

**COUNTY OF HUMBOLDT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**



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**COUNTY OF HUMBOLDT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

Basic Financial Statements

Government-Wide Financial Statements

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

Statement of Activities	17
-------------------------	----

Fund Financial Statements

Governmental Funds

Balance Sheet	19
---------------	----

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities	20
--	----

Statement of Revenues, Expenditures, and Changes in Fund Balances	21
---	----

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	22
--	----

Proprietary Funds

Statement of Net Position	23
---------------------------	----

Statement of Revenues, Expenses, and Changes in Net Position	24
--	----

Statement of Cash Flows	25
-------------------------	----

Fiduciary Funds

Statement of Net Position	27
---------------------------	----

Statement of Changes in Net Position	28
--------------------------------------	----

Notes to Basic Financial Statements	29
-------------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability and Related Ratios	67
---	----

Schedule of Pension Plan Contributions	69
--	----

Schedule of Changes to Total OPEB Liability and Related Ratios	70
--	----

Budgetary Comparison Schedule

General Fund – Budgetary Basis	71
--------------------------------	----

Road Fund	73
-----------	----

Note to Required Supplementary Information	74
--	----

**COUNTY OF HUMBOLDT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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

Nonmajor Governmental Funds

Combining Balance Sheet 75

Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances 77

Internal Service Funds

Combining Statement of Net Position 79

Combining Statement of Revenues, Expenses, and Changes in Net Position 81

Combining Statement of Cash Flows 83

Insurance Funds

Combining Schedule of Net Position 87

Combining Schedule of Revenues, Expenses, and Changes in Net Position 90

Combining Schedule of Cash Flows 93

INTRODUCTORY SECTION

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**COUNTY OF HUMBOLDT
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2023**

**BOARD OF SUPERVISORS
(as of June 30, 2023)**

<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
Cheryl Dillingham	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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, or the changes in financial position 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 on the Discretely Presented Component Unit

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.

Emphasis of Matters

Change in accounting principle

As discussed in Note 1 to the financial statements, effective July 1, 2022, the County of Humboldt, California, adopted new accounting guidance for subscription-based information technology arrangements. The guidance requires subscription-based information technology arrangements to be recognized as a right-to-use asset and corresponding liability. Our opinions are not modified with respect to this matter.

Correction of Error

As disclosed in Note 15 to the financial statements, adjustments were recorded for the correction of errors in the prior year financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios and schedule of contributions, schedule of changes to total OPEB liability and related ratios, and budgetary comparison information, as listed in the table of contents 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.

Supplementary Information

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

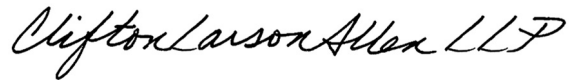
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025 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
February 14, 2025

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

Within this section of Humboldt County's annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, does not include separately reported component units.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded liabilities and deferred inflows at the close of the fiscal year ended June 30, 2023 by \$275.3 million (*net position*). Net position of \$168.5 million are restricted for specific purposes (*restricted net position*), and \$352.3 million represents net investment in capital assets. Unrestricted net position was a negative \$245.5 million, primarily due to the County's long-term net pension and OPEB liabilities. The government's total net position increased by \$15.5 million in comparison with the prior year.
- The County's net investment in capital assets, increased by \$10.7 million.
- The County's governmental funds reported combined fund balances of \$160.9 million, a decrease of \$812 thousand in comparison with the prior year. The unassigned portion of those fund balances was a negative \$10.3 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other **Supplementary Information** in addition to the basic financial statements.

Government-Wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all County assets and liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, recreation and debt service. The business-type activities of the County consist solely of the Eureka-Arcata Airport. Fiduciary activities are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and organizations for which the County is accountable (component units). Most of these legally separated organizations operate like County departments, serve as financing vehicles for County services (revenue bond issuers), or are governed by a board that is substantively identical to the County's board. An example of this is the Humboldt County Public Property Leasing Corporation, which while legally separate is in substance an extension of the County operations. Financial data for the Humboldt County Public Property Leasing Corporation are combined with the presentation of the primary government's financial data and thus it is referred to as a "blended" component unit. A "discretely presented" component unit is one that is presented separately in the financial statements to emphasize its independence from the primary government. Humboldt County has one discretely presented component unit: Fortuna Fire Protection District.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Headwaters Mitigation Fund, Road Fund and the other governmental funds combined into a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the supplementary information.

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

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Eureka-Arcata Airport. *Internal services funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses seven internal service funds to account for its heavy equipment, information technology, central services, communications, motor pool, ADA compliance and insurance functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the internal service funds is provided in the form of *combining statements* in the supplementary information.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information provides the schedule of funding progress for the County Employees Retirement Plan and Other Postemployment Benefits. Also presented are the budgetary schedules of the County's General Fund and Road Fund. The County adopts an annual appropriated budget for each fiscal year. Budgetary comparison schedules have been provided for the General Fund and Road Fund to demonstrate compliance with this budget. The County does not adopt a formal budget for the Headwaters Mitigation Fund.

Other Supplementary Information presented is the combining statements referred to earlier in connection with the nonmajor governmental funds and internal service funds.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, combined assets and deferred outflows exceeded liabilities and deferred inflows by \$275.3 million at the close of the most recent fiscal year. Of this combined net position, \$352.3 million reflects the County's net investment in capital assets. Another \$168.5 million of the County's net position is subject to external restrictions on how they may be used. The unrestricted portion of net position is negative due to the net pension and net OPEB liabilities presentation requirements of GASB Statements Nos. 68 and 75, respectively.

The County's Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Current and Other Assets	\$ 315,604,069	\$ 291,321,819	\$ 6,137,190	\$ 2,066,874	\$ 321,741,259	\$ 293,388,693
Capital Assets	364,730,367	355,562,240	36,106,793	33,118,799	400,837,160	388,681,039
Total Assets	<u>680,334,436</u>	<u>646,884,059</u>	<u>42,243,983</u>	<u>35,185,673</u>	<u>722,578,419</u>	<u>682,069,732</u>
Deferred Outflows of Resources:						
Deferred Pension	107,801,576	43,023,249	845,696	248,671	108,647,272	43,271,920
Deferred OPEB	8,566,038	9,455,963	-	-	8,566,038	9,455,963
Total Deferred Outflows	<u>116,367,614</u>	<u>52,479,212</u>	<u>845,696</u>	<u>248,671</u>	<u>117,213,310</u>	<u>52,727,883</u>
Current Liabilities	101,604,155	83,228,154	1,783,780	734,492	103,387,935	83,962,646
Long-Term Liabilities	433,965,130	314,077,113	2,983,579	1,399,663	436,948,709	315,476,776
Total Liabilities	<u>535,569,285</u>	<u>397,305,267</u>	<u>4,767,359</u>	<u>2,134,155</u>	<u>540,336,644</u>	<u>399,439,422</u>
Deferred Inflows of Resources:						
Deferred Pension	6,658,008	81,010,652	58,217	478,634	6,716,225	81,489,286
Deferred OPEB	17,300,056	10,721,794	-	-	17,300,056	10,721,794
Deferred Leases	86,810	90,088	18,049	23,602	104,859	113,690
Total Deferred Inflows	<u>24,044,874</u>	<u>91,822,534</u>	<u>76,266</u>	<u>502,236</u>	<u>24,121,140</u>	<u>92,324,770</u>
Net Investment in Capital Assets	317,864,471	308,891,662	34,484,039	32,789,448	352,348,510	341,681,110
Restricted	168,504,663	157,060,645	-	-	168,504,663	157,060,645
Unrestricted	<u>(249,281,243)</u>	<u>(255,716,837)</u>	<u>3,762,015</u>	<u>8,505</u>	<u>(245,519,228)</u>	<u>(255,708,332)</u>
Total Net Position	<u>\$ 237,087,891</u>	<u>\$ 210,235,470</u>	<u>\$ 38,246,054</u>	<u>\$ 32,797,953</u>	<u>\$ 275,333,945</u>	<u>\$ 243,033,423</u>

A significant portion of the County's net position, \$352.3 million, reflects the amount invested in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the County's net position, \$168.5 million, represents resources that are subject to external restrictions by grantors and other governments on how they may be used.

The unrestricted portion of the County's net position due to governmental activities is a negative \$245.5 million primarily due to the classification of long-term pension and OPEB liabilities to the unrestricted category. These liabilities are required by accounting standards in order to communicate to potential lenders and the public the potential liability the County bears for future retiree expenses. These liabilities accumulate over several years as part of the County's employment agreements.

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

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As described earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the General, Special Revenue, and Debt Service Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues						
Program Revenues:						
Fees, Fines, and Charges for Services	\$ 57,787,193	\$ 57,994,469	\$ 3,395,103	\$ 3,568,925	\$ 61,182,296	\$ 61,563,394
Operating Grants/Contributions	302,234,544	278,364,982	11,491,650	2,924,208	313,726,194	281,289,190
Capital Grants/Contributions	2,786,084	6,105,647	-	2,046,161	2,786,084	8,151,808
General Revenues:						
Property Taxes	40,645,303	36,627,609	-	-	40,645,303	36,627,609
Sales Taxes	18,612,296	20,386,713	-	-	18,612,296	20,386,713
Transient Occupancy Tax	3,553,956	3,290,354	-	-	3,553,956	3,290,354
Property Taxes In Lieu of MVLFF	22,089,672	21,104,169	-	-	22,089,672	21,104,169
Other Taxes	7,013,441	7,671,903	-	-	7,013,441	7,671,903
Interest and Investment Income	4,278,339	(2,524,812)	(36,717)	(52,262)	4,241,622	(2,577,074)
Other	3,737,087	5,522,021	262,646	37,298	3,999,733	5,559,319
Total Revenues	462,737,915	434,543,055	15,112,682	8,524,330	477,850,597	443,067,385
Expenses						
General Government	21,584,069	25,026,446	-	-	21,584,069	25,026,446
Public Protection	140,527,650	110,218,352	-	-	140,527,650	110,218,352
Public Ways and Facilities	27,979,940	29,722,239	-	-	27,979,940	29,722,239
Health and Sanitation	103,194,696	106,570,955	-	-	103,194,696	106,570,955
Public Assistance	149,549,018	109,911,186	-	-	149,549,018	109,911,186
Education	4,938,292	4,411,241	-	-	4,938,292	4,411,241
Recreation and Cultural Services	1,648,245	1,509,851	-	-	1,648,245	1,509,851
Interest and Long-Term Debt	42,995	531,067	-	-	42,995	531,067
Aviation	-	-	9,590,376	7,406,336	9,590,376	7,406,336
Total Expenses	449,464,905	387,901,337	9,590,376	7,406,336	459,055,281	395,307,673
Increase (Decrease) in Net Position Before Transfers	13,273,010	46,641,718	5,522,306	1,117,994	18,795,316	47,759,712
Transfers	74,205	74,323	(74,205)	(74,323)	-	-
Change in Net Position	13,347,215	46,716,041	5,448,101	1,043,671	18,795,316	47,759,712
Net Position - Beginning, as Originally Reported	210,235,470	163,519,429	32,797,953	31,754,282	243,033,423	195,273,711
Adjustment - Correction of an Error	13,505,206	-	-	-	13,505,206	-
Net Position - Beginning, as Adjusted	223,740,676	163,519,429	32,797,953	31,754,282	256,538,629	195,273,711
Net Position - Ending	\$ 237,087,891	\$ 210,235,470	\$ 38,246,054	\$ 32,797,953	\$ 275,333,945	\$ 243,033,423

