | <u>13,448,074</u> | <u>418,355,292</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 8,822,353 | (14,793) | 3,427,206 | (385,202) | 11,849,564 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Lease Issuance | 4,833,491 | - | 106,386 | - | 4,939,877 |
| Transfers In | 806,704 | - | 3,693,734 | 1,930,059 | 6,430,497 |
| Transfers Out | (6,284,093) | (428,074) | - | (2,315,350) | (9,027,517) |
| Total Other Financing Sources (Uses) | <u>(643,898)</u> | <u>(428,074)</u> | <u>3,800,120</u> | <u>(385,291)</u> | <u>2,342,857</u> |
| NET CHANGES IN FUND BALANCES | 8,178,455 | (442,867) | 7,227,326 | (770,493) | 14,192,421 |
| Fund Balances - Beginning of Year | <u>142,568,744</u> | <u>18,043,903</u> | <u>(12,613,316)</u> | <u>(443,223)</u> | <u>147,556,108</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 150,747,199</u> | <u>\$ 17,601,036</u> | <u>\$ (5,385,990)</u> | <u>\$ (1,213,716)</u> | <u>\$ 161,748,529</u> |

See accompanying Notes to Basic Financial Statements.

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

Net Change to Fund Balance - Total Governmental Funds \$ 14,192,421

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 and amortization expense.

| | | |
|-------------------------------------------------------------------------------------------------------|---------------------|-----------|
| Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments | \$ 24,642,261 | |
| Transfer of Capital Assets from Internal Service Fund | 1,588,436 | |
| Less: Current Year Depreciation and Amortization | <u>(23,705,335)</u> | 2,525,362 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 837,673

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

| | | |
|-------------------------------------|------------------|-----------|
| Principal Payments on Notes Payable | 144,397 | |
| Principal Payments on Leases | <u>4,551,045</u> | 4,695,442 |

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 Total OPEB Liability and Deferred Inflows/Outflows | (2,075,043) | |
| Changes in Net Pension Liability and Deferred Inflows/Outflows | 26,861,558 | |
| Change in Compensated Absences | <u>(1,374,710)</u> | 23,411,805 |

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities. 1,053,338

Change in Net Position of Governmental Activities \$ 46,716,041

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

| | Business -Type Activities - Enterprise Fund | Governmental Activities Internal Service Funds |
|---------------------------------------|---------------------------------------------------|---------------------------------------------------------|
| | Aviation | Funds |
| ASSETS | | |
| Current Assets: | | |
| Cash and Investments | \$ 1,741,615 | \$ 18,104,103 |
| Departmental Cash Funds | 400 | - |
| Accounts Receivable | 198,053 | 4,832 |
| Interest Receivable | 18 | - |
| Inventory | 102,978 | - |
| Lease Receivable | 23,810 | - |
| Prepaid Expenses and Other Assets | - | 385,685 |
| Total Current Assets | 2,066,874 | 18,494,620 |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Nondepreciable | 13,715,160 | 4,529,298 |
| Depreciable, Net | 19,401,203 | 11,795,439 |
| Right-to-Use Assets, Net | 2,436 | 686,088 |
| Total Noncurrent Assets | 33,118,799 | 17,010,825 |
| Total Assets | 35,185,673 | 35,505,445 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Pension | 248,671 | - |
| LIABILITIES | | |
| Current Liabilities: | | |
| Accounts Payable | 632,654 | 2,016,997 |
| Accrued Salaries and Benefits | 101,627 | 293,402 |
| Due to Other Funds | - | 51,929 |
| Interest Payable | 211 | 469 |
| Lease Liability | 1,114 | 361,188 |
| Compensated Absences | 87,164 | 219,745 |
| Provision for Estimated Claims | - | 2,100,410 |
| Total Current Liabilities | 822,770 | 5,044,140 |
| Noncurrent Liabilities: | | |
| Lease Liability | 1,215 | 333,037 |
| Compensated Absences | 130,746 | 220,514 |
| Net Pension Liability | 1,179,424 | - |
| Total Noncurrent Liabilities | 1,311,385 | 553,551 |
| Total Liabilities | 2,134,155 | 5,597,691 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Pension | 478,634 | - |
| Deferred Leases | 23,602 | - |
| Total Deferred Inflows of Resources | 502,236 | - |
| NET POSITION | | |
| Net Investment in Capital Assets | 32,789,448 | 16,316,600 |
| Unrestricted | 8,505 | 13,591,154 |
| Total Net Position | \$ 32,797,953 | \$ 29,907,754 |

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

| | Business -Type Activities - Enterprise Fund | Governmental Activities |
|------------------------------------------------|---------------------------------------------------|----------------------------|
| | Aviation | Internal Service Funds |
| OPERATING REVENUES | | |
| Charges for Services | \$ 3,568,925 | \$ 45,681,150 |
| Other Revenue | 37,298 | 650,369 |
| Total Operating Revenues | <u>3,606,223</u> | <u>46,331,519</u> |
| OPERATING EXPENSES | | |
| Salaries and Benefits | 1,417,242 | 6,660,581 |
| Services and Supplies | 4,195,329 | 40,926,145 |
| Claims Expense | - | 338,387 |
| Depreciation and Amortization | 1,793,554 | 2,229,515 |
| Total Operating Expenses | <u>7,406,125</u> | <u>50,154,628</u> |
| OPERATING LOSS | (3,799,902) | (3,823,109) |
| NONOPERATING REVENUE (EXPENSES) | | |
| Interest Income | (52,262) | 1,192,979 |
| Interest Expense | - | (3,741) |
| Grant Income | 2,924,208 | - |
| Insurance Proceeds | - | 2,290,547 |
| Gain on Sale of Capital Assets | - | 17,000 |
| Total Nonoperating Revenue (Expenses) | <u>2,871,946</u> | <u>3,496,785</u> |
| LOSS BEFORE CONTRIBUTIONS AND TRANSFERS | (927,956) | (326,324) |
| Capital Contributions | 2,046,161 | 296,755 |
| Transfer of Capital Assets | - | (1,588,436) |
| Interest Expense | (211) | - |
| Transfers In | - | 5,778,302 |
| Transfers Out | (74,323) | (3,106,959) |
| Total Contributions and Transfers | <u>1,971,627</u> | <u>1,379,662</u> |
| CHANGE IN NET POSITION | 1,043,671 | 1,053,338 |
| Net Position - Beginning of Year | <u>31,754,282</u> | <u>28,854,416</u> |
| NET POSITION - END OF YEAR | <u>\$ 32,797,953</u> | <u>\$ 29,907,754</u> |

See accompanying Notes to Basic Financial Statements.

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

| | Business-Type Activities - Enterprise Fund | Governmental Activities |
|----------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------|
| | Aviation | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Receipts from Customers and Other Funds | \$ 3,947,277 | \$ - |
| Cash Receipts from Internal Fund Services Provided | - | 46,329,077 |
| Cash Paid to Suppliers for Goods and Services | (3,812,063) | (41,301,902) |
| Cash Paid to Employees for Services | (1,402,655) | (6,555,780) |
| Net Cash Used by Operating Activities | (1,267,441) | (1,528,605) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Operating Grants | 2,924,208 | - |
| Transfers from Other Funds | - | 1,858,200 |
| Transfers to Other Funds | (784,254) | 51,929 |
| Advances from Other Funds | - | (2,011,554) |
| Insurance Proceeds Received | - | 2,290,547 |
| Net Cash Provided by Noncapital Financing Activities | 2,139,954 | 2,189,122 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital Grants | 2,046,161 | - |
| Proceeds from Sale of Capital Assets | - | 103,136 |
| Purchase of Capital Assets | (1,123,454) | (2,689,859) |
| Principal Paid on Capital Debt | (1,325) | (399,966) |
| Interest Paid on Capital Debt | - | (3,272) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 921,382 | (2,989,961) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received/Paid | (52,280) | 1,192,979 |
| Net Cash Provided (Used) by Investing Activities | (52,280) | 1,192,979 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | |
| | 1,741,615 | (1,136,465) |
| Cash and Cash Equivalents - Beginning of Year | 400 | 19,240,568 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 1,742,015 | \$ 18,104,103 |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FUND NET POSITION | | |
| Cash and Investments | \$ 1,741,615 | \$ 18,104,103 |
| Department Cash Funds | 400 | - |
| Total Cash and Cash Equivalents | \$ 1,742,015 | \$ 18,104,103 |

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

| | Business-Type Activities - Enterprise Fund | Governmental Activities |
|--------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------|
| | Aviation | Internal Service Funds |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES | | |
| Operating Loss | \$ (3,799,902) | \$ (3,823,109) |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities: | | |
| Depreciation | 1,793,554 | 2,229,515 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease in: | | |
| Receivables | 341,054 | (2,442) |
| Prepays | - | (381,810) |
| Deferred Outflows of Resources | 32,517 | - |
| Increase (Decrease) in: | | |
| Accounts Payable | 383,266 | 353,686 |
| Accrued Salaries and Benefits | 43,902 | 44,502 |
| Compensated Absences | 56,049 | 54,103 |
| Claims Payable | - | (3,050) |
| Net Pension Liability | (593,275) | - |
| Deferred Inflows of Resources | 475,394 | - |
| Net Cash Used by Operating Activities | \$ (1,267,441) | \$ (1,528,605) |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES | | |
| Transfer of Capital Assets to Governmental Activities | \$ - | \$ (1,588,436) |

See accompanying Notes to Basic Financial Statements.

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

| | Private-Purpose Trust Fund | Investment Trust Fund | Custodial Funds |
|------------------------------------------------------|----------------------------------|-----------------------------|--------------------|
| ASSETS | | | |
| Pooled Cash and Investments | \$ 219,703 | \$ 340,648,136 | \$ 21,739,636 |
| Accounts Receivable | - | 6,270 | 57,585 |
| Taxes Receivable | - | - | 20,007,562 |
| Total Assets | 219,703 | 340,654,406 | 41,804,783 |
| LIABILITIES | | | |
| Accounts Payable | 817 | 1,089,825 | 5,407,600 |
| Due to Other Governments | - | - | 679,111 |
| Total Liabilities | 817 | 1,089,825 | 6,086,711 |
| NET POSITION | | | |
| Restricted for: | | | |
| Pool Participants | - | 339,564,581 | - |
| Individuals, Organizations, and Other Governments | 218,886 | - | 35,718,072 |
| Total Net Position | \$ 218,886 | \$ 339,564,581 | \$ 35,718,072 |

See accompanying Notes to Basic Financial Statements.

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

| | Private-Purpose Trust Fund | Investment Trust Fund | Custodial Funds |
|---------------------------------------|----------------------------------|-----------------------------|----------------------|
| ADDITIONS | | | |
| Contributions to Pooled Investments | \$ - | \$ 530,963,385 | \$ - |
| Investment Income | (5,115) | (8,365,394) | (242,266) |
| Property Tax Collected | - | - | 345,773,731 |
| Other Income | 21,343 | - | 8,520,153 |
| Total Additions | <u>16,228</u> | <u>522,597,991</u> | <u>354,051,618</u> |
| DEDUCTIONS | | | |
| Distributions from Pooled Investments | - | 461,399,017 | - |
| Property Taxes Distributed | - | - | 319,940,081 |
| Administrative Expenses | 1,634 | - | 31,823,793 |
| Total Deductions | <u>1,634</u> | <u>461,399,017</u> | <u>351,763,874</u> |
| CHANGE IN NET POSITION | 14,594 | 61,198,974 | 2,287,744 |
| Net Position - Beginning of Year | <u>204,292</u> | <u>278,365,607</u> | <u>33,430,328</u> |
| NET POSITION - END OF YEAR | <u>\$ 218,886</u> | <u>\$ 339,564,581</u> | <u>\$ 35,718,072</u> |

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The County of Humboldt (the County) is a political subdivision created by the state of California. As such, it can exercise the powers specified by the Constitution and statutes of the state. The County is governed by a five-member elected Board of Supervisors. The accompanying financial statements present the County's primary government but omits the component unit, Fortuna Fire Protection District over which the County exercises significant influence, and which should be presented as a discretely presented component unit. Significant influence or accountability is based primarily on operational or financial relationships with the County (as distinct from legal relationships). Blended component units, although legally separate entities, are, in substance, part of the County's operations.

The reporting entity excludes certain separate legal entities which may have "Humboldt" in their title, or which are required to keep their funds in the County Treasury or receive their tax apportionment from the County. Some examples are school districts, the community college district, cities, various redevelopment agencies established by local city governments, and a variety of special purpose districts for cemeteries, recreation, and parks. These entities are autonomous organizations with their own governmental powers and constituencies and over which the Board of Supervisors has no oversight responsibility. Accordingly, they are not included in the accompanying financial statements, except as to their assets held by the County (principally cash and investments held by the County Treasurer) as discussed under "fiduciary funds".

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30 year-end.

Fortuna Fire Protection District

The Fortuna Fire Protection District (District) was established in 1904 to provides fire protection and other emergency services. The District is governed by a five-member Board of Commissioners. The District is required to be reported as a component unit because the County's Board of Supervisors appoints all five members of the District's governing body and can remove members at will. The District should be discretely presented because the board is not substantially the same as the County's. Separately issued financial statements are available for the District by contacting the following office: Fortuna Fire Hall Department Headquarters, 320 South Fortuna Blvd., Fortuna, CA 95540. The District is currently not included in the County's government-wide financial statements because the financial statements for the year ended June 30, 2022 did not disclose information for legal entities required to be reported as part of the District.

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

Blended Component Units

The Public Facilities Corporation (the Corporation) is a nonprofit, public benefit corporation incorporated under the laws of the state of California and recorded by the Secretary of State on December 11, 1985. The Corporation's Board of Directors are appointed by the County's Board of Supervisors. The Corporation has no employees. The County's Auditor-Controller functions as an agent of the Corporation. He does not receive additional compensation for work performed in this capacity.

The County exercises significant influence over operations of the Corporation as it is anticipated that the County will be the sole lessee of all facilities owned by the Corporation. All major financing arrangements, contracts, and other transactions of the Corporation will be reflected in the lease payments of the County. Any surpluses of the Corporation revert to the County at the end of the lease period.

The County has assumed "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation. The Corporation was formed to provide financing assistance to the County for construction and acquisition of major capital facilities. Upon completion, the County intends to occupy all Corporation facilities. The Corporation has assigned certain rights under the lease agreement to Bank of New York, Union Bank of California, and First Interstate Bank of Trustees. The Corporation has deposited with the Trustee the proceeds from the sales of Certificates of Participation which were used to finance various projects. The bond retirement costs have been factored into the County's note payment amounts. The Corporation's financial activity is presented in the financial statements as the Debt Service Fund. Certificates of Participation issued by the Corporation are included in the statement of net position – Governmental Activities column.

Capital assets acquired or constructed by the Corporation are included in the statement of net position – Governmental Activities column.