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

At June 30, 2023, the County's governmental funds reported combined fund balances of \$160.9 million. Of these combined fund balances, negative \$10.3 million constitutes unassigned fund balance of the General Fund, which is available to meet the County's current and future needs. The restricted fund balance, \$136.5 million consists of amounts with constraints imposed on their use by external creditors, grantors, laws, regulations, or enabling legislation. The County also reports nonspendable fund balance of \$883,264 and assigned fund balance of \$33.9 million which are described in the footnotes.

The General Fund is the chief operating fund of the County. At June 30, 2023, unassigned fund balance was negative \$5.3 million, while total fund balance was \$137.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents negative 1.31% of total General Fund expenditures, while the total fund balance represents 34.29% of total General Fund expenditures.

The Headwaters Mitigation Fund has a total fund balance of \$18.0 million, all of which is restricted for economic development. The overall fund balance increased by \$368,154 during the current fiscal year.

The Road Fund has a total fund balance of negative \$4.8 million. The overall fund balance increased by \$540,225 during the current fiscal year due to total revenue exceeding project expenditures.

The County's management also assigns (earmarks) unrestricted fund balance to a particular function, project, or activity. Fund balance may also be assigned for purposes beyond the current year. However, assigned fund balance is available for appropriation at any time. The County has assigned fund balance of \$33.9 million in the General Fund.

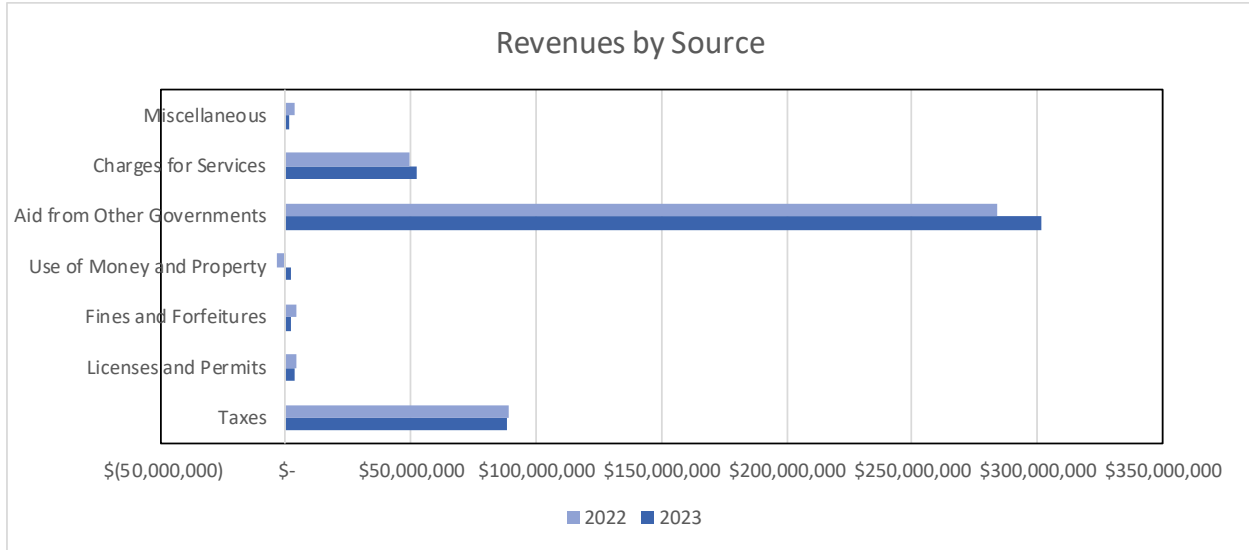
Fund balance of total governmental funds decreased by \$811,964 in comparison with the prior year. The major governmental funds had changes in fund balance as follows: General Fund decreased by \$13.4 million, Headwaters Mitigation Fund increased by \$368,154 and Road Fund increased by \$540,225. The nonmajor governmental funds increased by \$11.7 million.

**Revenues by Source
Governmental Funds**

	FY 2023		FY 2022		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 88,633,259	19.61%	\$ 89,080,748	20.71%	\$ (447,489)	(0.01)%
Licenses and Permits	3,508,271	0.78%	4,137,926	0.96%	(629,655)	(0.15)%
Fines and Forfeitures	2,345,962	0.52%	4,160,003	0.97%	(1,814,041)	(0.44)%
Use of Money and Property	2,394,373	0.53%	(3,717,791)	-0.86%	6,112,164	(1.64)%
Aid from Other Governments	301,921,408	66.80%	283,632,956	65.93%	18,288,452	0.06 %
Charges for Services	51,932,960	11.49%	49,696,540	11.55%	2,236,420	0.05 %
Miscellaneous	1,256,835	0.28%	3,214,474	0.75%	(1,957,639)	(0.61)%
Total Revenue by Source	<u>\$ 451,993,068</u>	100.00%	<u>\$ 430,204,856</u>	100.00%	<u>\$ 21,788,212</u>	0.05 %

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

The following graph shows an illustrative picture of the County revenues by source compared to the prior year.



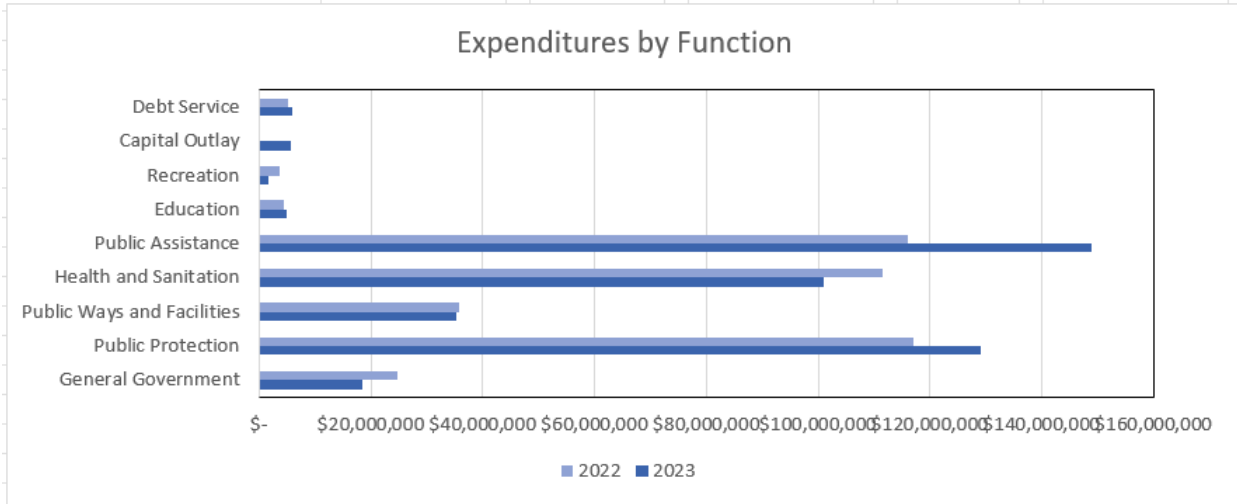
The following table presents expenditures by function compared to prior year amounts.

**Expenditures Classified by Function
Governmental Funds**

	FY 2023		FY 2022		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Government	\$ 18,551,315	4.11%	\$ 24,637,329	5.89%	\$ (6,086,014)	-24.70%
Public Protection	129,201,571	28.65%	116,955,861	27.96%	12,245,710	10.47%
Public Ways and Facilities	35,399,360	7.85%	35,772,671	8.55%	(373,311)	-1.04%
Health and Sanitation	101,028,792	22.40%	111,599,824	26.68%	(10,571,032)	-9.47%
Public Assistance	148,789,612	32.99%	116,111,970	27.75%	32,677,642	28.14%
Education	4,922,677	1.09%	4,360,016	1.04%	562,661	12.91%
Recreation	1,545,708	0.34%	3,694,853	0.88%	(2,149,145)	-58.17%
Capital Outlay	5,687,217	1.26%	-	0.00%	5,687,217	100.00%
Debt Service	5,873,035	1.30%	5,226,509	1.25%	646,526	12.37%
Total by Function	\$ 450,999,287	100.00%	\$ 418,359,033	100.00%	\$ 32,640,254	7.80%

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

The following graph shows an illustrative picture of how County funds were spent compared to the prior year.



Proprietary funds reporting focuses on determining operating income, changes in net position (or cost recovery), financial position, and cash flows using the full accrual basis of accounting.

Enterprise funds report the business-type activities of the County. Enterprise funds are used to account for the operations of the airport.

Enterprise fund net position net investment in capital assets at fiscal year-end was \$34.4 million. Unrestricted net position of the enterprise funds at fiscal year-end was \$3.8 million. The net position of the enterprise funds increased by \$5.4 million from the prior fiscal year.

Internal service funds are an accounting device to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for its information technology services, vehicle maintenance, risk management, facilities maintenance, and utilities functions.

Total net position of the internal service funds at fiscal year-end was \$35.9 million and include \$17.7 million net invested in capital assets. The net position of the internal service funds increased \$6.0 million over the prior fiscal year.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Board of Supervisors revised the County's budget many times. Each time a grant or specific revenue enhancement is made available to a County program, new appropriations and budget amendments are required.

The mid-year review is a formal process by which each department is analyzed for expense and revenue trends. Adjustments are recommended where indicated and monitored for the remainder of the year. Unless there is some unforeseen and unusual circumstance that causes a budget overrun, a draw on the Contingency Reserve is not recommended.

Differences between the General Fund's original budget and the final amended budget resulted in a \$16.7 million increase in appropriations.

After adjustments, actual expenditures were \$142.7 million below final budgeted amounts. Revenues available for appropriation were \$156.9 million below final budget amounts.

Differences between the original budget and the final amended budget are summarized in the table below:

Budgetary Comparison General Fund				
	Original	Final	Net Change	
	Budget	Budget	Amount	Percent
Total Revenues	\$ 453,171,010	\$ 450,859,252	\$ (2,311,758)	-0.51%
Total Expenditures	(508,077,263)	(524,824,950)	(16,747,687)	3.19%
Other Financing Sources (Uses)	54,906,253	73,020,066	18,113,813	24.81%
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (945,632)</u>	<u>\$ (945,632)</u>	

Differences between the final amended budget and actual amounts are summarized in the table below:

Budgetary Comparison General Fund				
	Final	Actual	Net Change	
	Budget	Amounts	Amount	Percent
Total Revenues	\$ 450,859,252	\$ 293,917,944	\$ (156,941,308)	-34.80%
Total Expenditures	(524,824,950)	(382,080,141)	142,744,809	-27.19%
Other Financing Sources (Uses)	73,020,066	(18,631,021)	(91,651,087)	125.52%
Net Change in Fund Balances	<u>\$ (945,632)</u>	<u>\$ (106,793,218)</u>	<u>\$ (105,847,586)</u>	

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

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of June 30, 2023, amounted to \$400.8 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, structures and improvements, equipment, infrastructure (roads and bridges), and right-to-use building, equipment, and SBITAs.

The following table shows the County's total investment in capital assets for governmental and proprietary funds.

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 11,561,821	\$ 11,561,821	\$ 1,976,177	\$ 1,976,177	\$ 13,537,998	\$ 13,537,998
Construction In Progress	67,026,898	57,665,464	5,472,628	11,738,983	72,499,526	69,404,447
Structures and Improvements	125,228,489	119,385,825	27,571,000	24,707,796	152,799,489	144,093,621
Equipment	54,149,159	48,500,273	1,856,101	386,893	56,005,260	48,887,166
Infrastructure	646,927,307	636,630,224	36,071,188	28,855,346	682,998,495	665,485,570
Right-to-Use Buildings	47,379,282	47,143,961	-	-	47,379,282	47,143,961
Right-to-Use Equipment	1,801,710	2,028,696	8,299	3,654	1,810,009	2,032,350
Right-to-Use SBITAs	6,831,922	-	-	-	6,831,922	-
Total	960,906,588	922,916,264	72,955,393	67,665,195	1,033,861,981	990,585,113
Less: Accumulated Depreciation and Amortization	(596,176,221)	(518,181,367)	(36,848,600)	(34,546,396)	(633,024,821)	(552,727,763)
Net Capital Assets	<u>\$ 364,730,367</u>	<u>\$ 404,734,897</u>	<u>\$ 36,106,793</u>	<u>\$ 33,118,799</u>	<u>\$ 400,837,160</u>	<u>\$ 437,857,350</u>

Additional information regarding capital assets is presented in Note 4.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had total outstanding debt obligations of \$33.3 million. The entire amount is comprised mostly of bonds that are secured by the County's lease rental payments and other dedicated sources of revenue.

The following table shows the composition of the County's long-term debt obligations.

	Long-Term Debt Obligations					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Notes Payable	\$ 133,242	\$ 226,869	\$ -	\$ -	\$ 133,242	\$ 226,869
Lease Liability	39,531,643	44,212,773	4,535	2,329	39,536,178	44,215,102
SBITA Liability	5,087,569	-	-	-	-	-
Total Long-Term Debt	44,752,454	44,439,642	4,535	2,329	39,669,420	44,441,971
Less: Current Portion	(6,399,268)	(93,627)	(2,222)	-	(6,401,490)	(93,627)
Net Long-Term Debt	<u>\$ 38,353,186</u>	<u>\$ 44,346,015</u>	<u>\$ 2,313</u>	<u>\$ 2,329</u>	<u>\$ 33,267,930</u>	<u>\$ 44,348,344</u>

During the year ended June 30, 2023 outstanding debt was decreased by \$11.1 million.

Other obligations include compensated absences (accrued vacation and sick leave), workers' compensation, and general liability insurance claims liability. More detailed information about the County's long-term liabilities is presented in Note 7.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's fiscal year 2023-2024 budget takes into consideration the overall financial health of the County and related impacts of the California State Budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller at 825 Fifth Street, Room 126, Eureka, California 95501-1153.

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

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

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and Investments	\$ 194,392,409	\$ 4,236,558	\$ 198,628,967
Restricted Cash and Investments:			
Cash with Fiscal Agent	8,209,829	-	8,209,829
Receivables, Net	86,975,940	1,779,272	88,755,212
Leases Receivable	88,245	18,382	106,627
Inventory	-	102,978	102,978
Deposits and Other Assets	904,385	-	904,385
Loan Receivable	25,033,261	-	25,033,261
Capital Assets:			
Nondepreciable	78,588,719	7,448,805	86,037,524
Depreciable, Net	242,115,585	28,653,286	270,768,871
Lease Asset, Net	38,340,399	4,702	38,345,101
SBITA Asset, Net	5,685,664	-	5,685,664
Total Assets	<u>680,334,436</u>	<u>42,243,983</u>	<u>722,578,419</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension	107,801,576	845,696	108,647,272
Deferred Outflows Related to OPEB	8,566,038	-	8,566,038
Total Deferred Outflows of Resources	<u>116,367,614</u>	<u>845,696</u>	<u>117,213,310</u>
LIABILITIES			
Accounts Payable	52,775,909	1,752,456	54,528,365
Accrued Salaries and Benefits	3,592,109	31,113	3,623,222
Interest Payable	469	211	680
Unearned Revenues	28,882,251	-	28,882,251
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Notes Payable	62,135	-	62,135
Leases Payable	4,875,726	2,222	4,877,948
SBITAs Payable	1,461,407	-	1,461,407
Compensated Absences	8,040,259	109,310	8,149,569
Claims Liability	1,913,890	-	1,913,890
Portion Due or Payable After One Year:			
Notes Payable	71,107	-	71,107
Leases Payable	34,655,917	2,313	34,658,230
SBITAs Payable	3,626,162	-	3,626,162
Compensated Absences	12,060,388	163,965	12,224,353
OPEB Liability - Current	3,269,122	-	3,269,122
OPEB Liability - Noncurrent	36,320,182	-	36,320,182
Net Pension Liability	<u>343,962,252</u>	<u>2,705,769</u>	<u>346,668,021</u>
Total Liabilities	<u>535,569,285</u>	<u>4,767,359</u>	<u>540,336,644</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	6,658,008	58,217	6,716,225
Deferred Inflows Related to OPEB	17,300,056	-	17,300,056
Deferred Inflows Related to Leases	86,810	18,049	104,859
Total Deferred Inflows of Resources	<u>24,044,874</u>	<u>76,266</u>	<u>24,121,140</u>
NET POSITION			
Net Investment in Capital Assets	317,864,471	34,484,039	352,348,510
Restricted for:			
Economic Development	38,236,240	-	38,236,240
Debt Service	4,941,162	-	4,941,162
Capital Projects	1,883,498	-	1,883,498
PARS Trust	8,209,829	-	8,209,829
General Government	1,897,794	-	1,897,794
Public Protection	41,950,128	-	41,950,128
Public Works	20,598,139	-	20,598,139
Health and Sanitation	40,960,685	-	40,960,685
Public Assistance	8,104,952	-	8,104,952
Education	1,722,236	-	1,722,236
Unrestricted	<u>(249,281,243)</u>	<u>3,762,015</u>	<u>(245,519,228)</u>
Total Net Position	<u>\$ 237,087,891</u>	<u>\$ 38,246,054</u>	<u>\$ 275,333,945</u>

See accompanying Notes to Basic Financial Statements.

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

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	\$ 21,584,069	\$ 4,810,229	\$ 3,438,065	\$ 769,729
Public Protection	140,527,650	13,587,233	101,147,196	-
Public Ways and Facilities	27,979,940	1,328,054	26,935,087	1,968,987
Health and Sanitation	103,194,696	32,781,032	52,355,556	-
Public Assistance	149,549,018	4,658,232	117,795,648	-
Education	4,938,292	29,393	285,566	-
Recreation and Culture	1,648,245	593,020	277,426	47,368
Interest	42,995	-	-	-
Total Governmental Activities	449,464,905	57,787,193	302,234,544	2,786,084
Business-Type Activities				
Aviation	9,590,376	3,395,103	11,491,650	-
Total Business-Type Activities	9,590,376	3,395,103	11,491,650	-
Total Humboldt County	\$ 459,055,281	\$ 61,182,296	\$ 313,726,194	\$ 2,786,084

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, as Originally Reported

Adjustment - Correction of an Error

Net Position - Beginning, as Adjusted

Net Position - End of Year

See accompanying Notes to Basic Financial Statements.