The County has 13 special districts referred to as Special Districts under the Board of Supervisors. Each is established for the purpose of providing specific services in a defined geographic area. Their board members are the same as the County Board of Supervisors. These agencies are reported in the Special Districts under the Board of Supervisors special revenue fund. These districts are as follows: Loleta Fire Protection District, Whitethorn Fire Protection District, Garberville Lighting District, Hydesville Lighting District, Loleta Lighting District, Rohnerville Lighting District, Weott Maintenance and Lighting District, Redcrest Lighting District, Myers Flat Lighting District, Pacific Manor Street Maintenance and Lighting District, Humboldt County Flood Control District – Subzone 1-1, and Janes Creek Drainage District.

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

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the County) and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted resources are available for use, GASB Statement No. 54 requires that restricted resources are used first, followed by unrestricted resources.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

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

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

- The *Headwaters Mitigation Fund* is used to reimburse the County for the loss of property and timber tax revenues subsequent to the Headwaters Forest purchase by state and federal agencies. The Fund is also used to provide seed money for local economic development projects.
- The *Road Fund* provides for planning, design, construction, maintenance, and administration of County transportation planning activities.

The County reports the following major enterprise funds:

- The *Aviation Fund* is used to fund general Airport operations, office and administrative expenses and the maintenance of Airport facilities, including the replacement of exterior lighting fixtures, runway, taxiway and ramp lighting, heating and air conditioning service. Major revenue sources include fuel flow fees, rents, land leases, airport royalties, and interest earnings.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance and other services provide to other departments or other governments, and self-insurance programs – worker's compensation, dental, medical, unemployment, and general liability on a cost-reimbursement basis.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Custodial Funds* account for assets held by the County for various local governments.
- The *Private-Purpose Trust Funds* are used to report trust arrangements under which principal and income benefit other government organizations.

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

New Accounting Pronouncements

For the fiscal year ended June 30, 2022, the County implemented the following Governmental Accounting Standards Board (GASB) Statement:

- GASB Statement No. 87, *Leases (GASB 87)*. In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The County adopted the requirements of the guidance effective July 1, 2021, and has applied the provision of this standard to the beginning of the period of adoption. Beginning net position was not restated with regards to this matter.

C. Basis of Accounting

The government-wide, proprietary, and fiduciary 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 taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place.

Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

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

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

The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units.

D. Cash and Cash Equivalents

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

E. Restricted Cash and Investments

The County reports restricted cash and investments as cash with fiscal agent in the General Fund. Amounts are held with Public Agency Retirement Services (PARS) and are restricted for future pension benefits.

F. Property Tax

The County is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County based on the assessed value as of the preceding January 1. January 1 is also the lien date. Tax rates are set no later than the first workday in September. Property taxes on the secured roll are due in two installments: November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively. Supplemental property taxes are levied based on changes in assessed values between the date of real property sales and construction and the next normal assessment date. The additional supplemental property taxes are prorated from the first of the month following the date of such occurrence. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent, if unpaid, on August 31.

On September 21, 1993, the County adopted the Teeter Plan. The Teeter Plan provides for a tax distribution procedure in which secured roll taxes, excluding assessments and debt repayment levies, are distributed to participating County taxing agencies on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest, and a complex tax redemption distribution system for all taxing agencies is avoided.

Once adopted by the County, the Teeter Plan remains in effect unless the County orders its discontinuance or prior to the commencement of any subsequent fiscal year the County receives a petition for its discontinuance adopted by resolution of two-thirds of the participating revenue districts in the County. Further, the County may, by resolution adopted not later than July 15 of any subsequent fiscal year after a public hearing, discontinue the Teeter Plan as to any tax levying or assessment levying agency if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

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

By resolution the County has covenanted that, except for the purpose of securing borrowings, the proceeds of which would be deposited to the General Fund, the County will take no action to sell, assign, or otherwise encumber the future delinquent tax payments, penalties, and interest receivable by the County under the Teeter Plan.

The County is required to create a tax loss reserve fund (included in the general fund) under one or two alternative methods: (1) 1% of the total amount of taxes and assessments levied on the secured roll for the year or (2) 25% of the total delinquent secured taxes for participating entities in the County as calculated at the end of the fiscal year. The County opted to use method (1) which required a tax loss reserve of at least 1% of total taxes and assessments levied on the secured roll.

G. Loans Receivable

The County has loans to low-income homeowners for residential housing improvements and to developers for the construction of low-income qualified rental property. The loans are made through the Community Development Block Grant Program, the CalHOME Program, and the HOME Program. The notes have interest rates from 0% to 6%. The terms of the notes range from 5 to 55 years. The notes are due upon sale of the property or maturity date. The notes are secured by real estate.

The County also makes business venture loans through the Headwaters Revolving Loan Fund. Such loans are generally secured by inventory, receivables and cash, as well as the personal assets of the business owners. The loan terms are from 3 to 10 years with interest rates from 5.5% to 10%. The County believes that substantially all loan principal is collectible.

H. Inventories and Prepaids

Inventories are stated at cost (first-in, first-out basis) for governmental funds and lower of average cost or market for proprietary funds. Inventory recorded by governmental funds includes postage and materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by a corresponding nonspendable portion of fund balance to indicate that portion of fund balance not available for future appropriation.

Inventory recorded in the proprietary funds mainly consists of maintenance supplies. Inventory is expensed as the supplies are consumed.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items 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.

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

I. Capital and Right-to-Use Assets

Capital and right-to-use assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital and right-to-use assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital and right-to-use assets used in operations are depreciated or amortized using the straight-line method over the lesser of the lease period or their estimated useful lives in the government-wide statements and proprietary funds. Depreciation and amortization begins when the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

The estimated useful lives are as follows:

| | <u>Estimated Lives</u> |
|---------------------------------------------------------------|------------------------|
| Infrastructure (Except for the Maintained Pavement Subsystem) | 20 to 50 Years |
| Structures and Improvements | 20 to 50 Years |
| Equipment | 3 to 15 Years |

Motor pool vehicles are depreciated using historical cost as required by accounting principles generally accepted in the United States of America.

The County has several networks of infrastructure assets – roads, lighting, drainage, and flood control. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, lighting, drainage, and flood control. These infrastructure assets are likely to be the largest asset class of the County. Their historical cost and related depreciation has been reported in the financial statements.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 assets 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, pension and OPEB, which qualify for reporting in this category.

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

In addition to liabilities, the statement of net 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 assets that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has three types of items which qualify for reporting in this category: pensions, OPEB, and leases. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: intergovernmental revenue and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Compensated Absences

County employees are granted vacation, holiday, comp time, and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation, holiday, and comp time at 100%. Employees are reimbursed for accumulated sick leave based on years of service and date of hire.

The County accrues accumulated unpaid compensated absences when earned (or estimated to be earned) by the employee. The liability for governmental funds is reflected in the government-wide statement of net position. In the proprietary funds accumulated compensated absences is recorded as an expense and liability as the benefits accrue to employees.

L. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' 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.

M. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). 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 governmental fund financial statements, are offset by a nonspendable portion of fund balance to indicate that they are not available for appropriation and are not available financial resources.

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

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

N. Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the County recognizes a lease liability and an intangible right-to-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-to-Use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The County calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the County recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable is reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss of the difference.

For lease contracts that are short-term, the County recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

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

O. Net Position/Fund Balance

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position components are categorized as net investment in capital assets, restricted, and unrestricted.

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the County, not invested in capital assets or restricted for any project or other purpose.

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balances for governmental funds consist of the following categories:

- Nonspendable Fund Balance – This category includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).
- Restricted Fund Balance – This category includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.
- Committed Fund Balance – This category includes amounts that can be used only for the specific purpose determined by the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.
- Assigned Fund Balance – This category is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.
- Unassigned Fund Balance – This category is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purposes.

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

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution or an ordinance. This can be done through the adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the committed, assigned and unassigned resources as they are needed.

Fund Balance Policy

The County has developed a fund balance policy to assist financial statement users in understanding the existing commitments and constraints that apply to fund balances of governments. Committed, assigned, and unassigned fund balances are considered unrestricted. Additional detailed information, along with the complete *Fund Balance Policy*, can be obtained from the County Auditor-Controller's office.

P. 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.

NOTE 2 CASH AND INVESTMENTS

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

| | |
|-------------------------------|------------------------------|
| Cash: | |
| Cash on Hand and Imprest Cash | \$ 26,255 |
| Deposits | 16,710,788 |
| Total Cash and Deposits | <u>16,737,043</u> |
| Investments: | |
| In Treasurer's Pool | 560,242,362 |
| With Fiscal Agent | 6,118,136 |
| Total Investments | <u>566,360,498</u> |
| In Transit: | |
| Outstanding Checks | <u>(9,830,030)</u> |
| Total | <u><u>\$ 573,267,511</u></u> |

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

Cash and investments were reported in the basic financial statements as follows:

| | |
|----------------------------|-----------------------|
| Primary Government: | |
| Governmental Activities | \$ 208,918,021 |
| Business-Type Activities | 1,742,015 |
| Investment Trust Fund | 340,648,136 |
| Custodial Funds | 21,739,636 |
| Private-Purpose Trust Fund | 219,703 |
| Total | <u>\$ 573,267,511</u> |

Investments

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

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|------------------------------------------------------------|-------------------------|----------------------------------------|-----------------------------------------|
| U.S. Treasury and Agency Securities | 5 Years | 100% | N/A |
| U.S. Treas. and Ag. Sec. - Headwaters Investment Portfolio | 30 Years | 100% | N/A |
| Bonds and Notes Issued by Local Agencies | 5 Years | 100% | N/A |
| Bonds and Notes loc. ag. - Headwaters Investment Portfolio | 30 Years | 100% | N/A |
| Registered State Warrants and Municipal Notes and Bonds | 5 Years | 100% | N/A |
| Registered St. Warrants - Headwaters Investment Portfolio | 30 Years | 100% | N/A |
| Muni. Notes and Bonds - Headwaters Investment Portfolio | 30 Years | 100% | N/A |
| Bankers' Acceptances | 180 Days | 40% | N/A |
| Commercial Paper | 270 Days | 40% | N/A |
| Negotiable Certificates of Deposit | 5 Years | 30% | N/A |
| Negotiable CDs - Headwaters Investment Portfolio | 30 Years | 30% | N/A |
| Repurchase Agreements | 1 Year | 100% | N/A |
| Reverse Repurchase Agreements and Securities | 92 Days | 20% | N/A |
| Medium Terms Corporate Notes | 5 Years | 30% | N/A |
| Mutual Funds and Money Market Funds | N/A | 20% | N/A |
| California Asset Management Program | N/A | None | N/A |
| Joint Powers Agreement | N/A | 20% | N/A |
| Local Agency Investment Fund (LAIF) | N/A | As Limited by LAIF | N/A |
| Investment Trust of California (CalTRUST) | N/A | As Limited by CalTRUST | N/A |
| Collateralized Time Deposits | 5 Years | N/A | N/A |

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

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

| | Interest Rate | Maturities | Carrying Value | WAM (Years) |
|--------------------------------------|---------------|------------------------|-----------------------|-------------|
| Investment Pool: | | | | |
| U.S. Government Agencies | 0.25 - 4.00 | 7/05/2022 - 6/28/2027 | \$ 264,605,370 | 1.88 |
| Negotiable CDs | 0.25 - 3.35 | 10/17/2022 - 9/29/2028 | 8,303,471.00 | 0.96 |
| Municipal Bonds | 1.97 - 2.25 | 6/01/2023 - 6/01/2024 | 7,963,066.00 | 0.39 |
| U.S. Treasury Notes | 0.13 - 2.38 | 7/15/2022 - 5/15/2027 | 91,850,380.00 | 1.37 |
| Medium Term Corporate Notes | 2.05 - 2.75 | 8/01/2022 - 9/11/2026 | 13,728,238.00 | 0.90 |
| California Asset Management Program | Variable | On Demand | 37,574,733 | |
| Local Agency investment Fund | Variable | On Demand | 136,217,104 | |
| Total Investment Pool | | | <u>560,242,362</u> | |
| Investments Outside Investment Pool: | | | | |
| Cash Held with Fiscal Agent: | | | | |
| Money Market Mutual Funds | Variable | On Demand | 6,118,136 | |
| Total Investments | | | <u>\$ 566,360,498</u> | |

The fair value of the investments is obtained by the County's safekeeping agent.

Fair Value Measurements

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

Level 1 – Investments reflect prices quoted in active markets;

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and

Level 3 – Investments reflect prices based upon unobservable sources.

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

| Investments by Fair Value Level | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Observable Inputs (Level 3) |
|------------------------------------------|-----------------------|----------------------------------------------------------------|-----------------------------------------------|-----------------------------------------|
| U.S. Government Agencies | \$ 264,605,370 | \$ - | \$ 264,605,370 | \$ - |
| Negotiable CDs | 8,303,471 | - | 8,303,471 | - |
| Municipal Bonds | 7,963,066 | - | 7,963,066 | - |
| U.S. Treasury Notes | 91,850,380 | 91,850,380 | - | - |
| Medium Term Corporate Notes | 13,728,238 | - | 13,728,238 | - |
| Total Investments Measured at Fair Value | 386,450,525 | <u>\$ 91,850,380</u> | <u>\$ 294,600,145</u> | <u>\$ -</u> |
| Investment Measured at Amortized Cost: | | | | |
| California Asset Mgmt Program | 37,574,733 | | | |
| Local Agency Investment Fund | 136,217,104 | | | |
| PARS | 6,118,136 | | | |
| Total Investments | <u>\$ 566,360,498</u> | | | |

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

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

Credit Risk

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

Concentration of Credit Risk

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

| | <u>Standard & Poor's Rating</u> | <u>% of Portfolio</u> |
|-----------------------------------------|-----------------------------------------|---------------------------|
| U.S. Government Agency Securities | AA+ | 47.20 % |
| Municipal Bonds | AAA | 1.40 |
| U.S. Treasury Notes | Aaa | 16.40 |
| Medium Term Corporate Notes | AA- | 2.50 |
| Certificates of Deposit | Unrated | 1.50 |
| Local Agency Investment Fund | Unrated | 24.30 |
| California Local Agency Investment Fund | Unrated | 6.70 |
| Total | | <u>100.00 %</u> |

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

| | <u>Fair Value Holdings</u> | <u>Percentage Holdings</u> |
|----------------------------------------|--------------------------------|--------------------------------|
| Federal Home Loan Bank | \$ 94,989,952 | 16.96 % |
| Federal National Mortgage Association | 77,593,680 | 13.85 |
| Federal Farm Credit Bank | 46,839,502 | 8.36 |
| Federal Home Loan Mortgage Corporation | 36,868,343 | 6.58 |

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

Custodial Credit Risk

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

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

Local Agency Investment Fund

At June 30, 2022, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$136,217,104, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$193.32 billion. The PMIA portfolio includes 2.31% invested in medium-term asset-backed securities and short-term asset-backed commercial paper.