Net Revenue (Expense) and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (12,566,046)	\$ -	\$ (12,566,046)
(25,793,221)	-	(25,793,221)
2,252,188	-	2,252,188
(18,058,108)	-	(18,058,108)
(27,095,138)	-	(27,095,138)
(4,623,333)	-	(4,623,333)
(730,431)	-	(730,431)
(42,995)	-	(42,995)
<u>(86,657,084)</u>	<u>-</u>	<u>(86,657,084)</u>
-	5,296,377	5,296,377
<u>-</u>	<u>5,296,377</u>	<u>5,296,377</u>
(86,657,084)	5,296,377	(81,360,707)
40,645,303	-	40,645,303
18,612,296	-	18,612,296
3,553,956	-	3,553,956
22,089,672	-	22,089,672
7,013,441	-	7,013,441
4,278,339	(36,717)	4,241,622
3,737,087	262,646	3,999,733
74,205	(74,205)	-
<u>100,004,299</u>	<u>151,724</u>	<u>100,156,023</u>
13,347,215	5,448,101	18,795,316
210,235,470	32,797,953	243,033,423
13,505,206	-	13,505,206
<u>223,740,676</u>	<u>32,797,953</u>	<u>256,538,629</u>
<u>\$ 237,087,891</u>	<u>\$ 38,246,054</u>	<u>\$ 275,333,945</u>

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**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

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

ASSETS	General Fund	Headwaters Mitigation Fund	Road Fund	Other Governmental	Total
Cash and Investments	\$ 147,821,351	\$ 13,678,520	\$ 200	\$ 10,909,808	\$ 172,409,879
Department Cash Funds	-	-	-	865	865
Restricted Cash and Investments:					
Cash with Fiscal Agent	8,209,829	-	-	-	8,209,829
Receivables, Net	67,889,925	-	17,915,164	1,055,935	86,861,024
Leases Receivable	79,836	-	-	8,409	88,245
Due from Other Funds	8,596,271	-	-	-	8,596,271
Loans Receivable	20,592,591	4,440,670	-	-	25,033,261
Prepays and Other Assets	861,307	-	475	42,603	904,385
Total Assets	\$ 254,051,110	\$ 18,119,190	\$ 17,915,839	\$ 12,017,620	\$ 302,103,759
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 47,648,086	\$ 150,000	\$ 2,213,377	\$ 1,341,209	\$ 51,352,672
Accrued Salaries and Benefits	3,256,607	-	144,161	102,330	3,503,098
Due to Other Funds	-	-	8,454,464	115,660	8,570,124
Unearned Revenue	28,882,251	-	-	-	28,882,251
Total Liabilities	79,786,944	150,000	10,812,002	1,559,199	92,308,145
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	36,812,508	-	11,949,602	10,129	48,772,239
Deferred Inflows related to Leases	78,587	-	-	8,223	86,810
Total Deferred Inflows of Resources	36,891,095	-	11,949,602	18,352	48,859,049
FUND BALANCES					
Nonspendable	840,186	-	475	42,603	883,264
Restricted	107,910,505	17,969,190	-	10,639,343	136,519,038
Assigned	33,878,825	-	-	-	33,878,825
Unassigned	(5,256,445)	-	(4,846,240)	(241,877)	(10,344,562)
Total Fund Balances	137,373,071	17,969,190	(4,845,765)	10,440,069	160,936,565
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 254,051,110	\$ 18,119,190	\$ 17,915,839	\$ 12,017,620	\$ 302,103,759

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, 2023**

Fund Balance - Total Governmental Funds	\$ 160,936,565
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.	342,592,352
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	48,772,239
Deferred outflows of resources reported in the statement of net position.	116,367,614
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.	35,883,258
Deferred inflows of resources reported in the statement of net position.	(23,958,064)
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	(133,242)
Leases Payable	(39,137,439)
SBITA Payable	(1,019,810)
Net Pension Liability	(343,962,252)
Total OPEB Liability	(39,589,304)
Compensated Absences	<u>(19,664,026)</u>
Net Position of Governmental Activities	<u>\$ 237,087,891</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, 2023

	General Fund	Headwaters Mitigation Fund	Road Fund	Other Governmental	Total
REVENUES					
Taxes	\$ 80,487,392	\$ -	\$ 4,207,900	\$ 3,937,967	\$ 88,633,259
Licenses and Permits	3,432,218	-	76,053	-	3,508,271
Fines, Forfeitures, and Penalties	2,132,383	-	-	213,579	2,345,962
Use of Money and Property	2,136,576	496,922	(31,865)	(207,260)	2,394,373
Aid from Other Governments	265,678,351	-	23,548,835	12,694,222	301,921,408
Charges for Services	51,146,142	3,379	672,610	110,829	51,932,960
Other Revenues	901,775	49,525	18,059	287,476	1,256,835
Total Revenues	<u>405,914,837</u>	<u>549,826</u>	<u>28,491,592</u>	<u>17,036,813</u>	<u>451,993,068</u>
EXPENDITURES					
Current:					
General Government	18,551,315	-	-	-	18,551,315
Public Protection	117,391,428	-	-	11,810,143	129,201,571
Public Ways and Facilities	3,763,162	-	31,636,198	-	35,399,360
Health and Sanitation	101,028,792	-	-	-	101,028,792
Public Assistance	148,607,940	181,672	-	-	148,789,612
Education	222,709	-	-	4,699,968	4,922,677
Recreation and Culture	1,545,708	-	-	-	1,545,708
Capital Outlay	4,258,930	-	1,324,219	104,068	5,687,217
Debt Service:					
Principal	5,287,960	-	171,598	370,482	5,830,040
Interest and Other Charges	-	-	8,481	34,514	42,995
Total Expenditures	<u>400,657,944</u>	<u>181,672</u>	<u>33,140,496</u>	<u>17,019,175</u>	<u>450,999,287</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,256,893	368,154	(4,648,904)	17,638	993,781
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	5,189,129	15,920,058	21,109,187
Transfers Out	(18,631,021)	-	-	(4,283,911)	(22,914,932)
Total Other Financing Sources (Uses)	<u>(18,631,021)</u>	<u>-</u>	<u>5,189,129</u>	<u>11,636,147</u>	<u>(1,805,745)</u>
NET CHANGES IN FUND BALANCES	(13,374,128)	368,154	540,225	11,653,785	(811,964)
Fund Balances - Beginning 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>
FUND BALANCES - END OF YEAR	<u>\$ 137,373,071</u>	<u>\$ 17,969,190</u>	<u>\$ (4,845,765)</u>	<u>\$ 10,440,069</u>	<u>\$ 160,936,565</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, 2023

Net Change to Fund Balance - Total Governmental Funds		\$ (811,964)
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	\$ 28,151,234	
Less: Current Year Depreciation and Amortization	<u>(26,485,411)</u>	1,665,823
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		5,143,808
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	93,627	
Principal Payments on Leases and SBITAs	<u>5,736,413</u>	5,830,040
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	(463,663)	
Changes in Net Pension Liability and Deferred Inflows/Outflows	(2,732,890)	
Change in Compensated Absences	<u>(1,259,443)</u>	(4,455,996)
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.		<u>5,975,504</u>
Change in Net Position of Governmental Activities		<u><u>\$ 13,347,215</u></u>

See accompanying Notes to Basic Financial Statements.

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

	Business -Type Activities - Enterprise Fund	Governmental Activities Internal Service Funds
	Aviation	Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 4,236,158	\$ 21,981,665
Departmental Cash Funds	400	-
Accounts Receivable	1,779,254	114,916
Interest Receivable	18	-
Inventory	102,978	-
Lease Receivable	18,382	-
Total Current Assets	6,137,190	22,096,581
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	7,448,805	5,292,597
Depreciable, Net	28,653,286	11,932,247
Right-to-Use Assets, Net	4,702	382,587
SBITA Assets, Net	-	4,530,584
Total Noncurrent Assets	36,106,793	22,138,015
Total Assets	42,243,983	44,234,596
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension	845,696	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,752,456	1,423,237
Accrued Salaries and Benefits	31,113	89,011
Due to Other Funds	-	26,147
Interest Payable	211	469
Lease Liability	2,222	229,963
SBITA Liability	-	863,486
Compensated Absences	109,310	238,175
Provision for Estimated Claims	-	1,913,890
Total Current Liabilities	1,895,312	4,784,378
Noncurrent Liabilities:		
Lease Liability	2,313	164,241
SBITA Liability	-	3,204,273
Compensated Absences	163,965	198,446
Net Pension Liability	2,705,769	-
Total Noncurrent Liabilities	2,872,047	3,566,960
Total Liabilities	4,767,359	8,351,338
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension	58,217	-
Deferred Leases	18,049	-
Total Deferred Inflows of Resources	76,266	-
NET POSITION		
Net Investment in Capital Assets	34,484,039	17,676,052
Unrestricted	3,762,015	18,207,206
Total Net Position	\$ 38,246,054	\$ 35,883,258

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, 2023

	Business -Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 3,395,103	\$ 54,734,872
Other Revenue	262,646	299,203
Total Operating Revenues	3,657,749	55,034,075
OPERATING EXPENSES		
Salaries and Benefits	2,480,400	5,729,068
Services and Supplies	5,044,784	45,795,964
Claims Expense	-	1,182,494
Depreciation and Amortization	2,065,192	2,839,885
Total Operating Expenses	9,590,376	55,547,411
OPERATING LOSS	(5,932,627)	(513,336)
NONOPERATING REVENUE (EXPENSES)		
Interest Income/(Expense)	(36,717)	1,883,966
Grant Income	11,491,650	425,114
Insurance Proceeds	-	2,290,547
Gain/(Loss) on Sale of Capital Assets	-	(26,030)
Total Nonoperating Revenue (Expenses)	11,454,933	4,573,597
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	5,522,306	4,060,261
Capital Contributions	-	35,293
Transfers In	-	1,879,950
Transfers Out	(74,205)	-
Total Contributions and Transfers	(74,205)	1,915,243
CHANGE IN NET POSITION	5,448,101	5,975,504
Net Position - Beginning of Year	32,797,953	29,907,754
NET POSITION - END OF YEAR	\$ 38,246,054	\$ 35,883,258