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2022:

Statement of Net Position

| | |
|-----------------------------------------|------------------------------|
| Net Position Held for Pool Participants | <u>\$ 566,693,927</u> |
| Equity of External Pool Participants | \$ 339,564,581 |
| Equity of Internal Pool Participants | <u>227,129,346</u> |
| Total Net Position | <u><u>\$ 566,693,927</u></u> |

Statement of Changes in Net Position

| | |
|------------------------------------------------|------------------------------|
| Net Position at July 1, 2021 | \$ 449,115,216 |
| Net Change in Investments by Pool Participants | <u>117,578,711</u> |
| Net Position at June 30, 2022 | <u><u>\$ 566,693,927</u></u> |

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

NOTE 3 INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2022 is as follows:

Due to/from Other Funds

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------|---------------------|
| General Fund | Road Fund | \$ 6,588,997 |
| | Nonmajor Governmental Funds | 357,128 |
| | Internal Service Funds | 51,929 |
| | Total | <u>\$ 6,998,054</u> |

The due to/from other funds account balances consists of interfund cash transactions to eliminate cash deficits at June 30, 2022 for reporting purposes and short-term loans between funds. The road fund is expecting to receive a substantial amount of reimbursements from FEMA in the coming years to cover the costs of repair projects caused by disasters. Until then, the general fund is funding the road deficit.

Transfers

Transfers are used for funding capital projects, lease payments or debt service, subsidies of various County operations, contributions to PARS retirement account and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

| <u>Transfer from</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|-----------------------------|----------------------|----------------------|
| General Fund | \$ 806,704 | \$ 6,284,093 |
| Headwaters Mitigation Fund | - | 428,074 |
| Road Fund | 3,693,734 | - |
| Nonmajor Governmental Funds | 1,930,059 | 2,315,350 |
| Aviation | - | 74,323 |
| Internal Service Funds | 5,778,302 | 3,106,959 |
| Total | <u>\$ 12,208,799</u> | <u>\$ 12,208,799</u> |

Advances

| <u>Advance From Fund</u> | <u>Advance To Fund</u> | <u>Amount</u> |
|--------------------------|-----------------------------|----------------------|
| General Fund | Nonmajor Governmental Funds | \$ 10,084,527 |
| | Total | <u>\$ 10,084,527</u> |

An advance between the debt service fund and the general fund was made as part of the County's 2020 interim lease financing program to pay off COP debt.

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

NOTE 4 CAPITAL ASSETS

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

| | Restated Balance July 1, 2020 | Additions | Retirements | Transfers and Adjustments | Balance June 30, 2021 |
|-------------------------------------------------|-------------------------------------|---------------------|---------------------|------------------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 11,301,686 | \$ 260,135 | \$ - | \$ - | \$ 11,561,821 |
| Construction in Progress | 49,446,715 | 24,316,533 | (127,296) | (15,970,488) | 57,665,464 |
| Total Capital Assets, Not Being Depreciated | 60,748,401 | 24,576,668 | (127,296) | (15,970,488) | 69,227,285 |
| Capital Assets, Being Depreciated: | | | | | |
| Infrastructure | 623,249,312 | - | - | 13,380,912 | 636,630,224 |
| Structures and Improvements | 116,796,249 | - | - | 2,589,576 | 119,385,825 |
| Equipment | 47,153,975 | 3,170,630 | (427,427) | - | 49,897,178 |
| Total Capital Assets, Being Depreciated | 787,199,536 | 3,170,630 | (427,427) | 15,970,488 | 805,913,227 |
| Less Accumulated Depreciation for: | | | | | |
| Infrastructure | (436,364,081) | (13,380,912) | - | - | (449,744,993) |
| Structures and Improvements | (75,468,438) | (3,878,623) | - | - | (79,347,061) |
| Equipment | (30,211,996) | (3,204,770) | 341,291 | - | (33,075,475) |
| Total Accumulated Depreciation | (542,044,515) | (20,464,305) | 341,291 | - | (562,167,529) |
| Total Capital Assets, Being Depreciated, Net | 245,155,021 | (17,293,675) | (86,136) | 15,970,488 | 243,745,698 |
| Lease Assets, Being Amortized: | | | | | |
| Structures and Improvements | 42,222,655 | 4,921,306 | - | - | 47,143,961 |
| Equipment | 2,010,125 | 18,571 | - | - | 2,028,696 |
| Total Lease Assets, Being Amortized | 44,232,780 | 4,939,877 | - | - | 49,172,657 |
| Less Lease Assets Accumulated Amortization for: | | | | | |
| Structures and Improvements | - | (4,863,874) | - | - | (4,863,874) |
| Equipment | - | (750,773) | - | - | (750,773) |
| Total Accumulated Amortization | - | (5,614,647) | - | - | (5,614,647) |
| Total Lease Assets, Being Amortized, Net | 44,232,780 | (674,770) | - | - | 43,558,010 |
| Governmental Activities Capital Assets, Net | <u>\$ 350,136,202</u> | <u>\$ 6,608,223</u> | <u>\$ (213,432)</u> | <u>\$ -</u> | <u>\$ 356,530,993</u> |

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

Capital asset activity for business-type activities for the year ended June 30, 2022 was as follows:

| | Restated Balance July 1, 2020 | Additions | Retirements | Transfers and Adjustments | Balance June 30, 2021 |
|------------------------------------------------|-------------------------------------|---------------------|-------------|------------------------------|--------------------------|
| Business-Type Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 1,976,177 | \$ - | \$ - | \$ - | \$ 1,976,177 |
| Construction in Progress | 10,665,504 | 1,073,479 | - | - | 11,738,983 |
| Total Capital Assets, Not Being Depreciated | 12,641,681 | 1,073,479 | - | - | 13,715,160 |
| Capital Assets, Being Depreciated: | | | | | |
| Infrastructure | 28,855,346 | - | - | - | 28,855,346 |
| Structures and Improvements | 24,707,796 | - | - | - | 24,707,796 |
| Equipment | 336,918 | 49,975 | - | - | 386,893 |
| Total Capital Assets, Being Depreciated | 53,900,060 | 49,975 | - | - | 53,950,035 |
| Less Accumulated Depreciation for: | | | | | |
| Infrastructure | (16,126,967) | (1,085,626) | - | - | (17,212,593) |
| Structures and Improvements | (16,336,179) | (694,986) | - | - | (17,031,165) |
| Equipment | (293,350) | (11,724) | - | - | (305,074) |
| Total Accumulated Depreciation | (32,756,496) | (1,792,336) | - | - | (34,548,832) |
| Total Capital Assets, Being Depreciated, Net | 21,143,564 | (1,742,361) | - | - | 19,401,203 |
| Lease Assets, Being Amortized: | | | | | |
| Equipment | 3,654 | - | - | - | 3,654 |
| Total Lease Assets, Being Amortized | 3,654 | - | - | - | 3,654 |
| Less Lease Asset Accumulated Amortization for: | | | | | |
| Equipment | - | (1,218) | - | - | (1,218) |
| Total Accumulated Amortization | - | (1,218) | - | - | (1,218) |
| Total Lease Assets, Being Amortized, Net | 3,654 | (1,218) | - | - | 2,436 |
| Business-Type Activities Capital Assets, Net | <u>\$ 33,788,899</u> | <u>\$ (670,100)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 33,118,799</u> |

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

Depreciation and Amortization

Depreciation and amortization expense was charged to governmental functions as follows:

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| General Government | \$ 2,614,875 |
| Public Protection | 2,206,004 |
| Public Ways and Facilities | 13,838,829 |
| Health and Sanitation | 890,755 |
| Public Assistance | 3,806,186 |
| Education | 276,695 |
| Recreation and Culture | 71,991 |
| Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Asset | 2,229,515 |
| Total Depreciation Expense - Governmental Functions | \$ 25,934,850 |

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

| | |
|----------|--------------|
| Aviation | \$ 1,793,554 |
|----------|--------------|

NOTE 5 LEASES

Lease Payable

The County leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. These leases expire at various dated through 2041.

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

| <u>Year Ending June 30,</u> | Governmental Activities | | Business-Type Activities | |
|--------------------------------------------|-------------------------|--------------|--------------------------|----------|
| | Principal | Interest | Principal | Interest |
| 2023 | \$ 5,240,410 | \$ 539,484 | \$ 1,114 | \$ 211 |
| 2024 | 4,760,961 | 479,509 | 1,215 | 110 |
| 2025 | 3,772,647 | 433,338 | - | - |
| 2026 | 3,693,264 | 391,367 | - | - |
| 2027 | 3,349,204 | 350,424 | - | - |
| 2028-2032 | 11,034,754 | 1,270,849 | - | - |
| 2033-2037 | 8,507,680 | 606,437 | - | - |
| 2038-2041 | 3,853,853 | 70,420 | - | - |
| Present Value of Minimum Lease Payments | \$ 44,212,773 | \$ 4,141,828 | \$ 2,329 | \$ 321 |

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

Leases Receivable

The County, acting as a lessor, leases various assets under long-term, noncancelable lease agreements. The leases expire at various dates through 2032. During the year ended June 30, 2022, the County recognized \$7,471 in lease revenue, pursuant to these contracts. Total minimum lease payments to be received under lease agreements are as follows:

| <u>Year Ending June 30,</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|--------------------------------------------|--------------------------------|-----------------|---------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 10,384 | \$ 769 | \$ 5,428 | \$ 192 |
| 2024 | 10,702 | 675 | 5,535 | 143 |
| 2025 | 11,027 | 577 | 5,644 | 92 |
| 2026 | 11,359 | 476 | 5,754 | 41 |
| 2027 | 11,700 | 373 | 1,449 | 2 |
| 2028-2032 | 35,048 | 466 | - | - |
| Present Value of Minimum Lease Payments | <u>\$ 90,220</u> | <u>\$ 3,336</u> | <u>\$ 23,810</u> | <u>\$ 470</u> |

NOTE 6 LONG-TERM LIABILITIES

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

| | <u>Restated Balance June 30, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 2022</u> | <u>Amounts Due Within One Year</u> |
|---------------------------------------------------------|-----------------------------------------------|----------------------|----------------------|----------------------------------|--------------------------------------------|
| Governmental Activities | | | | | |
| Direct Borrowings: | | | | | |
| Notes Payable | \$ 371,266 | \$ - | \$ 144,397 | \$ 226,869 | \$ 93,627 |
| Compensated Absences | 17,416,027 | 11,010,425 | 9,581,610 | 18,844,842 | 7,508,581 |
| Leases Liability | 44,232,781 | 4,939,877 | 4,959,885 | 44,212,773 | 5,240,410 |
| Liability for Unpaid Claims | 2,103,460 | 338,387 | 341,437 | 2,100,410 | 2,100,410 |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 64,123,534</u> | <u>\$ 16,288,689</u> | <u>\$ 15,027,329</u> | <u>\$ 65,384,894</u> | <u>\$ 14,943,028</u> |
| Business-Type Activities | | | | | |
| Leases Liability | \$ 3,654 | \$ - | \$ 1,325 | \$ 2,329 | \$ 1,114 |
| Compensated Absences | 161,861 | 75,748 | 19,699 | 217,910 | 87,164 |
| Total Business-Type Activities Long-Term Liabilities | <u>\$ 165,515</u> | <u>\$ 75,748</u> | <u>\$ 21,024</u> | <u>\$ 220,239</u> | <u>\$ 88,278</u> |

The liability for unpaid claims is liquidated by the General Fund and the internal service funds. *Compensated absences* are generally liquidated by the General Fund and related special revenue funds.

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

Notes Payable

The County has finance purchase agreements for various road equipment with interest rates ranging from 1.80% to 2.91%. As of June 30, 2022, annual debt service requirements for notes payable are as follows:

| <u>Year Ending June 30,</u> | Governmental Activities | |
|-----------------------------|-------------------------|-----------|
| | Notes Payable | |
| | Principal | Interest |
| 2023 | \$ 93,627 | \$ 5,865 |
| 2024 | 62,135 | 3,380 |
| 2025 | 60,732 | 1,369 |
| 2026 | 10,375 | 108 |
| Total | \$ 226,869 | \$ 10,722 |

NOTE 7 NET POSITION/FUND BALANCES

Classification

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2022 is as follows:

| | General Fund | Headwaters Fund | Road Fund | Other Governmental Funds | Total |
|----------------------------|-----------------|--------------------|----------------|--------------------------------|----------------|
| Nonspendable: | | | | | |
| Prepays and Inventory | \$ 655,772 | \$ - | \$ 475 | \$ 40,702 | \$ 696,949 |
| Total Nonspendable | 655,772 | - | 475 | 40,702 | 696,949 |
| Restricted for: | | | | | |
| General Government | 457,533 | - | - | - | 457,533 |
| Public Projection | 38,663,544 | - | - | 2,984,298 | 41,647,842 |
| Public Ways and Facilities | 7,896,902 | - | - | - | 7,896,902 |
| Health and Sanitation | 23,665,681 | - | - | - | 23,665,681 |
| Public Assistance | 5,294,977 | - | - | - | 5,294,977 |
| Education | 553,872 | - | - | 1,499,441 | 2,053,313 |
| Economic Development | 20,266,026 | 17,601,036 | - | - | 37,867,062 |
| Pensions (PARS) | 6,118,136 | - | - | - | 6,118,136 |
| Debt Service | - | - | - | 1,746,225 | 1,746,225 |
| Total Restrictions | 102,916,671 | 17,601,036 | - | 6,229,964 | 126,747,671 |
| Assigned for: | | | | | |
| General Reserve | 5,588,127 | - | - | - | 5,588,127 |
| General Government | 20,806,016 | - | - | - | 20,806,016 |
| Total Assigned | 26,394,143 | - | - | - | 26,394,143 |
| Unassigned | | | | | |
| | 20,780,613 | - | (5,386,465) | (7,484,382) | 7,909,766 |
| Total Fund Balance | \$ 150,747,199 | \$ 17,601,036 | \$ (5,385,990) | \$ (1,213,716) | \$ 161,748,529 |

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

NOTE 8 PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the County’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiemployer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by state statute and County’s resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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 with statutorily reduced benefits. 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 each plan are applied as specified by the Public Employees’ Retirement Law.

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

| | Miscellaneous | |
|---------------------------------------------------|-----------------------------|--------------------------------|
| | Prior to January 1, 2013 | On or After January 1, 2013 |
| Hire Date | | |
| Benefit Formula | 2.7% @ 55 | 2% @ 62 |
| Benefit Vesting Schedule | 5 Years Service | 5 Years Service |
| Benefit Payments | Monthly for Life | Monthly for Life |
| Retirement Age | 50 - 55 | 52 - 67 |
| Monthly Benefits, as a % of Eligible Compensation | 2.0% to 2.7% | 1.0% to 2.5% |
| Required Employee Contribution Rates | 7% - 8% | 7% - 8% |
| Required Employer Contribution Rates | 22.747% | 22.747% - 24.487% |
| | | |
| | Safety | |
| | Prior to January 1, 2013 | On or After January 1, 2013 |
| Hire Date | | |
| Benefit Formula | 3% @ 50 | 2.7% @ 57 |
| Benefit Vesting Schedule | 5 Years Service | 5 Years Service |
| Benefit Payments | Monthly for Life | Monthly for Life |
| Retirement Age | 50 | 50 - 57 |
| Monthly Benefits, as a % of Eligible Compensation | 3.0% | 2.0% to 2.7% |
| Required Employee Contribution Rates | 9.00% | 10.75% |
| Required Employer Contribution Rates | 29.097% | 29.097% - 33.181% |

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

Employees Covered – At June 30, 2022, the following employees were covered by the benefit terms for each Plan:

| | <u>Miscellaneous</u> | <u>Safety</u> |
|------------------------------------------------------------------|----------------------|-------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 2,154 | 360 |
| Inactive Employees Entitled to but not yet Receiving Benefits | 1,526 | 286 |
| Active Employees | <u>1,834</u> | <u>287</u> |
| Total | <u><u>5,514</u></u> | <u><u>933</u></u> |

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 both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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

| | <u>Miscellaneous</u> | <u>Safety</u> |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------|
| Valuation Date | June 30, 2020 | June 30, 2020 |
| Measurement Date | June 30, 2021 | June 30, 2021 |
| Actuarial Cost Method | Entry-Age Normal Cost Method | |
| Actuarial Assumptions: | | |
| Discount Rate | 7.15% | 7.15% |
| Inflation | 2.50% | 2.50% |
| Payroll Growth | 2.75% | 2.75% |
| Projected Salary Increase | 3.3% - 14.2% (1) | 3.3% - 14.2% (1) |
| Investment Rate of Return | 7.00% (2) | 7.00% (2) |
| Mortality | Derived using CalPERS’ Membership Data for all Funds | |
| Postretirement Benefit | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.75% Thereafter | |

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2007. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

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 | New Strategic Allocation | Real Return Years 1 - 10(a) | Real Return Years 11 + (b) |
|------------------|--------------------------|-----------------------------|----------------------------|
| Global Equity | 50.0 % | 4.80 % | 5.98 % |
| Fixed Income | 28.0 | 1.00 | 2.62 |
| Inflation Assets | - | 0.77 | 1.81 |
| Private Equity | 8.0 | 6.30 | 7.23 |
| Real Assets | 13.0 | 3.75 | 4.93 |
| Liquidity | 1.0 | - | (0.92) |
| Total | <u>100.0 %</u> | | |

(a) An expected inflation of 2.0% used for this period.

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

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan are as follows:

| | Miscellaneous Plan | | |
|-----------------------------------------------------------------------------------|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balance at June 30, 2021 | \$ 799,982,526 | \$ 554,936,611 | \$ 245,045,915 |
| Changes in the Year: | | | |
| Service Cost | 17,230,177 | - | 17,230,177 |
| Interest on the Total Pension Liability | 56,150,398 | - | 56,150,398 |
| Benefit Payments, Including Refunds of Employee Contributions | (42,869,803) | (42,869,803) | - |
| Differences Between Expected and Actual Experience Plan to Plan Resource Movement | (181,033) | - | (181,033) |
| Contribution - Employer | - | 70,482 | (70,482) |
| Contribution - Employee | - | 27,591,424 | (27,591,424) |
| Net Investment Income | - | 10,958,305 | (10,958,305) |
| Administrative Expenses | - | 125,533,528 | (125,533,528) |
| Change of Allocation | (1,661,438) | (553,197) | 553,197 |
| Net Changes | <u>28,668,301</u> | <u>119,578,224</u> | <u>(90,909,923)</u> |
| Balance at June 30, 2022 (Measurement Date June 30, 2021) | <u>\$ 828,650,827</u> | <u>\$ 674,514,835</u> | <u>\$ 154,135,992</u> |

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

| | Safety Plan | | |
|---------------------------------------------------------------------|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balance at June 30, 2021 | \$ 242,695,608 | \$ 169,649,763 | \$ 73,045,845 |
| Changes in the Year: | | | |
| Service Cost | 5,244,262 | - | 5,244,262 |
| Interest on the Total Pension Liability | 17,261,540 | - | 17,261,540 |
| Differences Between Expected and Actual Experience | 2,237,666 | - | 2,237,666 |
| Benefit Payments, Including Refunds of Employee Contributions | (12,270,527) | (12,270,527) | - |
| Plan to Plan Resource Movement | - | (73,342) | 73,342 |
| Contribution - Employer | - | 7,905,205 | (7,905,205) |
| Contribution - Employee | - | 2,719,911 | (2,719,911) |
| Net Investment Income | - | 38,265,186 | (38,265,186) |
| Administrative Expenses | - | (169,470) | 169,470 |
| Net Changes | <u>12,472,941</u> | <u>36,376,963</u> | <u>(23,904,022)</u> |
| Balance at June 30, 2022 (Measurement Date June 30, 2021) | <u>\$ 255,168,549</u> | <u>\$ 206,026,726</u> | <u>\$ 49,141,823</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | 1% Decrease in Discount Rate 6.15% | Discount Rate 7.15% | 1% Increase in Discount Rate 8.15% |
|---------------|------------------------------------------|------------------------|------------------------------------------|
| Miscellaneous | \$ 255,995,972 | \$ 154,135,992 | \$ 69,175,427 |
| Safety | 84,437,895 | 49,141,823 | 20,293,402 |

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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

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

For the year ended June 30, 2022, the County recognized total pension expense of \$11,785,231, including \$7,887,298 and \$3,897,933 for its miscellaneous and safety plans, respectively. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Miscellaneous Plan | |
|---------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension Contributions Subsequent to Measurement Date | \$ 29,854,114 | \$ - |
| Differences Between Actual and Expected Experience | 2,644,083 | 129,309 |
| Net Differences Between Projected and Actual Earnings on Plan Investments | - | 62,422,187 |
| Total | <u>\$ 32,498,197</u> | <u>\$ 62,551,496</u> |

| | Safety Plan | |
|---------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension Contributions Subsequent to Measurement Date | \$ 8,215,298 | \$ - |
| Differences Between Actual and Expected Experience | 2,558,425 | - |
| Net Differences Between Projected and Actual Earnings on Plan Investments | - | 18,937,790 |
| Total | <u>\$ 10,773,723</u> | <u>\$ 18,937,790</u> |

The County reported \$38,069,412 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Miscellaneous</u> | <u>Safety</u> |
|-----------------------------|----------------------|----------------|
| 2023 | \$ (13,772,581) | \$ (3,614,639) |
| 2024 | (13,892,646) | (3,533,940) |
| 2025 | (15,012,253) | (3,987,382) |
| 2026 | (17,229,933) | (5,243,404) |

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

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The County of Humboldt Retiree Health Plan is a single-employer defined healthcare plan administered by the County. The County sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the County through a flexible benefits plan, with contributions made to the plan up to a dollar amount determined by collective bargaining, including \$105.00 per month that the County designates for PEMHCA. The \$105.00 per month was increased by law to \$108.00 for 2011, and will be indexed with medical inflation (CPI) for years 2011 and thereafter. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Postretirement Coverage

The County also offers PEMHCA to its retirees. The County makes the required statutory PEMHCA contribution as described above. Prior to 2011, the County made additional contributions to a small number of retirees with special agreements, which have now been settled. The County pays a 0.36%-of-premium administrative fee to PEMHCA for each retiree.

Healthcare Premiums

The following table shows January 1, 2015 monthly PERS Health (PEMHCA) premiums for retirees within the Other Northern California region:

| | <u>Blue Shield NV HMO</u> | <u>PERS Select PPO</u> | <u>PERS Choice PPO</u> | <u>PERS Care PPO</u> | <u>PORAC</u> |
|----------------------------|-------------------------------|----------------------------|----------------------------|--------------------------|--------------|
| <u>Basic Plan</u> | | | | | |
| Retiree | \$ 753.82 | \$ 646.35 | \$ 725.54 | \$ 656.08 | \$ 675.00 |
| Retiree + 1 | 1,507.64 | 1,292.70 | 1,451.08 | 1,312.16 | 1,292.00 |
| Family | 1,959.93 | 1,680.51 | 1,886.40 | 1,705.81 | 1,642.00 |
| <u>Medicare Supplement</u> | | | | | |
| Retiree | \$ 352.63 | \$ 339.47 | \$ 368.76 | \$ 339.47 | \$ 402.00 |
| Retiree + 1 | 705.26 | 678.49 | 737.52 | 678.49 | 802.00 |
| Family | 1,057.89 | 1,018.41 | 1,106.28 | 1,018.41 | 1,281.00 |

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

B. Actuarial Assumptions

The Net OPEB Liability was determined using an actuarial valuation as of June 30, 2021, using the following assumptions:

| Actuarial Assumption | June 30, 2021 Measurement Date |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Valuation Date | June 30, 2021 |
| Discount Rate | 1.92% |
| | Unfunded, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as the valuation date. |
| Inflation | 5.50% |
| Mortality Rates: | Based on CalPERS tables. |
| Salary Increases | 2.75%. Additional merit-based on CalPERS merit salary increase tables. |
| Healthcare Cost Trend Rates | 7.00% Pre-Medicare, trending down to 4.04% over 56 years. 6.00% Medicare, trending down to 4.04% over 56 years |

C. Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

| | |
|-------------------------------------------------|-------|
| Active Employees | 1,693 |
| Inactive Employees Currently Receiving Benefits | 667 |
| Total | 2,360 |

D. Changes in the Total OPEB Liability

The table below shows the changes in the total OPEB liability as of June 30, 2022.

| | |
|--------------------------------------------------------------|-------------------------|
| | Increase (Decrease) |
| | Total OPEB Liability |
| Balance at June 30, 2021 (Valuation Date June 30, 2021) | \$ 46,131,831 |
| Changes Recognized for the Measurement Period: | |
| Service Cost | 2,886,043 |
| Interest | 1,181,287 |
| Benefit Payments | (937,968) |
| Change of Assumptions | 3,473,352 |
| Difference Between Expected and Actual Experience | (5,474,505) |
| Implicit Rate Subsidy Fulfilled | (666,212) |
| Net Changes | 461,997 |
| Balance at June 30, 2022 (Measurement Date June 30, 2021) | \$ 46,593,828 |

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

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$2,075,043. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in gain/loss, and actuarial assumptions or method. At June 30, 2022, the County reported deferred outflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------|--------------------------------------|-------------------------------------|
| OPEB Contributions Subsequent to Measurement Date | \$ 1,507,223 | \$ - |
| Change of Assumptions | 7,948,740 | 227,758 |
| Differences Between Expected and Actual Experience | - | 10,494,036 |
| Total | \$ 9,455,963 | \$ 10,721,794 |

The \$1,507,223 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources or deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

| Year Ending June 30, | Deferred Outflows (Inflows) of Resources |
|----------------------|---------------------------------------------------|
| 2023 | \$ (485,065) |
| 2024 | (485,065) |
| 2025 | (485,065) |
| 2026 | (485,065) |
| 2027 | (463,494) |
| Remaining | (369,300) |

F. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, as well as what the County 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 (0.92%) | Current Rate (1.92%) | 1% Increase (2.92%) |
|----------------------|------------------------|-------------------------|------------------------|
| Total OPEB Liability | \$ 53,592,067 | \$ 46,593,828 | \$ 40,890,934 |

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

G. Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rate

The following presents the net OPEB liability of the County, as well as what the County 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.

| | Current Healthcare Cost | | |
|----------------------|-------------------------|---------------|---------------|
| | 1% Decrease | Trend Rates | 1% Increase |
| | 6.00% | 7.00% | 8.00% |
| Total OPEB Liability | \$ 45,249,861 | \$ 46,593,828 | \$ 48,192,328 |

NOTE 10 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and health and welfare of employees. The County has established a self-insurance fund (an internal service fund) to account for and finance these possible risks of loss. Under this program, the Self-Insurance Fund provides the following coverage per occurrence:

| | |
|----------------------|----------|
| Property | \$ 5,000 |
| Liability | 125,000 |
| Auto Physical Damage | 10,000 |
| Dental | 1,000 |
| Unemployment | Various |

The County purchases excess insurance through risk pools and commercial carriers for claims in excess of coverage provided by the fund and all other risks of loss. The County pays an annual basic premium for coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program's participant's ultimate liabilities. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the County participate in the program and make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior- and current-year claims. Changes in the Fund's claims liability amounts for the past fiscal years were:

| | 2022 | | | |
|--------------------|-----------------------------|-------------------------------------------------------|--------------------|-----------------------------|
| | Balance at June 30, 2021 | Current Year Claims and Changes in Estimates | Claims Payments | Balance at June 30, 2022 |
| Liability and Auto | \$ 1,851,000 | \$ - | \$ - | \$ 1,851,000 |
| Dental | 127,255 | 347,634 | (341,438) | 133,451 |
| Unemployment | 125,205 | (9,246) | - | 115,959 |
| Total | \$ 2,103,460 | \$ 338,388 | \$ (341,438) | \$ 2,100,410 |

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

| | 2021 | | | |
|--------------------|-----------------------------|-------------------------------------------------------|--------------------|-----------------------------|
| | Balance at June 30, 2020 | Current Year Claims and Changes in Estimates | Claims Payments | Balance at June 30, 2021 |
| Liability and Auto | \$ 1,479,000 | \$ 368,476 | \$ 3,524 | \$ 1,851,000 |
| Dental | 127,255 | 29,113 | (29,113) | 127,255 |
| Unemployment | 92,068 | 33,137 | - | 125,205 |
| Total | \$ 1,698,323 | \$ 430,726 | \$ (25,589) | \$ 2,103,460 |

The claims liability, including incurred but not reported claims, were based on actuarial reviews. Actuarial review of the liability program was performed by Bickmore Risk Services. Actuarial review of the unemployment program was performed by Bickmore Risk Services. An actuarial review of the dental program was last performed by Demsey, Filliger and Associates.

All claims are processed and administered by claims administrators as follows:

| | |
|--------------------|--------------------------------------------------|
| Property | Assigned by CSAC Excess Insurance Authority |
| Liability and Auto | County Risk Manager |
| Dental | Preferred Benefit Insurance Administration, Inc. |
| Unemployment | Tax Corporation |

NOTE 11 JOINT VENTURES

The County participates in several joint ventures under joint powers agreement (JPAs). The relationship between the County and the JPAs is such that none of the JPAs is a component unit of the County for financial reporting purposes.

The County participated in the following JPAs at June 30, 2022:

- CSAC Excess Insurance Authority
- Humboldt Transit Authority
- North Coast Air Quality Management District
- Humboldt County Association of Government Trusts
- Redwood Cost Energy Authority
- Redwood Regional Economic Development Commission
- North Coast Emergency Medical Services
- Humboldt County Waste Management Authority

The CSAC Excess Insurance Authority is a joint powers authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Code. The purpose of the entity is to develop and fund programs of primary and excess insurance for workers' compensation, comprehensive liability, and other insurance coverages for member counties. The Authority is under the control and direction of a board of directors consisting of representatives of the 53 member counties.

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

Financial statements for the Authority are produced annually and may be obtained by writing to the CSAC Excess Insurance Authority, 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California 95670.

NOTE 12 COMMITMENTS AND CONTINGENCIES

A. Grants

The County participates in a number of federal and state grant programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs, including the year ended June 30, 2022, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County believes that such disallowances, if any, would not have a material effect on the financial statements.