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Customers and Other Funds	\$ 2,076,423	\$ -
Cash Receipts from Internal Fund Services Provided	-	54,923,491
Cash Paid to Suppliers for Goods and Services	(5,543,201)	(47,401,768)
Cash Paid to Employees for Services	(1,986,646)	(5,907,882)
Net Cash Provided (Used) by Operating Activities	(5,453,424)	1,613,841
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received for Operating Grants	11,491,650	-
Transfers from Other Funds	-	1,879,950
Transfers to Other Funds	(74,205)	-
Cash Paid to Other Funds	-	(25,782)
Operating Grants Received	-	425,114
Insurance Proceeds Received	-	2,290,547
Net Cash Provided by Noncapital Financing Activities	11,417,445	4,569,829
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Sale of Capital Assets	-	193,973
Cash Paid for Purchase of Capital Assets	(3,430,322)	(3,011,021)
Principal Paid on Leases	(2,439)	(374,449)
Principal Paid on SBITAs	-	(998,577)
Net Cash Used by Capital and Related Financing Activities	(3,432,761)	(4,190,074)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received/Paid	(36,717)	1,883,966
Net Cash Provided (Used) by Investing Activities	(36,717)	1,883,966
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	2,494,543	3,877,562
Cash and Cash Equivalents - Beginning of Year	1,742,015	18,104,103
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,236,558	\$ 21,981,665
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FUND NET POSITION		
Cash and Investments	\$ 4,236,158	\$ 21,981,665
Department Cash Funds	400	-
Total Cash and Cash Equivalents	\$ 4,236,558	\$ 21,981,665

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Funds
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	\$ (5,932,627)	\$ (513,336)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,065,192	2,839,885
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Receivables	(1,581,326)	(110,584)
Prepays	-	386,185
Deferred Outflows of Resources	(597,025)	-
Increase (Decrease) in:		
Accounts Payable	(498,417)	(593,760)
Accrued Salaries and Benefits	(70,514)	(204,391)
Compensated Absences	55,365	(3,638)
Claims Payable	-	(186,520)
Net Pension Liability	1,526,345	-
Deferred Inflows of Resources	(420,417)	-
Net Cash Provided (Used) by Operating Activities	\$ (5,453,424)	\$ 1,613,841
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Transfer of Capital Assets to Governmental Activities	\$ -	\$ (699,143)

See accompanying Notes to Basic Financial Statements.

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

	Private-Purpose Trust Fund	Investment Trust Fund	Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Pooled Cash and Investments	\$ 418,072	\$ 385,026,220	\$ 15,883,396
Accounts Receivable	-	97,583	103,387
Due from Other Governments	-	13,891,746	-
Taxes Receivable	-	-	8,042,341
Total Assets	<u>418,072</u>	<u>399,015,549</u>	<u>24,029,124</u>
LIABILITIES			
Accounts Payable	-	362,465	7,427,547
Due to Other Governments	-	-	679,111
Total Liabilities	<u>-</u>	<u>362,465</u>	<u>8,106,658</u>
NET POSITION			
Restricted for:			
Pool Participants	-	398,653,084	-
Individuals, Organizations, and Other Governments	<u>418,072</u>	<u>-</u>	<u>15,922,466</u>
Total Net Position	<u>\$ 418,072</u>	<u>\$ 398,653,084</u>	<u>\$ 15,922,466</u>

See accompanying Notes to Basic Financial Statements.

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

	Private-Purpose Trust Fund	Investment Trust Fund	Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Contributions to Pooled Investments	\$ -	\$ 603,708,637	\$ 5
Investment Income	(7,368)	(499,717)	2,266,890
Property Tax Collected	-	-	366,625,239
Other Income	290,405	-	1,172,496
Total Additions	<u>283,037</u>	<u>603,208,920</u>	<u>370,064,630</u>
DEDUCTIONS			
Distributions from Pooled Investments	-	544,120,417	-
Property Taxes Distributed	-	-	341,606,558
Administrative Expenses	83,851	-	34,748,472
Total Deductions	<u>83,851</u>	<u>544,120,417</u>	<u>376,355,030</u>
CHANGE IN NET POSITION	199,186	59,088,503	(6,290,400)
Net Position - Beginning, as Originally Reported	218,886	339,564,581	35,718,072
Adjustment - Correction of an Error	-	-	(13,505,206)
Net Position - Beginning, as Adjusted	<u>218,886</u>	<u>339,564,581</u>	<u>22,212,866</u>
NET POSITION - END OF YEAR	<u>\$ 418,072</u>	<u>\$ 398,653,084</u>	<u>\$ 15,922,466</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, 2023

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 provide 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, 2023 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, 2023

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. She 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 the 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.

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, 2023

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, 2023

- 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, 2023

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 leases are reported as other financing sources.

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.

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

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.

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.

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

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, 2023

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, 2023

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, 2023

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 & SBITAs

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.

The County engages in lease contracts related to information technology software, known as Software Based Information Technology Arrangements (SBITAs). For SBITA contracts longer than one year, the County recognizes an intangible subscription right-to-use asset and corresponding subscription liability based on the present value of future payments over the contracted term of the SBITA. Subscription right-to-use assets are reported with capital assets, and subscription liabilities are reported as long-term debt in the statement of net position. The right-to-use subscription assets are amortized over the term of the SBITA.

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

For lease and SBITA 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.

O. Net Position/Fund Balance

The government-wide, business-type activities, and fiduciary 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, 2023, 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.

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

- 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.

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.

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

For the fiscal year ended June 30, 2023, the County implemented the following Governmental Accounting Standards Board (GASB) Statement:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*. In June 2017, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The County adopted the requirements of the guidance effective July 1, 2022, 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.

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

NOTE 2 CASH AND INVESTMENTS

At June 30, 2023, total County cash and investments were as follows:

Cash:	
Cash on Hand and Imprest Cash	\$ 26,255
Cash held Outside the Treasurer's Pool	433,593
Deposits	<u>14,472,381</u>
Total Cash and Deposits	14,932,229
Investments:	
In Treasurer's Pool	599,520,610
With Fiscal Agent	<u>8,209,829</u>
Total Investments	607,730,439
In Transit:	
Outstanding Checks	<u>(14,496,184)</u>
Total	<u><u>\$ 608,166,484</u></u>

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

Primary Government:	
Governmental Activities	\$ 202,602,238
Business-Type Activities	4,236,558
Investment Trust Fund	385,026,220
Custodial Funds	15,883,396
Private-Purpose Trust Fund	<u>418,072</u>
Total	<u><u>\$ 608,166,484</u></u>

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

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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

At June 30, 2023, the County had the following investments:

	Interest Rate	Maturities	Carrying Value	WAM (Years)
Investment Pool:				
U.S. Government Agencies	0.25 - 6.00	7/07/2023 - 6/15/2028	\$ 355,694,129	2.33
Negotiable CDs	0.25 - 3.35	7/01/2023 - 9/29/2028	6,834,605.00	1.22
Municipal Bonds	2.02 - 3.30	10/01/2023 - 2/06/2027	12,680,588.00	2.44
U.S. Treasury Notes	0.13 - 2.38	7/31/2023 - 8/15/2027	85,658,190.00	1.98
Medium Term Corporate Notes	2.05 - 2.75	8/04/2026 - 6/03/2027	7,657,393.00	3.38
California Asset Management Program	Variable	On Demand	125,315,010	
CalTrust	Variable	On Demand	5,023,888	
Local Agency investment Fund	Variable	On Demand	656,807	
Total Investment Pool			599,520,610	
Investments Outside Investment Pool:				
Cash Held with Fiscal Agent:				
Money Market Mutual Funds	Variable	On Demand	8,209,829	
Total Investments			\$ 607,730,439	

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

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

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, 2023:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Observable Inputs (Level 3)</u>
U.S. Government Agencies	\$ 355,694,129	\$ -	\$ 355,694,129	\$ -
Negotiable CDs	6,834,605	-	6,834,605	-
Municipal Bonds	12,680,588	-	12,680,588	-
U.S. Treasury Notes	85,658,190	-	85,658,190	-
Medium Term Corporate Notes	7,657,393	-	7,657,393	-
Total Investments Measured at Fair Value	468,524,905	<u>\$ -</u>	<u>\$ 468,524,905</u>	<u>\$ -</u>
Investment Measured at Amortized Cost:				
California Asset Mgmt Program	125,315,010			
CalTrust	5,023,888			
Local Agency Investment Fund	656,807			
PARS	8,209,829			
Total Investments	<u>\$ 607,730,439</u>			

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.

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

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, 2023.

	<u>Standard & Poor's Rating</u>	<u>% of Portfolio</u>
U.S. Government Agency Securities	AA+	59.33 %
Municipal Bonds	AAA	2.12
U.S. Treasury Notes	Aaa	14.29
Medium Term Corporate Notes	AA-	1.28
Negotiable Certificates of Deposit	Unrated	1.14
California Asset Management Program	Unrated	20.90
CalTrust	Unrated	0.84
Local Agency Investment Fund	Unrated	0.10
Total		<u>100.00 %</u>

At June 30, 2023, 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	\$ 154,147,745	25.71 %
Federal National Mortgage Association	71,713,544	11.96
Federal Farm Credit Bank	72,809,765	12.14
Federal Home Loan Mortgage Corporation	38,980,905	6.50

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

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, 2023, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$656,807, 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 \$177.0 billion. The PMIA portfolio includes 2.78% invested in medium-term asset-backed securities and short-term asset-backed commercial paper.

California Asset Management Program CAMP

CAMP is a program created through a joint powers agency as a pooled short-term portfolio and cash management vehicle for California public agencies under California Government Code Section 53601(p). CAMP is governed by a seven-member Board of Trustees comprised of finance directors and treasurers of California public agencies. The total amount invested by all public agencies in CAMP was \$15,959,591,093 as of June 30, 2023, respectively.

CalTRUST

At June 30, 2023, the County's investment position in the Investment Trust of California (CalTRUST) was \$5,023,888, which is the same as the value of the pool shares which is determined on an amortized cost basis. The assets are invested in the CalTRUST Liquidity Fund. The total amount invested by all public agencies in CalTRUST on that day was \$3.2 billion. CalTRUST is a Joint Powers Authority that offers three local government investment funds."