B. Legal Actions

In the opinion of County Counsel, there are potential liabilities as of June 30, 2022 which could result in monetary rewards against the County if unfavorable decisions are rendered. The County does not make provisions for potential awards.

C. Construction Commitments

The County had entered into contracts for the construction of certain projects. At June 30, 2022, there were outstanding commitments of \$16,845,028 for road, bridge, and building projects.

NOTE 13 DEFICIT FUND BALANCE/NET POSITION

The following funds had a fund balance or net position deficit as of the fiscal year-end:

| | Accumulated Deficit |
|---------------------------------|------------------------|
| Road | \$ 5,385,990 |
| Northcoast Resource Partnership | 990,476 |
| Debt Service | 6,492,102 |
| Workers Compensation | 55,572 |

The deficit fund balance in the Road Fund is primarily the result of several outstanding reimbursement claims to FEMA at June 30 for disaster-related expenditures incurred during the year. The deficit in the Northcoast Resources Partnership Fund will be financed through future revenues of the fund. The deficit in the Debt Service Fund will be financed through a legal agreement between itself and the General Fund, offering buildings owned by the Debt Service Fund as collateral.

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

NOTE 14 PRIOR PERIOD ADJUSTMENTS

FEMA Receivables

The County has not been recording receivables and revenue from the Federal Emergency Management Agency (FEMA) in their road fund since the fiscal year ended June 30, 2016 in response to FEMA being behind on their reimbursements to the County for applicable project expenditures. As a result, a prior period adjustment in the Governmental Activities has been recorded in the amount of \$7,654,753 to account for FEMA revenue earned in prior periods. Due to these funds not being received within the County’s availability period, the County has recorded an increase in accounts receivable and unavailable revenue in the road fund which has no impact on fund balance.

The impact of the restatement on the net position of the governmental activities as previously reported is presented below:

| | Governmental Activities |
|-----------------------------------------------|----------------------------|
| Net Position - Beginning of Year | \$ 155,864,676 |
| Prior Period Adjustment for FEMA Receivables | 7,654,753 |
| Net Position - Beginning of Year, as Restated | \$ 163,519,429 |

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2022

| Last 10 Fiscal Years* | Safety Plans | | | | | | | |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, | | | | | | | |
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Total Pension Liability: | | | | | | | | |
| Service Cost | \$ 5,244,262 | \$ 5,087,733 | \$ 4,813,680 | \$ 4,982,401 | \$ 4,640,621 | \$ 4,080,379 | \$ 4,164,088 | \$ 4,185,384 |
| Interest on Total Pension Liability | 17,261,540 | 16,412,358 | 15,656,673 | 14,860,932 | 14,038,633 | 13,624,602 | 13,034,283 | 12,485,789 |
| Changes of Assumptions | - | - | - | (606,417) | 12,184,884 | - | (3,323,361) | - |
| Differences Between Expected and Actual Experience | 2,237,666 | 1,157,011 | 1,594,555 | 2,510,714 | (3,324,947) | (1,272,685) | (1,673,748) | - |
| Benefit payments, Including Refunds of Employee Contributions | (12,270,527) | (11,608,200) | (10,782,512) | (9,666,050) | (8,841,462) | (8,358,315) | (7,976,174) | (7,539,487) |
| Net Change in Total Pension Liability | 12,472,941 | 11,048,902 | 11,282,396 | 12,081,580 | 18,697,729 | 8,073,981 | 4,225,088 | 9,131,686 |
| Total Pension Liability - Beginning | 242,695,608 | 231,646,706 | 220,364,310 | 208,282,730 | 189,585,001 | 181,511,020 | 177,285,932 | 168,154,246 |
| Total Pension Liability - Ending | 255,168,549 | 242,695,608 | 231,646,706 | 220,364,310 | 208,282,730 | 189,585,001 | 181,511,020 | 177,285,932 |
| Plan Fiduciary Net Position: | | | | | | | | |
| Plan-to-Plan Resource Movement | (73,342) | (959) | (47,699) | (362) | 18,284 | (957) | 63,796 | - |
| Contributions - Employer | 7,905,205 | 7,010,817 | 6,102,650 | 5,565,876 | 5,249,061 | 4,757,426 | 4,429,607 | 4,123,350 |
| Contributions - Employee | 2,719,911 | 2,444,951 | 2,209,040 | 2,174,222 | 1,909,048 | 1,496,334 | 1,439,592 | 1,562,669 |
| Net Investment Income | 38,265,186 | 8,137,337 | 10,247,510 | 12,286,593 | 14,835,660 | 695,008 | 2,952,599 | 20,056,375 |
| Benefit Payments, Including Refunds of Employee Contributions | (12,270,527) | (11,608,200) | (10,782,512) | (9,666,050) | (8,841,462) | (8,358,315) | (7,976,174) | (7,539,487) |
| Administrative Expense | (169,470) | (231,054) | (111,524) | (228,413) | (197,263) | (82,337) | (151,945) | - |
| Other Miscellaneous | - | - | 362 | (433,761) | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 36,376,963 | 5,752,892 | 7,617,827 | 9,698,105 | 12,973,328 | (1,492,841) | 757,475 | 18,202,907 |
| Plan Fiduciary Net Position - Beginning | 169,649,763 | 163,896,871 | 156,279,044 | 146,580,939 | 133,607,611 | 135,100,452 | 134,342,977 | 116,140,070 |
| Plan Fiduciary Net Position - Ending | 206,026,726 | 169,649,763 | 163,896,871 | 156,279,044 | 146,580,939 | 133,607,611 | 135,100,452 | 134,342,977 |
| Net Pension Liability - Ending | \$ 49,141,823 | \$ 73,045,845 | \$ 67,749,835 | \$ 64,085,266 | \$ 61,701,791 | \$ 55,977,390 | \$ 46,410,568 | \$ 42,942,955 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 80.74% | 69.90% | 70.75% | 70.92% | 70.38% | 70.47% | 74.43% | 75.78% |
| Covered Payroll | \$ 18,816,872 | \$ 18,048,008 | \$ 16,702,569 | \$ 17,149,943 | \$ 15,975,698 | \$ 15,694,368 | \$ 15,854,736 | \$ 15,327,146 |
| Net Pension Liability as a Percentage of Covered Payroll | 261.16% | 404.73% | 405.63% | 373.68% | 386.22% | 356.67% | 292.72% | 280.18% |

*Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Change in Assumptions:

The discount rate to measure the net pension liability was 7.65% as of June 30, 2014, 2015 and 2016, and was reduced to 7.15% as of June 30, 2017.

The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016 and 2017 and was reduced to 2.50% as of June 30, 2018.

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2022

| Last 10 Fiscal Years* | Miscellaneous Plans | | | | | | | |
|-----------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | June 30, | | | | | | | |
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Total Pension Liability: | | | | | | | | |
| Service Cost | \$ 17,230,177 | \$ 16,724,245 | \$ 15,913,192 | \$ 15,973,515 | \$ 14,807,223 | \$ 13,541,216 | \$ 14,413,398 | \$ 14,832,034 |
| Interest on Total Pension Liability | 56,150,398 | 54,203,857 | 51,564,138 | 49,302,934 | 44,815,103 | 44,217,175 | 42,412,478 | 40,445,800 |
| Changes of Assumptions | - | - | - | (4,905,718) | 34,895,188 | - | (9,694,226) | - |
| Differences Between Expected and Actual Experience | (181,033) | 5,345,041 | 4,909,914 | 11,848,842 | (6,283,979) | (5,632,041) | (2,886,636) | - |
| Benefit payments, Including Refunds of Employee Contributions | (42,869,803) | (41,358,723) | (39,203,377) | (36,338,982) | (32,334,940) | (30,746,413) | (28,451,183) | (26,255,798) |
| Change of Allocation | (1,661,438) | 3,972,317 | (759,824) | 29,955,265 | (6,679,562) | 2,431,847 | - | - |
| Net Change in Total Pension Liability | 28,668,301 | 38,886,737 | 32,424,043 | 65,835,856 | 49,219,033 | 23,811,784 | 15,793,831 | 29,022,036 |
| Total Pension Liability - Beginning | 799,982,526 | 761,095,789 | 728,671,746 | 662,835,890 | 613,616,857 | 589,805,073 | 574,011,242 | 544,989,205 |
| Total Pension Liability - Ending | 828,650,827 | 799,982,526 | 761,095,789 | 728,671,746 | 662,835,890 | 613,616,857 | 589,805,073 | 574,011,241 |
| Plan Fiduciary Net Position: | | | | | | | | |
| Contributions - Employer | 27,591,424 | 25,044,531 | 21,899,254 | 20,258,811 | 17,968,022 | 17,903,857 | 17,054,037 | 17,041,711 |
| Contributions - Employee | 10,958,305 | 10,187,645 | 9,290,884 | 9,206,174 | 7,488,725 | 5,790,381 | 5,870,207 | 6,421,943 |
| Net Investment Income | 125,533,528 | 26,722,508 | 33,333,355 | 40,029,368 | 46,381,283 | 2,264,291 | 9,592,039 | 62,764,661 |
| Benefit Payments, Including Refunds of Employee Contributions | (42,869,803) | (41,358,723) | (39,203,377) | (36,338,982) | (32,334,940) | (30,746,413) | (28,451,182) | (26,255,798) |
| Plan-to-Plan Resource Movement | 70,482 | 924 | 45,696 | (1,176) | (16,776) | 888 | 12,495 | - |
| Administrative Expense | (553,197) | (754,352) | (362,028) | (743,049) | (616,193) | (260,230) | (478,678) | - |
| Other Expense | - | - | 1,175 | (1,411,063) | - | - | - | - |
| Change of Allocation | (1,152,515) | 2,778,257 | (529,552) | 20,617,871 | (4,593,111) | 1,753,319 | - | - |
| Net Change in Plan Fiduciary Net Position | 119,578,224 | 22,620,790 | 24,475,407 | 51,617,954 | 34,277,010 | (3,293,907) | 3,598,918 | 59,972,517 |
| Plan Fiduciary Net Position - Beginning | 554,936,611 | 532,315,821 | 507,840,414 | 456,222,460 | 421,945,450 | 425,239,357 | 421,640,439 | 361,667,922 |
| Plan Fiduciary Net Position - Ending | 674,514,835 | 554,936,611 | 532,315,821 | 507,840,414 | 456,222,460 | 421,945,450 | 425,239,357 | 421,640,439 |
| Net Pension Liability - Ending | \$ 154,135,992 | \$ 245,045,915 | \$ 228,779,968 | \$ 220,831,332 | \$ 206,613,430 | \$ 191,671,407 | \$ 164,565,716 | \$ 152,370,802 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 81.40% | 69.37% | 69.94% | 69.69% | 68.83% | 68.76% | 72.10% | 73.46% |
| Covered Payroll | \$ 104,059,344 | \$ 99,182,279 | \$ 92,488,019 | \$ 90,543,756 | \$ 85,210,721 | \$ 83,148,866 | \$ 86,528,224 | \$ 83,737,864 |
| Net Pension Liability as a Percentage of Covered Payroll | 148.12% | 247.07% | 247.36% | 243.89% | 242.47% | 230.52% | 190.19% | 181.96% |

*Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

Change in Assumptions:

The discount rate to measure the net pension liability was 7.65% as of June 30, 2014, 2015 and 2016, and was reduced to 7.15% as of June 30, 2017.

The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016 and 2017 and was reduced to 2.50% as of June 30, 2018.

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
YEAR ENDED JUNE 30, 2022**

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

| Safety | | | | | | | | |
|------------------------------------------------------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| Actuarially Determined Contribution | \$ 8,215,298 | \$ 7,905,205 | \$ 7,010,817 | \$ 6,102,650 | \$ 5,565,876 | \$ 5,249,061 | \$ 4,757,426 | \$ 4,429,607 |
| Contributions Related to the Actuarially Determined Contribution | 8,215,298 | 7,905,205 | 7,010,817 | 6,102,650 | 5,565,876 | 5,249,061 | 4,757,426 | 4,429,607 |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's Covered Payroll | \$ 19,005,041 | \$ 18,816,872 | \$ 18,048,008 | \$ 16,702,569 | \$ 17,149,943 | \$ 15,975,698 | \$ 15,694,368 | \$ 15,854,736 |
| Contributions as a Percentage of Covered Payroll | 43.23 % | 42.01 % | 41.58 % | 36.54 % | 32.45 % | 32.86 % | 30.31 % | 27.94 % |
| Miscellaneous | | | | | | | | |
| | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| Actuarially Determined Contribution | \$ 27,609,767 | \$ 28,711,159 | \$ 26,006,782 | \$ 22,859,347 | \$ 21,127,933 | \$ 19,582,944 | \$ 19,300,602 | \$ 18,460,286 |
| Contributions Related to the Actuarially Determined Contribution | 27,609,767 | 28,711,159 | 26,006,782 | 22,859,347 | 21,127,933 | 19,582,944 | 19,300,602 | 18,460,286 |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's Covered Payroll | \$ 105,099,937 | \$ 104,059,344 | \$ 99,182,279 | \$ 92,488,019 | \$ 90,543,756 | \$ 85,210,731 | \$ 83,148,866 | \$ 86,258,224 |
| Contributions as a Percentage of Covered Payroll | 26.27% | 27.59% | 27.37% | 24.72% | 23.33% | 22.98% | 23.21% | 21.40% |

*Fiscal year 2015 was the first year of implementation. Additional years will be presented as they become available.

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES TO NET OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2022

| Last 10 Fiscal Years* | Reporting Year | | | | |
|----------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
| Total OPEB Liability: | | | | | |
| Service Cost | \$ 2,886,043 | \$ 2,435,502 | \$ 2,663,260 | \$ 2,647,674 | \$ 2,573,681 |
| Interest on Total OPEB Liability | 1,181,287 | 1,304,262 | 1,628,808 | 1,509,753 | 1,429,674 |
| Difference Between Expected and Actual Experience | (5,474,505) | (6,972) | (8,445,721) | (37,773) | - |
| Change of Assumptions | 3,473,352 | 3,914,441 | 2,752,055 | (425,810) | - |
| Benefit Payments | (937,968) | (875,740) | (802,876) | (751,789) | (733,082) |
| Implicit Rate Subsidy Fulfilled | (666,212) | (623,486) | (1,089,129) | (1,057,288) | (1,021,534) |
| Net Change in Total OPEB Liability | 461,997 | 6,148,007 | (3,293,603) | 1,884,767 | 2,248,739 |
| Total OPEB Liability - Beginning | 46,131,831 | 39,983,824 | 43,277,427 | 41,392,660 | 39,143,921 |
| Total OPEB Liability - Ending | <u>\$ 46,593,828</u> | <u>\$ 46,131,831</u> | <u>\$ 39,983,824</u> | <u>\$ 43,277,427</u> | <u>\$ 41,392,660</u> |
| Covered Employee Payroll | \$ 87,869,026 | \$ 113,979,904 | \$ 107,433,257 | \$ 106,830,722 | \$ 103,971,506 |
| Net OPEB Liability as a Percentage of Covered Employee Payroll | 53.03% | 40.47% | 37.22% | 40.51% | 39.81% |

*Fiscal year 2018 was the first year of implementation. Additional years will be presented as they become available.

**No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Change in Assumptions:

The discount rate to measure the total OPEB liability was 3.5% as of June 30, 2018, 3.62% as of June 30, 2019, 3.13% as of June 30, 2020, 2.45% as of June 30, 2021, and reduced to 1.92% as of June 30, 2022.

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------------------------------------------------|----------------------|----------------------|------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 81,868,654 | \$ 81,868,654 | \$ 78,741,155 | \$ (3,127,499) |
| Licenses and Permits | 4,926,667 | 4,926,667 | 3,972,928 | (953,739) |
| Fines, Forfeits, and Penalties | 3,177,531 | 3,177,531 | 1,103,974 | (2,073,557) |
| Use of Money and Property | 382,412 | 382,412 | (1,043,814) | (1,426,226) |
| Aid from Other Governments | 277,208,417 | 285,415,482 | 133,221,281 | (152,194,201) |
| Charges for Services | 53,844,650 | 54,439,987 | 45,370,901 | (9,069,086) |
| Other Revenue | 6,892,174 | 6,910,168 | 1,383,969 | (5,526,199) |
| Total Revenues | <u>428,300,505</u> | <u>437,120,901</u> | <u>262,750,394</u> | <u>(174,370,507)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 48,552,319 | 51,004,984 | 23,702,864 | 27,302,120 |
| Public Protection | 111,257,766 | 115,670,420 | 98,779,622 | 16,890,798 |
| Public Way and Facilities | 2,410,607 | 2,469,285 | 2,154,389 | 314,896 |
| Health and Sanitation | 97,715,366 | 105,816,667 | 111,575,302 | (5,758,635) |
| Public Assistance | 168,893,013 | 173,606,294 | 116,114,656 | 57,491,638 |
| Education | 237,489 | 237,892 | 235,236 | 2,656 |
| Recreation and Culture | 20,384,569 | 20,803,203 | 3,694,853 | 17,108,350 |
| Contingencies | 1,302,276 | 686,720 | - | 686,720 |
| Total Expenditures | <u>450,753,405</u> | <u>470,295,465</u> | <u>356,256,922</u> | <u>114,038,543</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (22,452,900) | (33,174,564) | (93,506,528) | (60,331,964) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 41,999,004 | 51,404,547 | 806,704 | (50,597,843) |
| Transfers Out | (19,546,104) | (18,265,998) | (6,284,093) | 11,981,905 |
| Total Other Financing Sources (Uses) | <u>22,452,900</u> | <u>33,138,549</u> | <u>(5,477,389)</u> | <u>(38,615,938)</u> |
| NET CHANGE IN FUND BALANCES | - | (36,015) | (98,983,917) | (98,947,902) |
| Budgetary Fund Balances - Beginning of Year | <u>40,772,871</u> | <u>40,772,871</u> | <u>40,772,871</u> | <u>-</u> |
| BUDGETARY FUND BALANCES - END OF YEAR | <u>\$ 40,772,871</u> | <u>\$ 40,736,856</u> | <u>\$ (58,211,046)</u> | <u>\$ (98,947,902)</u> |

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

(1) Explanation of differences between statement of revenues, expenditures and changes in fund balance:

Sources/Inflows of Resources

| | |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Actual Amounts from the Budgetary Comparison Schedule | \$ 262,750,394 |
| Receipts from Funds Reclassified from County Custodial Funds, Not Budgeted | <u>117,792,406</u> |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 380,542,800</u> |

Uses/Outflows of Resources

| | |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Actual Amounts from the Budgetary Comparison Schedule | \$ 356,256,922 |
| Disbursements from Funds Reclassified from County Custodial Funds, Not Budgeted | <u>15,463,525</u> |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 371,720,447</u> |

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------------------------------------------------|------------------------|------------------------|-----------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 3,738,400 | \$ 3,738,400 | \$ 3,971,142 | \$ 232,742 |
| Licenses and Permits | 82,300 | 82,300 | 147,271 | 64,971 |
| Use of Money and Property | - | - | 96,535 | 96,535 |
| Aid from Other Governments | 42,569,420 | 42,569,420 | 31,568,010 | (11,001,410) |
| Charges for Services | 791,200 | 791,200 | 797,746 | 6,546 |
| Other Revenue | 1,010,530 | 1,010,530 | 33,273 | (977,257) |
| Total Revenues | <u>48,191,850</u> | <u>48,191,850</u> | <u>36,613,977</u> | <u>(11,577,873)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Way and Facilities | <u>48,264,850</u> | <u>48,264,850</u> | <u>33,080,385</u> | <u>15,184,465</u> |
| Total Expenditures | <u>48,264,850</u> | <u>48,264,850</u> | <u>33,080,385</u> | <u>15,184,465</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (73,000) | (73,000) | 3,533,592 | 3,606,592 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 47,336,014 | 47,336,014 | 3,693,734 | (43,642,280) |
| Transfers Out | <u>(47,263,014)</u> | <u>(47,263,014)</u> | - | <u>47,263,014</u> |
| Total Other Financing Sources (Uses) | <u>73,000</u> | <u>73,000</u> | <u>3,693,734</u> | <u>3,620,734</u> |
| NET CHANGE IN FUND BALANCES | - | - | 7,227,326 | 7,227,326 |
| Budgetary Fund Balances - Beginning of Year | <u>(12,613,316)</u> | <u>(12,613,316)</u> | <u>(12,613,316)</u> | <u>-</u> |
| BUDGETARY FUND BALANCES - END OF YEAR | <u>\$ (12,613,316)</u> | <u>\$ (12,613,316)</u> | <u>\$ (5,385,990)</u> | <u>\$ 7,227,326</u> |

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

General Budget Policies

By state law, the County Board of Supervisors must approve a tentative budget no later than June 30 of each year, and adopt a final budget no later than August 30. A public hearing must be conducted to receive comments prior to adoption. However, due to the lateness of the adoption of the state budget, the County by resolution R03-058 has extended these periods to August 10 and October 2, respectively.

From the effective date of the budget, which is adopted and controlled at the departmental level, the amounts stated therein as proposed expenditures become appropriations to the various County departments. However, the legal level of control is the fund level. The Board of Supervisors may amend the budget by resolution during the fiscal year. Department heads may, upon approval of the Auditor-Controller, make transfers from one object or purpose to another within the same budget unit. All other budget amendments must be approved by the Board. It is this final revised budget that is presented in the basic financial statements. Appropriations lapse at year-end.

Budgets are adopted for the general fund and most special revenue funds. Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with accounting principles generally accepted in the United States of America. The General Fund, however, also includes several trust funds that act as clearing funds and have no budget. The actuals in the General Fund Budgetary Comparison Schedule will vary from the statements as a result. The differences are noted Budgetary Comparison Schedule – Budgetary Basis section. The County does not adopt a budget for the Headwaters Mitigation Fund.

Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate publication presenting this information is available.

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources restricted, committed, or assigned to pay debt principal and interest.

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**COUNTY OF HUMBOLDT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

| | Special Revenue | | | |
|--------------------------------------------------------------------------|---------------------|----------------------------|---------------------|---------------------------------|
| | Family Support | Courthouse Construction | County Library | Fish and Game Propagation |
| ASSETS | | | | |
| Cash and Investments | \$ 2,141,410 | \$ 1,746,225 | \$ 1,821,907 | \$ 21,858 |
| Receivables | - | - | 10 | - |
| Prepays | 37,519 | - | 1,379 | - |
| Total Assets | <u>\$ 2,178,929</u> | <u>\$ 1,746,225</u> | <u>\$ 1,823,296</u> | <u>\$ 21,858</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 37,310 | \$ - | \$ 195,326 | \$ 4,500 |
| Salaries and Benefits Payable | 164,697 | - | 127,150 | - |
| Due to Other Funds | - | - | - | - |
| Advance from Other Funds | - | - | - | - |
| Total Liabilities | <u>202,007</u> | <u>-</u> | <u>322,476</u> | <u>4,500</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | - | - | - | - |
| FUND BALANCE | | | | |
| Nonspendable | 37,519 | - | 1,379 | - |
| Restricted | 1,939,403 | 1,746,225 | 1,499,441 | 17,358 |
| Unassigned | - | - | - | - |
| Total Fund Balances | <u>1,976,922</u> | <u>1,746,225</u> | <u>1,500,820</u> | <u>17,358</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 2,178,929</u> | <u>\$ 1,746,225</u> | <u>\$ 1,823,296</u> | <u>\$ 21,858</u> |

**COUNTY OF HUMBOLDT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

| | <u>Special Revenue</u> | | <u>Debt Service</u> | |
|----------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------|---------------------|----------------------|
| | Northcoast Resource Partnership | Special Districts Under County Board of Supervisors | Debt Service | Total |
| ASSETS | | | | |
| Cash and Investments | \$ - | \$ 1,088,658 | \$ 3,592,425 | \$ 10,412,483 |
| Receivables | 351,900 | - | - | 351,910 |
| Prepays | 1,804 | - | - | 40,702 |
| | <u>1,804</u> | <u>-</u> | <u>-</u> | <u>40,702</u> |
| Total Assets | <u>\$ 353,704</u> | <u>\$ 1,088,658</u> | <u>\$ 3,592,425</u> | <u>\$ 10,805,095</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 876,879 | \$ 61,121 | \$ - | \$ 1,175,136 |
| Salaries and Benefits Payable | 25,023 | - | - | 316,870 |
| Due to Other Funds | 357,128 | - | - | 357,128 |
| Advance from Other Funds | - | - | 10,084,527 | 10,084,527 |
| Total Liabilities | <u>1,259,030</u> | <u>61,121</u> | <u>10,084,527</u> | <u>11,933,661</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | 85,150 | - | - | 85,150 |
| FUND BALANCE | | | | |
| Nonspendable | 1,804 | - | - | 40,702 |
| Restricted | - | 1,027,537 | - | 6,229,964 |
| Unassigned | (992,280) | - | (6,492,102) | (7,484,382) |
| Total Fund Balances | <u>(990,476)</u> | <u>1,027,537</u> | <u>(6,492,102)</u> | <u>(1,213,716)</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 353,704</u> | <u>\$ 1,088,658</u> | <u>\$ 3,592,425</u> | <u>\$ 10,805,095</u> |

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

| | Special Revenue | | | |
|----------------------------------------------------------------------|---------------------|----------------------------|---------------------|---------------------------------|
| | Family Support | Courthouse Construction | County Library | Fish and Game Propagation |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ 3,296,247 | \$ - |
| Fines, Forfeitures, and Penalties | - | 238,067 | - | 6,594 |
| Use of Money and Property | (48,069) | (40,795) | (43,083) | (484) |
| Intergovernmental | 3,683,266 | - | 241,853 | - |
| Charges for Services | 258,403 | - | 15,180 | - |
| Miscellaneous | 152,431 | - | 193,024 | - |
| Total Revenues | <u>4,046,031</u> | <u>197,272</u> | <u>3,703,221</u> | <u>6,110</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 3,618,834 | - | - | 15,173 |
| Education | - | - | 4,124,780 | - |
| Debt Service: | | | | |
| Principal | 303,629 | - | 7,356 | - |
| Interest and Other Charges | 82,697 | - | 653 | - |
| Total Expenditures | <u>4,005,160</u> | <u>-</u> | <u>4,132,789</u> | <u>15,173</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 40,871 | 197,272 | (429,568) | (9,063) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 283,872 | - |
| Transfers Out | - | (74,942) | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(74,942)</u> | <u>283,872</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 40,871 | 122,330 | (145,696) | (9,063) |
| Fund Balances - Beginning of Year | <u>1,936,051</u> | <u>1,623,895</u> | <u>1,646,516</u> | <u>26,421</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 1,976,922</u> | <u>\$ 1,746,225</u> | <u>\$ 1,500,820</u> | <u>\$ 17,358</u> |

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

| | Special Revenue | | Debt Service | |
|----------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------|-----------------|----------------|
| | Northcoast Resource Partnership | Special Districts Under County Board of Supervisors | Debt Service | Total |
| REVENUES | | | | |
| Taxes | \$ - | \$ 426,328 | \$ - | \$ 3,722,575 |
| Fines, Forfeitures, and Penalties | - | - | - | 244,661 |
| Use of Money and Property | 13,090 | (22,706) | 203,722 | 61,675 |
| Intergovernmental | 4,456,474 | 35,633 | - | 8,417,226 |
| Charges for Services | 6,582 | (829) | - | 279,336 |
| Miscellaneous | - | (8,056) | - | 337,399 |
| Total Revenues | 4,476,146 | 430,370 | 203,722 | 13,062,872 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Protection | 4,975,881 | 251,805 | - | 8,861,693 |
| Education | - | - | - | 4,124,780 |
| Debt Service: | | | | |
| Principal | (687) | 65,295 | - | 375,593 |
| Interest and Other Charges | - | 2,658 | - | 86,008 |
| Total Expenditures | 4,975,194 | 319,758 | - | 13,448,074 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (499,048) | 110,612 | 203,722 | (385,202) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 20,000 | - | 1,626,187 | 1,930,059 |
| Transfers Out | - | (228,854) | (2,011,554) | (2,315,350) |
| Total Other Financing Sources (Uses) | 20,000 | (228,854) | (385,367) | (385,291) |
| NET CHANGE IN FUND BALANCES | (479,048) | (118,242) | (181,645) | (770,493) |
| Fund Balances - Beginning of Year | (511,428) | 1,145,779 | (6,310,457) | (443,223) |
| FUND BALANCES - END OF YEAR | \$ (990,476) | \$ 1,027,537 | \$ (6,492,102) | \$ (1,213,716) |

INTERNAL SERVICE FUNDS

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

| | Heavy Equipment | Information Technology | Central Services | Communications |
|-----------------------------------|---------------------|---------------------------|---------------------|---------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 1,478,017 | \$ 1,538,421 | \$ 44,733 | \$ 2,594,455 |
| Accounts Receivable | 4,345 | - | - | - |
| Prepaid Expenses and Other Assets | - | 380,934 | - | 4,751 |
| Total Current Assets | <u>1,482,362</u> | <u>1,919,355</u> | <u>44,733</u> | <u>2,599,206</u> |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Nondepreciable | - | 33,585 | - | 4,495,713 |
| Depreciable, Net of Depreciation | 3,212,025 | 127,074 | - | 211,143 |
| Righ-to-Use, Net of Amortization | 457,871 | - | - | 224,856 |
| Total Noncurrent Assets | <u>3,669,896</u> | <u>160,659</u> | <u>-</u> | <u>4,931,712</u> |
| Total Assets | <u>5,152,258</u> | <u>2,080,014</u> | <u>44,733</u> | <u>7,530,918</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 235,566 | 634,159 | 16,281 | 62,962 |
| Accrued Payroll and Benefits | 50,370 | 120,615 | 18,179 | 5,941 |
| Due to Other Funds | - | - | - | - |
| Interest Payable | 77 | - | - | 173 |
| Lease Liability | 304,452 | - | - | 55,164 |
| Compensated Absences | 26,034 | 87,206 | 2,727 | 1,563 |
| Provision for Estimated Claims | - | - | - | - |
| Total Current Liabilities | <u>616,499</u> | <u>841,980</u> | <u>37,187</u> | <u>125,803</u> |
| Noncurrent Liabilities: | | | | |
| Lease Liability | 155,838 | - | - | 175,521 |
| Compensated Absences | 39,052 | 130,808 | 4,091 | 2,344 |
| Total Noncurrent Liabilities | <u>194,890</u> | <u>130,808</u> | <u>4,091</u> | <u>177,865</u> |
| Total Liabilities | <u>811,389</u> | <u>972,788</u> | <u>41,278</u> | <u>303,668</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 3,209,606 | 160,659 | - | 4,701,027 |
| Unrestricted | 1,131,263 | 946,567 | 3,455 | 2,526,223 |
| Total Net Position | <u>\$ 4,340,869</u> | <u>\$ 1,107,226</u> | <u>\$ 3,455</u> | <u>\$ 7,227,250</u> |