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

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, 2023:

Statement of Net Position

Net Position Held for Pool Participants	<u>\$ 599,496,807</u>
Equity of External Pool Participants	\$ 398,653,084
Equity of Internal Pool Participants	<u>200,843,723</u>
Total Net Position	<u>\$ 599,496,807</u>

Statement of Changes in Net Position

Net Position at July 1, 2022	\$ 566,693,927
Net Change in Investments by Pool Participants	<u>32,802,880</u>
Net Position at June 30, 2023	<u>\$ 599,496,807</u>

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

NOTE 3 INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2023 is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Road Fund	\$ 8,454,464
	Nonmajor Governmental Funds	115,660
	Internal Service Funds	26,147
	Total	<u>\$ 8,596,271</u>

The due to/from other funds account balances consists of interfund cash transactions to eliminate cash deficits at June 30, 2023 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	\$ -	\$ 18,631,021
Headwaters Mitigation Fund	-	-
Road Fund	5,189,129	-
Nonmajor Governmental Funds	15,920,058	4,283,911
Aviation	-	74,205
Internal Service Funds	1,879,950	-
Total	<u>\$ 22,989,137</u>	<u>\$ 22,989,137</u>

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

NOTE 4 CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2023 was as follows:

	Restated Balance July 1, 2022	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2023
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 11,561,821	\$ -	\$ -	\$ -	\$ 11,561,821
Construction in Progress	57,665,464	18,063,670	-	(8,702,236)	67,026,898
Total Capital Assets, Not Being Depreciated	69,227,285	18,063,670	-	(8,702,236)	78,588,719
Capital Assets, Being Depreciated:					
Infrastructure	636,630,224	-	-	10,297,083	646,927,307
Structures and Improvements	119,385,825	-	-	5,842,664	125,228,489
Equipment	48,500,273	6,352,815	(770,672)	66,743	54,149,159
Total Capital Assets, Being Depreciated	804,516,322	6,352,815	(770,672)	16,206,490	826,304,955
Less Accumulated Depreciation for:					
Infrastructure	(449,744,993)	(14,778,143)	-	(199,942)	(464,723,078)
Structures and Improvements	(79,347,061)	(4,114,710)	-	(521,962)	(83,983,733)
Equipment	(32,647,323)	(3,385,905)	550,669	-	(35,482,559)
Total Accumulated Depreciation	(561,739,377)	(22,278,758)	550,669	(721,904)	(584,189,370)
Total Capital Assets, Being Depreciated, Net	242,776,945	(15,925,943)	(220,003)	15,484,586	242,115,585
Lease Assets, Being Amortized:					
Structures and Improvements	47,143,961	207,784	(158,682)	186,219	47,379,282
Equipment	2,028,696	289,952	(516,938)	-	1,801,710
SBITAs	2,206,582	4,625,340	-	-	6,831,922
Total Lease Assets, Being Amortized	51,379,239	5,123,076	(675,620)	186,219	56,012,914
Less Lease Assets Accumulated Amortization for:					
Structures and Improvements	(4,863,874)	(5,114,205)	158,682	(1,286)	(9,820,683)
Equipment	(750,773)	(786,075)	516,938	-	(1,019,910)
SBITAs	-	(1,146,258)	-	-	(1,146,258)
Total Accumulated Amortization	(5,614,647)	(7,046,538)	675,620	(1,286)	(11,986,851)
Total Lease Assets, Being Amortized, Net	45,764,592	(1,923,462)	-	184,933	44,026,063
Governmental Activities Capital Assets, Net	<u>\$ 357,768,822</u>	<u>\$ 214,265</u>	<u>\$ (220,003)</u>	<u>\$ 6,967,283</u>	<u>\$ 364,730,367</u>

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

Capital asset activity for business-type activities for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2023
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,976,177	\$ -	\$ -	\$ -	\$ 1,976,177
Construction in Progress	11,738,983	4,399,149	-	(10,665,504)	5,472,628
Total Capital Assets, Not Being Depreciated	13,715,160	4,399,149	-	(10,665,504)	7,448,805
Capital Assets, Being Depreciated:					
Infrastructure	28,855,346	-	-	7,215,842	36,071,188
Structures and Improvements	24,707,796	-	-	2,863,204	27,571,000
Equipment	386,893	1,469,208	-	-	1,856,101
Total Capital Assets, Being Depreciated	53,950,035	1,469,208	-	10,079,046	65,498,289
Less Accumulated Depreciation for:					
Infrastructure	(18,283,611)	(1,225,220)	-	980,820	(18,528,011)
Structures and Improvements	(15,960,147)	(757,556)	-	(1,214,178)	(17,931,881)
Equipment	(305,074)	(80,037)	-	-	(385,111)
Total Accumulated Depreciation	(34,548,832)	(2,062,813)	-	(233,358)	(36,845,003)
Total Capital Assets, Being Depreciated, Net	19,401,203	(593,605)	-	9,845,688	28,653,286
Lease Assets, Being Amortized:					
Equipment	3,654	4,645	-	-	8,299
Total Lease Assets, Being Amortized	3,654	4,645	-	-	8,299
Less Lease Asset Accumulated Amortization for:					
Equipment	(1,218)	(2,379)	-	-	(3,597)
Total Accumulated Amortization	(1,218)	(2,379)	-	-	(3,597)
Total Lease Assets, Being Amortized, Net	2,436	2,266	-	-	4,702
Business-Type Activities Capital Assets, Net	<u>\$ 33,118,799</u>	<u>\$ 3,807,810</u>	<u>\$ -</u>	<u>\$ (819,816)</u>	<u>\$ 36,106,793</u>

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

Depreciation and Amortization

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

General Government	\$ 3,110,242
Public Protection	6,092,565
Public Ways and Facilities	15,335,614
Health and Sanitation	1,256,134
Public Assistance	297,400
Education	315,846
Recreation and Culture	77,610
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Asset	2,839,885
Total Depreciation Expense - Governmental Functions	\$ 29,325,296

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

Aviation	\$ 2,065,192
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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 dates through 2041 with interest rates that range from 0.20 to 9.59%.

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
2024	\$ 4,875,726	\$ 539,484	\$ 2,222	\$ 428
2025	3,890,780	479,509	1,104	222
2026	3,801,650	433,338	1,209	116
2027	3,429,643	391,367	-	-
2028	2,788,684	350,424	-	-
2029-2033	10,127,051	1,270,849	-	-
2034-2038	8,503,177	606,437	-	-
2039-2041	2,114,932	70,420	-	-
Present Value of Minimum Lease Payments	\$ 39,531,643	\$ 4,141,828	\$ 4,535	\$ 766

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

Leases Receivable

The County, acting as a lessor, leases three assets under long-term, noncancelable lease agreements. The leases have receipts that range from \$1,466 to \$11,153 and an interest rate of 0.90%. The leases expire at various dates through 2030. During the year ended June 30, 2023, the County recognized \$18,549 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>
2024	\$ 12,072	\$ 750	\$ 5,535	\$ 143
2025	12,409	640	5,644	92
2026	12,755	527	5,754	41
2027	13,107	411	1,449	2
2028	13,468	292	-	-
2029-2030	24,434	213	-	-
Present Value of Minimum Lease Payments	<u>\$ 88,245</u>	<u>\$ 2,833</u>	<u>\$ 18,382</u>	<u>\$ 278</u>

NOTE 6 SBITAS

As of 06/30/2023, the County had 9 active subscriptions. The subscriptions have payments that range from \$6,744 to \$718,737 and interest rates that range from 2.40% to 2.85%. As of 06/30/2023, the total combined value of the subscription liability is \$5,087,569, and the total combined value of the short-term subscription liability is \$1,461,407. The combined value of the right to use asset, as of 06/30/2023 of \$6,831,922 with accumulated amortization of \$1,146,258. Total future minimum payments under the agreements are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,461,407	\$ 126,706
2025	1,152,893	101,088
2026	848,820	70,118
2027	796,530	46,297
2028	827,919	23,596
Present Value of Minimum Lease Payments	<u>\$ 5,087,569</u>	<u>\$ 367,805</u>

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

NOTE 7 LONG-TERM LIABILITIES

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

	Restated Balance June 30, 2022	Additions	Deletions	Adjustments	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities						
Direct Borrowings:						
Notes Payable	\$ 226,869	\$ -	\$ 93,627	\$ -	\$ 133,242	\$ 62,135
Compensated Absences	18,844,842	11,071,917	9,816,112	-	20,100,647	8,040,259
Leases Liability	44,212,773	497,736	5,363,736	184,870	39,531,643	4,875,726
SBITA Liability	2,206,582	4,625,340	1,744,353	-	5,087,569	1,461,407
Liability for Unpaid Claims	2,100,410	966,759	1,153,279	-	1,913,890	1,913,890
Total Governmental Activities Long-Term Liabilities	<u>\$ 67,591,476</u>	<u>\$ 17,161,752</u>	<u>\$ 18,171,107</u>	<u>\$ 184,870</u>	<u>\$ 66,766,991</u>	<u>\$ 16,353,417</u>
Business-Type Activities						
Leases Liability	\$ 2,329	\$ 4,645	\$ 2,439	\$ 2,439	\$ 4,535	\$ 2,222
Compensated Absences	217,910	71,385	16,020	16,020	273,275	109,310
Total Business-Type Activities Long-Term Liabilities	<u>\$ 220,239</u>	<u>\$ 76,030</u>	<u>\$ 18,459</u>	<u>\$ 18,459</u>	<u>\$ 277,810</u>	<u>\$ 111,532</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.

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, 2023, annual debt service requirements for notes payable are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 62,135	\$ 3,380
2025	60,732	1,369
2026	10,375	108
Total	<u>\$ 133,242</u>	<u>\$ 4,857</u>

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

NOTE 8 NET POSITION/FUND BALANCES

Classification

Fund balances are presented in the following categories: nonspendable, restricted, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2023 is as follows:

	General Fund	Headwaters Fund	Road Fund	Other Governmental Funds	Total
Nonspendable:					
Prepays and Inventory	\$ 840,186	\$ -	\$ 475	\$ 42,603	\$ 883,264
Total Nonspendable	840,186	-	475	42,603	883,264
Restricted for:					
General Government	665,509	-	-	-	665,509
Public Projection	39,290,035	-	-	2,649,964	41,939,999
Public Ways and Facilities	8,648,537	-	-	-	8,648,537
Health and Sanitation	27,805,423	-	-	-	27,805,423
Public Assistance	2,472,628	-	-	-	2,472,628
Education	557,516	-	-	1,164,719	1,722,235
Economic Development	20,261,028	17,969,190	-	-	38,230,218
Pensions (PARS)	8,209,829	-	-	-	8,209,829
Debt Service	-	-	-	6,824,660	6,824,660
Total Restrictions	107,910,505	17,969,190	-	10,639,343	136,519,038
Assigned for:					
General Reserve	10,588,128	-	-	-	10,588,128
General Government	23,290,697	-	-	-	23,290,697
Total Assigned	33,878,825	-	-	-	33,878,825
Unassigned	(5,256,445)	-	(4,846,240)	(241,877)	(10,344,562)
Total Fund Balance	<u>\$ 137,373,071</u>	<u>\$ 17,969,190</u>	<u>\$ (4,845,765)</u>	<u>\$ 10,440,069</u>	<u>\$ 160,936,565</u>

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

NOTE 9 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, 2023 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, 2023**

Employees Covered – At June 30, 2023, the following employees were covered by the benefit terms for each Plan:

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

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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
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, 2023

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 6.90% 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 6.90% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% 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 6.90% investment return assumption used in this accounting valuation is net of administrative expenses, which did not have a material impact.

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, 2023

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

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

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, 2022	\$ 828,650,827	\$ 674,514,835	\$ 154,135,992
Changes in the Year:			
Service Cost	18,700,520	-	18,700,520
Interest on the Total Pension Liability	57,491,846	-	57,491,846
Changes in Assumptions Benefit Payments, Including Refunds of Employee Contributions	24,839,032	24,839,032	-
Differences Between Expected and Actual Experience	(45,284,276)	(45,284,276)	-
Plan to Plan Resource Movement	(7,845,107)	-	(7,845,107)
Contribution - Employer	-	(42,004)	42,004
Contribution - Employee	-	28,561,037	(28,561,037)
Net Investment Income	-	9,516,757	(9,516,757)
Administrative Expenses	-	(51,120,973)	51,120,973
Change of Allocation	-	(420,620)	420,620
Net Changes	<u>862,279</u>	<u>701,888</u>	<u>160,391</u>
Balance at June 30, 2023 (Measurement Date June 30, 2022)	<u>\$ 877,415,121</u>	<u>\$ 616,426,644</u>	<u>\$ 260,988,477</u>

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

	Safety Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022	\$ 255,168,549	\$ 206,026,726	\$ 49,141,823
Changes in the Year:			
Service Cost	5,374,983	-	5,374,983
Interest on the Total Pension Liability	17,882,231	-	17,882,231
Changes of Assumptions	9,412,841	-	9,412,841
Differences Between Expected and Actual Experience	(1,524,236)	-	(1,524,236)
Benefit Payments, Including Refunds of Employee Contributions	(13,163,770)	(13,163,770)	-
Plan to Plan Resource Movement	-	43,663	(43,663)
Contribution - Employer	-	7,990,527	(7,990,527)
Contribution - Employee	-	2,226,470	(2,226,470)
Net Investment Income	-	(15,524,220)	15,524,220
Administrative Expenses	-	(128,342)	128,342
Net Changes	<u>17,982,049</u>	<u>(18,555,672)</u>	<u>36,537,721</u>
Balance at June 30, 2023 (Measurement Date June 30, 2022)	<u>\$ 273,150,598</u>	<u>\$ 187,471,054</u>	<u>\$ 85,679,544</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 5.90%	Discount Rate 6.90%	1% Increase in Discount Rate 7.90%
Miscellaneous	\$ 371,716,360	\$ 260,988,477	\$ 169,011,232
Safety	124,388,258	85,679,544	54,237,648

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, 2023**

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

For the year ended June 30, 2023, the County recognized total pension expense of \$43,053,697, including \$31,536,232 and \$11,517,465 for its miscellaneous and safety plans, respectively. At June 30, 2023, 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	\$ 32,210,164	\$ -
Differences Between Actual and Expected Experience	628,176	5,615,388
Changes in Assumptions	17,533,435	-
Net Differences Between Projected and Actual Earnings on Plan Investments	31,200,923	-
Total	<u>\$ 81,572,698</u>	<u>\$ 5,615,388</u>

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 9,342,318	\$ -
Differences Between Actual and Expected Experience	1,408,084	1,100,837
Changes in Assumptions	6,798,163	-
Net Differences Between Projected and Actual Earnings on Plan Investments	9,526,009	-
Total	<u>\$ 27,074,574</u>	<u>\$ 1,100,837</u>

The County reported \$41,552,482 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, 2024. 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>
2024	\$ 10,574,679	\$ 4,582,044
2025	9,453,907	4,128,602
2026	4,234,993	1,996,070
2027	19,483,567	5,924,703

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

NOTE 10 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, 2023**

B. Actuarial Assumptions

The Net OPEB Liability was determined using an actuarial valuation as of June 30, 2022, using the following assumptions:

<u>Actuarial Assumption</u>	<u>June 30, 2022 Measurement Date</u>
Actuarial Valuation Date	June 30, 2021
Discount Rate	3.69%
	Unfunded, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as the valuation date.
Inflation	2.30%
Mortality Rates:	Based on CalPERS tables.
Salary Increases	2.80%. Additional merit-based on CalPERS merit salary increase tables.
Healthcare Cost Trend Rates	6.50% Pre-Medicare, trending down to 4.04% over 56 years. 5.50% Medicare, trending down to 4.04% over 56 years

C. Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Active Employees	1,693
Inactive Employees Currently Receiving Benefits	667
Total	<u>2,360</u>

D. Changes in the Total OPEB Liability

The table below shows the changes in the total OPEB liability as of June 30, 2023.

	<u>Increase (Decrease)</u>
	<u>Total OPEB Liability</u>
Balance at June 30, 2022 <i>(Valuation Date June 30, 2021)</i>	\$ 46,593,828
Changes Recognized for the Measurement Period:	
Service Cost	2,855,657
Interest	934,961
Benefit Payments	(791,239)
Change of Assumptions	(9,085,475)
Difference Between Expected and Actual Experience	(202,444)
Implicit Rate Subsidy Fulfilled	(715,984)
Net Changes	<u>(7,004,524)</u>
Balance at June 30, 2023 <i>(Measurement Date June 30, 2022)</i>	<u>\$ 39,589,304</u>

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

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$2,225,562. 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, 2023, 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	\$ 1,761,899	\$ -
Change of Assumptions	6,804,139	8,207,269
Differences Between Expected and Actual Experience	-	9,092,787
Total	\$ 8,566,038	\$ 17,300,056

The \$1,761,899 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, 2024. 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
2024	\$ (1,565,056)
2025	(1,565,056)
2026	(1,565,056)
2027	(1,543,485)
2028	(1,511,146)
Remaining	(2,746,118)

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 (2.69%)	Current Rate (3.69%)	1% Increase (4.69%)
Total OPEB Liability	\$ 44,790,975	\$ 39,589,304	\$ 35,326,983

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

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	\$ 38,228,651	\$ 39,589,304	\$ 41,208,697

NOTE 11 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:

	2023			
	Balance at June 30, 2022	Current Year Claims and Changes in Estimates	Claims Payments	Balance at June 30, 2023
Property Liability and Auto	\$ 1,851,000	\$ (205,000)	\$ -	\$ 1,646,000
Dental	133,451	1,182,494	(1,153,279)	162,666
Unemployment	115,959	(10,735)	-	105,224
Total	\$ 2,100,410	\$ 966,759	\$ (1,153,279)	\$ 1,913,890

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

	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

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 12 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, 2023:

- 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, 2023

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 13 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, 2023, 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, 2023 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, 2023, there were outstanding commitments of \$23,453,076 for road, bridge, and building projects.

NOTE 14 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	\$ 4,845,765
Northcoast Resource Partnership	240,019
Central Services	42,484

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 and Central Services Fund will be financed through future revenues of the funds.

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

NOTE 15 CORRECTION OF ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During the year ended June 30, 2023, beginning net position of governmental activities was restated to report secured property tax receivables that were previously reported in the custodial funds. In the prior year, net position and receivables were understated in the amount of \$13,505,206.