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2022**

| | Motor Pool | ADA Compliance | Insurance Funds | Total |
|-----------------------------------|----------------------|-------------------|---------------------|----------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 2,695,651 | \$ 1,012,982 | \$ 8,739,844 | \$ 18,104,103 |
| Accounts Receivable | 4 | - | 483 | 4,832 |
| Prepaid Expenses and Other Assets | - | - | - | 385,685 |
| Total Current Assets | <u>2,695,655</u> | <u>1,012,982</u> | <u>8,740,327</u> | <u>18,494,620</u> |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Nondepreciable | - | - | - | 4,529,298 |
| Depreciable, Net of Depreciation | 8,177,833 | 67,364 | - | 11,795,439 |
| Righ-to-Use, Net of Amortization | - | - | 3,361 | 686,088 |
| Total Noncurrent Assets | <u>8,177,833</u> | <u>67,364</u> | <u>3,361</u> | <u>17,010,825</u> |
| Total Assets | <u>10,873,488</u> | <u>1,080,346</u> | <u>8,743,688</u> | <u>35,505,445</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 235,330 | 261,005 | 571,694 | 2,016,997 |
| Accrued Payroll and Benefits | 42,709 | 18,414 | 37,174 | 293,402 |
| Due to Other Funds | - | - | 51,929 | 51,929 |
| Interest Payable | - | - | 219 | 469 |
| Lease Liability | - | - | 1,572 | 361,188 |
| Compensated Absences | 22,486 | 6,994 | 72,735 | 219,745 |
| Provision for Estimated Claims | - | - | 2,100,410 | 2,100,410 |
| Total Current Liabilities | <u>300,525</u> | <u>286,413</u> | <u>2,835,733</u> | <u>5,044,140</u> |
| Noncurrent Liabilities: | | | | |
| Lease Liability | - | - | 1,678 | 333,037 |
| Compensated Absences | 33,729 | 10,490 | - | 220,514 |
| Total Noncurrent Liabilities | <u>33,729</u> | <u>10,490</u> | <u>1,678</u> | <u>553,551</u> |
| Total Liabilities | <u>334,254</u> | <u>296,903</u> | <u>2,837,411</u> | <u>5,597,691</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 8,177,833 | 67,364 | 111 | 16,316,600 |
| Unrestricted | <u>2,361,401</u> | <u>716,079</u> | <u>5,906,166</u> | <u>13,591,154</u> |
| Total Net Position | <u>\$ 10,539,234</u> | <u>\$ 783,443</u> | <u>\$ 5,906,277</u> | <u>\$ 29,907,754</u> |

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

| | Heavy Equipment | Information Technology | Central Services | Communications |
|-------------------------------------------------------------|---------------------|---------------------------|---------------------|---------------------|
| OPERATING REVENUES | | | | |
| Charges for Services | \$ 2,346,000 | \$ 5,755,343 | \$ 386,663 | \$ 322,344 |
| Miscellaneous Revenues | 231,519 | - | 24,026 | 30,260 |
| Total Operating Revenues | <u>2,577,519</u> | <u>5,755,343</u> | <u>410,689</u> | <u>352,604</u> |
| OPERATING EXPENSES | | | | |
| Salaries and Benefits | 964,521 | 2,278,543 | 312,147 | 79,569 |
| Services and Supplies | 2,079,276 | 2,678,475 | 111,467 | (28,991) |
| Self-Insurance Claims | - | - | - | - |
| Depreciation and Amortization | 706,283 | 55,199 | - | 111,634 |
| Total Operating Expenses | <u>3,750,080</u> | <u>5,012,217</u> | <u>423,614</u> | <u>162,212</u> |
| NET OPERATING INCOME (LOSS) | (1,172,561) | 743,126 | (12,925) | 190,392 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest Income | (30,240) | (48,285) | (1,403) | (81,429) |
| Interest Expense | (1,239) | - | - | (2,283) |
| Insurance Proceeds | - | - | - | - |
| Gain on Sale of Capital Assets | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(31,479)</u> | <u>(48,285)</u> | <u>(1,403)</u> | <u>(83,712)</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | (1,204,040) | 694,841 | (14,328) | 106,680 |
| Transfer of Capital Assets | - | - | - | - |
| Transfers In | - | - | - | 659,789 |
| Transfers Out | - | - | - | - |
| Capital Contributions | - | - | - | - |
| Total Contributions and Transfers | <u>-</u> | <u>-</u> | <u>-</u> | <u>659,789</u> |
| CHANGE IN NET POSITION | (1,204,040) | 694,841 | (14,328) | 766,469 |
| Net Position - Beginning of Year | <u>5,544,909</u> | <u>412,385</u> | <u>17,783</u> | <u>6,460,781</u> |
| NET POSITION - END OF YEAR | <u>\$ 4,340,869</u> | <u>\$ 1,107,226</u> | <u>\$ 3,455</u> | <u>\$ 7,227,250</u> |

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

| | Motor Pool | ADA Compliance | Insurance Funds | Total |
|-------------------------------------------------------------|----------------------|-------------------|---------------------|----------------------|
| OPERATING REVENUES | | | | |
| Charges for Services | \$ 1,704,273 | \$ 1,186,860 | \$ 33,979,667 | \$ 45,681,150 |
| Miscellaneous Revenues | 71,306 | - | 293,258 | 650,369 |
| Total Operating Revenues | <u>1,775,579</u> | <u>1,186,860</u> | <u>34,272,925</u> | <u>46,331,519</u> |
| OPERATING EXPENSES | | | | |
| Salaries and Benefits | 552,280 | 384,361 | 2,089,160 | 6,660,581 |
| Services and Supplies | 2,162,214 | 59,532 | 33,864,172 | 40,926,145 |
| Self-Insurance Claims | - | - | 338,387 | 338,387 |
| Depreciation and Amortization | 1,348,427 | 6,292 | 1,680 | 2,229,515 |
| Total Operating Expenses | <u>4,062,921</u> | <u>450,185</u> | <u>36,293,399</u> | <u>50,154,628</u> |
| NET OPERATING INCOME (LOSS) | (2,287,342) | 736,675 | (2,020,474) | (3,823,109) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest Income | 1,653,051 | (29,284) | (269,431) | 1,192,979 |
| Interest Expense | - | - | (219) | (3,741) |
| Insurance Proceeds | - | - | 2,290,547 | 2,290,547 |
| Gain on Sale of Capital Assets | 17,000 | - | - | 17,000 |
| Total Nonoperating Revenues (Expenses) | <u>1,670,051</u> | <u>(29,284)</u> | <u>2,020,897</u> | <u>3,496,785</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | (617,291) | 707,391 | 423 | (326,324) |
| Transfer of Capital Assets | - | (1,588,436) | - | (1,588,436) |
| Transfers In | - | 2,011,554 | 3,106,959 | 5,778,302 |
| Transfers Out | - | - | (3,106,959) | (3,106,959) |
| Capital Contributions | 296,755 | - | - | 296,755 |
| Total Contributions and Transfers | <u>296,755</u> | <u>423,118</u> | <u>-</u> | <u>1,379,662</u> |
| CHANGE IN NET POSITION | (320,536) | 1,130,509 | 423 | 1,053,338 |
| Net Position - Beginning of Year | <u>10,859,770</u> | <u>(347,066)</u> | <u>5,905,854</u> | <u>28,854,416</u> |
| NET POSITION - END OF YEAR | <u>\$ 10,539,234</u> | <u>\$ 783,443</u> | <u>\$ 5,906,277</u> | <u>\$ 29,907,754</u> |

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

| | <u>Heavy Equipment</u> | <u>Information Technology</u> | <u>Central Services</u> | <u>Communications</u> |
|------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------|-----------------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash Receipts from Interfund Services Provided | \$ 2,575,273 | \$ 5,755,343 | \$ 410,689 | \$ 352,604 |
| Cash Paid to Suppliers for Goods and Services | (1,941,979) | (2,812,852) | (100,290) | (5,911) |
| Cash Paid to Employees | (944,519) | (2,207,486) | (321,962) | (77,153) |
| Net Cash Provided (Used) by Operating Activities | (311,225) | 735,005 | (11,563) | 269,540 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers from Other Funds | - | - | - | 659,789 |
| Transfers to Other Funds | - | - | - | - |
| Advances from Other Funds | - | - | - | - |
| Insurance Proceeds Received | - | - | - | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | - | - | - | 659,789 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Proceeds from Sale of Capital Assets | - | - | - | - |
| Purchase of Capital Assets | (6,542) | (7,459) | - | (157,303) |
| Principal Paid on Capital Debt | (347,790) | - | - | (50,385) |
| Interest Paid on Capital Debt | (1,162) | - | - | (2,110) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (355,494) | (7,459) | - | (209,798) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest Received (Paid) | (30,240) | (48,285) | (1,403) | (81,429) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | | |
| | (696,959) | 679,261 | (12,966) | 638,102 |
| Cash and Cash Equivalents - Beginning of Year | 2,174,976 | 859,160 | 57,699 | 1,956,353 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 1,478,017</u> | <u>\$ 1,538,421</u> | <u>\$ 44,733</u> | <u>\$ 2,594,455</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES | | | | |
| Transfer of Capital Assets (to) from Governmental Activities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

| | Motor Pool | ADA Compliance | Insurance Funds | Total |
|----------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash Receipts from Interfund Services Provided | \$ 1,775,866 | \$ 1,186,860 | \$ 34,272,442 | \$ 46,329,077 |
| Cash Paid to Suppliers for Goods and Services | (2,164,532) | 57,423 | (34,333,761) | (41,301,902) |
| Cash Paid to Employees | (520,364) | (382,543) | (2,101,753) | (6,555,780) |
| Net Cash Provided (Used) by Operating Activities | (909,030) | 861,740 | (2,163,072) | (1,528,605) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers from Other Funds | - | 2,011,554 | (813,143) | 1,858,200 |
| Transfers to Other Funds | - | - | 51,929 | 51,929 |
| Advances from Other Funds | - | (2,011,554) | - | (2,011,554) |
| Insurance Proceeds Received | - | - | 2,290,547 | 2,290,547 |
| Net Cash Provided (Used) by Noncapital Financing Activities | - | - | 1,529,333 | 2,189,122 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Proceeds from Sale of Capital Assets | 103,136 | - | - | 103,136 |
| Purchase of Capital Assets | (917,746) | (1,600,809) | - | (2,689,859) |
| Principal Paid on Capital Debt | - | - | (1,791) | (399,966) |
| Interest Paid on Capital Debt | - | - | - | (3,272) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (814,610) | (1,600,809) | (1,791) | (2,989,961) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest Received (Paid) | 1,653,051 | (29,284) | (269,431) | 1,192,979 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | | | |
| | (70,589) | (768,353) | (904,961) | (1,136,465) |
| Cash and Cash Equivalents - Beginning of Year | 2,766,240 | 1,781,335 | 9,644,805 | 19,240,568 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 2,695,651</u> | <u>\$ 1,012,982</u> | <u>\$ 8,739,844</u> | <u>\$ 18,104,103</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES | | | | |
| Transfer of Capital Assets (to) from Governmental Activities | \$ 296,755 | \$ (1,588,435) | \$ - | \$ (1,291,680) |

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

| | <u>Heavy Equipment</u> | <u>Information Technology</u> | <u>Central Services</u> | <u>Communications</u> |
|------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------|-----------------------------|-----------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating Income (Loss) | \$ (1,172,561) | \$ 743,126 | \$ (12,925) | \$ 190,392 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation and Amortization | 706,283 | 55,199 | - | 111,634 |
| Changes in Assets and Liabilities: | | | | |
| (Increase) Decrease in: | | | | |
| Receivables | (2,246) | - | - | - |
| Prepaid Expenses and Other Assets | (500) | (380,934) | - | (376) |
| Increase (decrease) in: | | | | |
| Payables | 137,797 | 246,557 | 11,177 | (34,526) |
| Accrued Salaries and Benefits | 5,910 | 22,544 | 2,199 | 1,239 |
| Compensated Absences | 14,092 | 48,513 | (12,014) | 1,177 |
| Claims Payable | - | - | - | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (311,225)</u> | <u>\$ 735,005</u> | <u>\$ (11,563)</u> | <u>\$ 269,540</u> |

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**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

| | <u>Motor Pool</u> | <u>ADA Compliance</u> | <u>Insurance Funds</u> | <u>Total</u> |
|------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------|----------------------------|-----------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating Income (Loss) | \$ (2,287,342) | \$ 736,675 | \$ (2,020,474) | \$ (3,823,109) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation and Amortization | 1,348,427 | 6,292 | 1,680 | 2,229,515 |
| Changes in Assets and Liabilities: | | | | |
| (Increase) Decrease in: | | | | |
| Receivables | 287 | - | (483) | (2,442) |
| Prepaid Expenses and Other Assets | - | - | - | (381,810) |
| Increase (decrease) in: | | | | |
| Payables | (2,318) | 116,955 | (121,956) | 353,686 |
| Accrued Salaries and Benefits | 15,499 | (2,631) | (258) | 44,502 |
| Compensated Absences | 16,417 | 4,449 | (18,531) | 54,103 |
| Claims Payable | - | - | (3,050) | (3,050) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (909,030)</u> | <u>\$ 861,740</u> | <u>\$ (2,163,072)</u> | <u>\$ (1,528,605)</u> |

INSURANCE FUNDS

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**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION
INSURANCE FUNDS
JUNE 30, 2022**

| | Dental | County Insurance | Workers' Compensation |
|------------------------------------|--------------|---------------------|--------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 1,371,162 | \$ 213,856 | \$ - |
| Accounts Receivable | - | - | - |
| Capital Assets: | | | |
| Right-to-Use, Net of Amortization | - | 3,361 | - |
| Total Assets | 1,371,162 | 217,217 | - |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 51,569 | 6,639 | 3,643 |
| Accrued Payroll and Benefits | - | 37,174 | - |
| Due to Other Funds | - | - | 51,929 |
| Interest Payable | - | 219 | - |
| Lease Liability | - | 1,572 | - |
| Liability for Compensated Absences | - | 72,735 | - |
| Provision for Estimated Claims | 133,451 | - | - |
| Total Current Liabilities | 185,020 | 118,339 | 55,572 |
| Noncurrent Liabilities: | | | |
| Lease Liability | - | 1,678 | - |
| Total Noncurrent Liabilities | - | 1,678 | - |
| Total Liabilities | 185,020 | 120,017 | 55,572 |
| NET POSITION | | | |
| Net Investment in Capital Assets | - | 111 | - |
| Unrestricted | 1,186,142 | 97,089 | (55,572) |
| Total Net Position | \$ 1,186,142 | \$ 97,200 | \$ (55,572) |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
INSURANCE FUNDS
JUNE 30, 2022**

| | Liability | Medical | Unemployment |
|------------------------------------|--------------|--------------|--------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 3,426,480 | \$ 2,949,453 | \$ 272,330 |
| Accounts Receivable | - | - | - |
| Capital Assets: | | | |
| Right-to-Use, Net of Amortization | - | - | - |
| Total Assets | 3,426,480 | 2,949,453 | 272,330 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 259,752 | - | 89,627 |
| Accrued Payroll and Benefits | - | - | - |
| Due to Other Funds | - | - | - |
| Interest Payable | - | - | - |
| Lease Liability | - | - | - |
| Liability for Compensated Absences | - | - | - |
| Provision for Estimated Claims | 1,851,000 | - | 115,959 |
| Total Current Liabilities | 2,110,752 | - | 205,586 |
| Noncurrent Liabilities: | | | |
| Lease Liability | - | - | - |
| Total Noncurrent Liabilities | - | - | - |
| Total Liabilities | 2,110,752 | - | 205,586 |
| NET POSITION | | | |
| Net Investment in Capital Assets | - | - | - |
| Unrestricted | 1,315,728 | 2,949,453 | 66,744 |
| Total Net Position | \$ 1,315,728 | \$ 2,949,453 | \$ 66,744 |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
INSURANCE FUNDS
JUNE 30, 2022**

| | Purchased Insurance Premium | Employee Benefits | Total |
|------------------------------------|-----------------------------------|----------------------|--------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 276,365 | \$ 230,198 | \$ 8,739,844 |
| Accounts Receivable | 483 | - | 483 |
| Capital Assets: | | | |
| Right-to-Use, Net of Amortization | - | - | 3,361 |
| Total Assets | 276,848 | 230,198 | 8,743,688 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | 122,374 | 38,090 | 571,694 |
| Accrued Payroll and Benefits | - | - | 37,174 |
| Due to Other Funds | - | - | 51,929 |
| Interest Payable | - | - | 219 |
| Lease Liability | - | - | 1,572 |
| Liability for Compensated Absences | - | - | 72,735 |
| Provision for Estimated Claims | - | - | 2,100,410 |
| Total Current Liabilities | 122,374 | 38,090 | 2,835,733 |
| Noncurrent Liabilities: | | | |
| Lease Liability | - | - | 1,678 |
| Total Noncurrent Liabilities | - | - | 1,678 |
| Total Liabilities | 122,374 | 38,090 | 2,837,411 |
| NET POSITION | | | |
| Net Investment in Capital Assets | - | - | 111 |
| Unrestricted | 154,474 | 192,108 | 5,906,166 |
| Total Net Position | \$ 154,474 | \$ 192,108 | \$ 5,906,277 |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2022**

| | <u>Dental</u> | <u>County Insurance</u> | <u>Workers' Compensation</u> |
|-----------------------------------------|---------------------|-----------------------------|----------------------------------|
| OPERATING REVENUES | | | |
| Charges for Services | \$ 1,365,194 | \$ 839,862 | \$ 5,653,754 |
| Miscellaneous Revenues | - | - | 136,251 |
| Total Operating Revenues | <u>1,365,194</u> | <u>839,862</u> | <u>5,790,005</u> |
| OPERATING EXPENSES | | | |
| Salaries and Benefits | 982,142 | 578,272 | - |
| Services and Supplies | 142,307 | 152,502 | 7,193,573 |
| Self-Insurance Claims | 347,634 | - | - |
| Depreciation and Amortization | - | 1,680 | - |
| Total Operating Expenses | <u>1,472,083</u> | <u>732,454</u> | <u>7,193,573</u> |
| NET OPERATING INCOME (LOSS) | (106,889) | 107,408 | (1,403,568) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest Income | (30,306) | (9,003) | (23,271) |
| Interest Expense | - | (219) | - |
| Insurance Proceeds | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>(30,306)</u> | <u>(9,222)</u> | <u>(23,271)</u> |
| INCOME (LOSS) BEFORE TRANSFERS | (137,195) | 98,186 | (1,426,839) |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Transfers | <u>-</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | (137,195) | 98,186 | (1,426,839) |
| Net Position - Beginning of Year | <u>1,323,337</u> | <u>(986)</u> | <u>1,371,267</u> |
| NET POSITION - END OF YEAR | <u>\$ 1,186,142</u> | <u>\$ 97,200</u> | <u>\$ (55,572)</u> |

**COUNTY OF HUMBOLDT
 COMBINING SCHEDULE OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION (CONTINUED)
 INSURANCE FUNDS
 YEAR ENDED JUNE 30, 2022**

| | <u>Liability</u> | <u>Medical</u> | <u>Unemployment</u> |
|-----------------------------------------|---------------------|---------------------|---------------------|
| OPERATING REVENUES | | | |
| Charges for Services | \$ 5,862,124 | \$ 18,175,725 | \$ 256,267 |
| Miscellaneous Revenues | 73,153 | - | 10,050 |
| Total Operating Revenues | <u>5,935,277</u> | <u>18,175,725</u> | <u>266,317</u> |
| OPERATING EXPENSES | | | |
| Salaries and Benefits | - | 31,132 | 203,610 |
| Services and Supplies | 6,943,619 | 17,841,409 | 29,089 |
| Self-Insurance Claims | - | - | (9,247) |
| Depreciation and Amortization | - | - | - |
| Total Operating Expenses | <u>6,943,619</u> | <u>17,872,541</u> | <u>223,452</u> |
| NET OPERATING INCOME (LOSS) | (1,008,342) | 303,184 | 42,865 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest Income | (119,855) | (68,255) | (6,693) |
| Interest Expense | - | - | - |
| Insurance Proceeds | 2,290,547 | - | - |
| Total Nonoperating Revenues (Expenses) | <u>2,170,692</u> | <u>(68,255)</u> | <u>(6,693)</u> |
| INCOME (LOSS) BEFORE TRANSFERS | 1,162,350 | 234,929 | 36,172 |
| Transfers In | 3,106,959 | - | - |
| Transfers Out | - | - | - |
| Total Transfers | <u>3,106,959</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | 4,269,309 | 234,929 | 36,172 |
| Net Position - Beginning of Year | <u>(2,953,581)</u> | <u>2,714,524</u> | <u>30,572</u> |
| NET POSITION - END OF YEAR | <u>\$ 1,315,728</u> | <u>\$ 2,949,453</u> | <u>\$ 66,744</u> |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2022**

| | Purchased Insurance Premium | Insurance Benefits | Total |
|-----------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| OPERATING REVENUES | | | |
| Charges for Services | \$ 1,387,900 | \$ 438,841 | \$ 33,979,667 |
| Miscellaneous Revenues | 73,804 | - | 293,258 |
| Total Operating Revenues | <u>1,461,704</u> | <u>438,841</u> | <u>34,272,925</u> |
| OPERATING EXPENSES | | | |
| Salaries and Benefits | - | 294,004 | 2,089,160 |
| Services and Supplies | 1,420,381 | 141,292 | 33,864,172 |
| Self-Insurance Claims | - | - | 338,387 |
| Depreciation and Amortization | - | - | 1,680 |
| Total Operating Expenses | <u>1,420,381</u> | <u>435,296</u> | <u>36,293,399</u> |
| NET OPERATING INCOME (LOSS) | 41,323 | 3,545 | (2,020,474) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest Income | (4,600) | (7,448) | (269,431) |
| Interest Expense | - | - | (219) |
| Insurance Proceeds | - | - | 2,290,547 |
| Total Nonoperating Revenues (Expenses) | <u>(4,600)</u> | <u>(7,448)</u> | <u>2,020,897</u> |
| INCOME (LOSS) BEFORE TRANSFERS | 36,723 | (3,903) | 423 |
| Transfers In | - | - | 3,106,959 |
| Transfers Out | (3,106,959) | - | (3,106,959) |
| Total Transfers | <u>(3,106,959)</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | (3,070,236) | (3,903) | 423 |
| Net Position - Beginning of Year | <u>3,224,710</u> | <u>196,011</u> | <u>5,905,854</u> |
| NET POSITION - END OF YEAR | <u>\$ 154,474</u> | <u>\$ 192,108</u> | <u>\$ 5,906,277</u> |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2022**

| | <u>Dental</u> | <u>County Insurance</u> | <u>Workers' Compensation</u> |
|-----------------------------------------------------------------|---------------------|-----------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash Receipts from Interfund Services Provided | \$ 1,365,194 | \$ 839,862 | \$ 5,790,005 |
| Cash Paid to Suppliers for Goods and Services | (463,477) | (149,488) | (7,189,930) |
| Cash Paid to Employees | (975,946) | (597,061) | - |
| Net Cash Provided (Used) by Operating Activities | (74,229) | 93,313 | (1,399,925) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers from Other Funds | - | - | - |
| Transfers to Other Funds | - | - | 51,929 |
| Insurance Proceeds Received | - | - | - |
| Net Cash Provided (Used) by Investing Activities | - | - | 51,929 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal Paid on Capital Debt | - | (1,791) | - |
| Net Cash Used by Capital and Related Financing Activities | - | (1,791) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest Received (Paid) | (30,306) | (9,003) | (23,271) |
| Net Cash (Used) by Investing Activities | (30,306) | (9,003) | (23,271) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (104,535) | 82,519 | (1,371,267) |
| Cash and Cash Equivalents - Beginning of Year | 1,475,697 | 131,337 | 1,371,267 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 1,371,162</u> | <u>\$ 213,856</u> | <u>\$ -</u> |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2022**

| | <u>Liability</u> | <u>Medical</u> | <u>Unemployment</u> |
|-----------------------------------------------------------------|---------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash Receipts from Interfund Services Provided | \$ 5,935,277 | \$ 18,175,725 | \$ 266,317 |
| Cash Paid to Suppliers for Goods and Services | (6,973,305) | (17,841,409) | (16,322) |
| Cash Paid to Employees | - | (31,132) | (203,610) |
| Net Cash Provided (Used) by Operating Activities | <u>(1,038,028)</u> | <u>303,184</u> | <u>46,385</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers from Other Funds | 2,293,816 | - | - |
| Transfers to Other Funds | - | - | - |
| Insurance Proceeds Received | <u>2,290,547</u> | <u>-</u> | <u>-</u> |
| Net Cash Provided (Used) by Investing Activities | 4,584,363 | - | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal Paid on Capital Debt | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Cash Used by Capital and Related Financing Activities | - | - | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest Received (Paid) | <u>(119,855)</u> | <u>(68,255)</u> | <u>(6,693)</u> |
| Net Cash (Used) by Investing Activities | <u>(119,855)</u> | <u>(68,255)</u> | <u>(6,693)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 3,426,480 | 234,929 | 39,692 |
| Cash and Cash Equivalents - Beginning of Year | <u>-</u> | <u>2,714,524</u> | <u>232,638</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 3,426,480</u> | <u>\$ 2,949,453</u> | <u>\$ 272,330</u> |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2022**

| | Purchased Insurance Premium | Employee Benefits | Total |
|-----------------------------------------------------------------|-----------------------------------|----------------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash Receipts from Interfund Services Provided | \$ 1,461,221 | \$ 438,841 | \$ 34,272,442 |
| Cash Paid to Suppliers for Goods and Services | (1,562,456) | (137,374) | (34,333,761) |
| Cash Paid to Employees | - | (294,004) | (2,101,753) |
| Net Cash Provided (Used) by Operating Activities | (101,235) | 7,463 | (2,163,072) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers from Other Funds | (3,106,959) | - | (813,143) |
| Transfers to Other Funds | - | - | 51,929 |
| Insurance Proceeds Received | - | - | 2,290,547 |
| Net Cash Provided (Used) by Investing Activities | (3,106,959) | - | 1,529,333 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal Paid on Capital Debt | - | - | (1,791) |
| Net Cash Used by Capital and Related Financing Activities | - | - | (1,791) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest Received (Paid) | (4,600) | (7,448) | (269,431) |
| Net Cash (Used) by Investing Activities | (4,600) | (7,448) | (269,431) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (3,212,794) | 15 | (904,961) |
| Cash and Cash Equivalents - Beginning of Year | 3,489,159 | 230,183 | 9,644,805 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 276,365 | \$ 230,198 | \$ 8,739,844 |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2022**

| | Dental | County Insurance | Workers' Compensation |
|----------------------------------------------------------------------------------------------------------------|--------------|---------------------|--------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ (106,889) | \$ 107,408 | \$ (1,403,568) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation and Amortization | - | 1,680 | - |
| Changes in Assets and Liabilities: | | | |
| (Increase) Decrease in: | | | |
| Accounts Receivable | - | - | - |
| Increase (Decrease) in: | | | |
| Payables | 26,464 | 3,014 | 3,643 |
| Accrued Salaries and Benefits | - | (258) | - |
| Liability for Compensated Absences | - | (18,531) | - |
| Claims Payable | 6,196 | - | - |
| Net Cash Provided (Used) by Operating Activities | \$ (74,229) | \$ 93,313 | \$ (1,399,925) |

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2022**

| | <u>Liability</u> | <u>Medical</u> | <u>Unemployment</u> |
|----------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|---------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ (1,008,342) | \$ 303,184 | \$ 42,865 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation and Amortization | - | - | - |
| Changes in Assets and Liabilities: | | | |
| (Increase) Decrease in: | | | |
| Accounts Receivable | - | - | - |
| Increase (Decrease) in: | | | |
| Payables | (29,686) | - | 12,766 |
| Accrued Salaries and Benefits | - | - | - |
| Liability for Compensated Absences | - | - | - |
| Claims Payable | - | - | (9,246) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (1,038,028)</u> | <u>\$ 303,184</u> | <u>\$ 46,385</u> |

**COUNTY OF HUMBOLDT
 COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
 INSURANCE FUNDS
 YEAR ENDED JUNE 30, 2022**

| | Purchased Insurance Premium | Employee Benefits | Total |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------|----------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ 41,323 | \$ 3,545 | \$ (2,020,474) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation and Amortization | - | - | 1,680 |
| Changes in Assets and Liabilities: | | | |
| (Increase) Decrease in: | | | |
| Accounts Receivable | (483) | - | (483) |
| Increase (Decrease) in: | | | |
| Payables | (142,075) | 3,918 | (121,956) |
| Accrued Salaries and Benefits | - | - | (258) |
| Liability for Compensated Absences | - | - | (18,531) |
| Claims Payable | - | - | (3,050) |
| Net Cash Provided (Used) by Operating Activities | \$ (101,235) | \$ 7,463 | \$ (2,163,072) |



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