	Governmental Activities
Net Position/Fund Balance - Beginning of Year	\$ 210,235,470
Correction of an Error - Revenue Recognition	13,505,206
Net Position/Fund Balance - Beginning of Year, as Restated	<u>\$ 223,740,676</u>

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

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, 2023

Last 10 Fiscal Years*	Safety Plans								
	June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 5,374,983	\$ 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	17,882,231	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	9,412,841	-	-	-	(606,417)	12,184,884	-	(3,323,361)	-
Differences Between Expected and Actual Experience	(1,524,236)	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	(13,163,770)	(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	17,982,049	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	255,168,549	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	273,150,598	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	43,663	(73,342)	(959)	(47,699)	(362)	18,284	(957)	63,796	-
Contributions - Employer	7,990,527	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	2,226,470	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	(15,524,220)	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	(13,163,770)	(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	(128,342)	(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	(18,555,672)	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	206,026,726	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	187,471,054	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	\$ 85,679,544	\$ 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	68.63%	80.74%	69.90%	70.75%	70.92%	70.38%	70.47%	74.43%	75.78%
Covered Payroll	\$ 17,994,585	\$ 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	476.14%	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, was reduced to 7.15% as of June 30, 2017, and reduced again to 7.00% as of June 30, 2023. 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, 2023

Last 10 Fiscal Years*	Miscellaneous Plans								
	June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:									
Service Cost	\$ 18,700,520	\$ 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	57,491,846	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	24,839,032	-	-	-	(4,905,718)	34,895,188	-	(9,694,226)	-
Differences Between Expected and Actual Experience	(7,845,107)	(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	(45,284,276)	(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	862,279	(1,661,438)	3,972,317	(759,824)	29,955,265	(6,679,562)	2,431,847	-	-
Net Change in Total Pension Liability	48,764,294	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	828,650,827	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	877,415,121	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	28,561,037	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	9,516,757	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	(51,120,973)	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	(45,284,276)	(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	(42,004)	70,482	924	45,696	(1,176)	(16,776)	888	12,495	-
Administrative Expense	(420,620)	(553,197)	(754,352)	(362,028)	(743,049)	(616,193)	(260,230)	(478,678)	-
Other Expense	-	-	-	1,175	(1,411,063)	-	-	-	-
Change of Allocation	701,888	(1,152,515)	2,778,257	(529,552)	20,617,871	(4,593,111)	1,753,319	-	-
Net Change in Plan Fiduciary Net Position	(58,088,191)	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	674,514,835	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	616,426,644	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	\$ 260,988,477	\$ 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	70.25%	81.40%	69.37%	69.94%	69.69%	68.83%	68.76%	72.10%	73.46%
Covered Payroll	\$ 104,064,296	\$ 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	250.80%	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, was reduced to 7.15% as of June 30, 2017, and was reduced again to 7.00% as of June 30, 2023. 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, 2023**

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, 2023	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	\$	9,342,318	7,990,527	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		9,342,318	7,990,527	7,905,205	7,010,817	6,102,650	5,565,876	5,249,061	4,757,426	4,429,607
Contribution Deficiency (Excess)	\$	-	-	-	-	-	-	-	-	-
County's Covered Payroll	\$	18,174,531	17,994,585	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		51.40 %	44.41 %	42.01 %	41.58 %	36.54 %	32.45 %	32.86 %	30.31 %	27.94 %
		Miscellaneous								
		June 30, 2023	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	\$	32,210,164	29,689,228	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		32,210,164	29,689,228	28,711,159	26,006,782	22,859,347	21,127,933	19,582,944	19,300,602	18,460,286
Contribution Deficiency (Excess)	\$	-	-	-	-	-	-	-	-	-
County's Covered Payroll	\$	105,104,939	104,064,296	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		30.65%	28.53%	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 TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2023

Last 10 Fiscal Years*	Reporting Year				
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB Liability:					
Service Cost	\$ 2,855,657	\$ 2,886,043	\$ 2,435,502	\$ 2,663,260	\$ 2,647,674
Interest on Total OPEB Liability	934,961	1,181,287	1,304,262	1,628,808	1,509,753
Difference Between Expected and Actual Experience	(202,444)	(5,474,505)	(6,972)	(8,445,721)	(37,773)
Change of Assumptions	(9,085,475)	3,473,352	3,914,441	2,752,055	(425,810)
Benefit Payments	(791,239)	(937,968)	(875,740)	(802,876)	(751,789)
Implicit Rate Subsidy Fulfilled	(715,984)	(666,212)	(623,486)	(1,089,129)	(1,057,288)
Net Change in Total OPEB Liability	(7,004,524)	461,997	6,148,007	(3,293,603)	1,884,767
Total OPEB Liability - Beginning	46,593,828	46,131,831	39,983,824	43,277,427	41,392,660
Total OPEB Liability - Ending	<u>\$ 39,589,304</u>	<u>\$ 46,593,828</u>	<u>\$ 46,131,831</u>	<u>\$ 39,983,824</u>	<u>\$ 43,277,427</u>
Covered Employee Payroll	\$ 93,040,478	\$ 87,869,026	\$ 113,979,904	\$ 107,433,257	\$ 106,830,722
Net OPEB Liability as a Percentage of Covered Employee Payroll	42.55%	53.03%	40.47%	37.22%	40.51%

*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, reduced to 1.92% as of June 30, 2022, and increased to 3.69% in 2023.

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 81,158,768	\$ 81,334,768	\$ 79,433,468	\$ (1,901,300)
Licenses and Permits	4,940,324	4,940,324	3,394,636	(1,545,688)
Fines, Forfeits, and Penalties	1,747,381	1,747,381	1,355,240	(392,141)
Use of Money and Property	282,200	282,200	(191,880)	(474,080)
Aid from Other Governments	299,078,992	295,307,009	160,432,279	(134,874,730)
Charges for Services	57,204,584	58,214,016	47,696,355	(10,517,661)
Other Revenue	8,758,761	9,033,554	1,797,846	(7,235,708)
Total Revenues	<u>453,171,010</u>	<u>450,859,252</u>	<u>293,917,944</u>	<u>(156,941,308)</u>
EXPENDITURES				
Current:				
General Government	24,641,833	27,194,595	20,614,684	6,579,911
Public Protection	133,398,152	137,522,921	103,812,765	33,710,156
Public Way and Facilities	2,661,128	2,661,128	2,539,438	121,690
Health and Sanitation	109,941,372	117,783,842	100,679,619	17,104,223
Public Assistance	177,382,358	179,842,036	148,486,197	31,355,839
Education	247,673	247,673	222,709	24,964
Recreation and Culture	1,931,463	1,783,361	1,545,708	237,653
Capital Outlay	56,549,118	56,989,180	4,179,021	52,810,159
Contingencies	1,324,166	800,214	-	800,214
Total Expenditures	<u>508,077,263</u>	<u>524,824,950</u>	<u>382,080,141</u>	<u>142,744,809</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(54,906,253)	(73,965,698)	(88,162,197)	(14,196,499)
OTHER FINANCING SOURCES (USES)				
Transfers In	80,221,352	97,310,665	-	(97,310,665)
Transfers Out	<u>(25,315,099)</u>	<u>(24,290,599)</u>	<u>(18,631,021)</u>	<u>5,659,578</u>
Total Other Financing Sources (Uses)	<u>54,906,253</u>	<u>73,020,066</u>	<u>(18,631,021)</u>	<u>(91,651,087)</u>
NET CHANGE IN FUND BALANCES	-	(945,632)	(106,793,218)	(105,847,586)
Budgetary Fund Balances - Beginning of Year	<u>37,921,133</u>	<u>37,921,133</u>	<u>37,921,133</u>	<u>-</u>
BUDGETARY FUND BALANCES - END OF YEAR	<u>\$ 37,921,133</u>	<u>\$ 36,975,501</u>	<u>\$ (68,872,085)</u>	<u>\$ (105,847,586)</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
 BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS (CONTINUED)
 GENERAL FUND
 YEAR ENDED JUNE 30, 2023**

(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	\$ 293,917,944
Receipts from Funds Reclassified from County Custodial Funds, Not Budgeted	<u>111,996,893</u>

Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 405,914,837</u></u>
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Uses/Outflows of Resources

Actual Amounts from the Budgetary Comparison Schedule	\$ 382,080,141
Disbursements from Funds Reclassified from County Custodial Funds, Not Budgeted	<u>18,577,803</u>

Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 400,657,944</u></u>
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See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,829,600	\$ 3,829,600	\$ 4,207,900	\$ 378,300
Licenses and Permits	90,000	90,000	76,053	(13,947)
Use of Money and Property	-	-	(31,865)	(31,865)
Aid from Other Governments	31,121,739	31,121,739	23,548,835	(7,572,904)
Charges for Services	677,900	677,900	672,610	(5,290)
Other Revenue	1,322,160	1,322,160	18,059	(1,304,101)
Total Revenues	<u>37,041,399</u>	<u>37,041,399</u>	<u>28,491,592</u>	<u>(8,549,807)</u>
EXPENDITURES				
Current:				
Public Way and Facilities	43,393,054	43,375,100	31,636,198	11,738,902
Capital Outlay	1,966,333	1,984,287	1,324,219	660,068
Debt Service:				
Principal	-	-	171,598	(171,598)
Interest	-	-	8,481	(8,481)
Total Expenditures	<u>45,359,387</u>	<u>45,359,387</u>	<u>33,140,496</u>	<u>12,218,891</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,317,988)	(8,317,988)	(4,648,904)	3,669,084
OTHER FINANCING SOURCES (USES)				
Transfers In	45,316,623	45,316,623	5,189,129	(40,127,494)
Transfers Out	(36,998,635)	(36,998,635)	-	36,998,635
Total Other Financing Sources (Uses)	<u>8,317,988</u>	<u>8,317,988</u>	<u>5,189,129</u>	<u>(3,128,859)</u>
NET CHANGE IN FUND BALANCES	-	-	540,225	540,225
Budgetary Fund Balances - Beginning of Year	<u>(5,385,990)</u>	<u>(5,385,990)</u>	<u>(5,385,990)</u>	<u>-</u>
BUDGETARY FUND BALANCES - END OF YEAR	<u>\$ (5,385,990)</u>	<u>\$ (5,385,990)</u>	<u>\$ (4,845,765)</u>	<u>\$ 540,225</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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, 2023**

	Special Revenue			
	Family Support	Courthouse Construction	County Library	Fish and Game Propagation
ASSETS				
Cash and Investments	\$ 1,649,564	\$ 1,883,486	\$ 1,349,359	\$ 18,976
Receivables	-	12	-	-
Prepays	39,395	-	1,350	-
Lease Receivable	-	-	-	-
Total Assets	\$ 1,688,959	\$ 1,883,498	\$ 1,350,709	\$ 18,976
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 29,458	\$ -	\$ 139,916	\$ 4,500
Salaries and Benefits Payable	49,409	-	44,724	-
Due to Other Funds	-	-	-	-
Total Liabilities	78,867	-	184,640	4,500
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Deferred Inflows related to Leases	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-
FUND BALANCE				
Nonspendable	39,395	-	1,350	-
Restricted	1,570,697	1,883,498	1,164,719	14,476
Unassigned	-	-	-	-
Total Fund Balances	1,610,092	1,883,498	1,166,069	14,476
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,688,959	\$ 1,883,498	\$ 1,350,709	\$ 18,976

**COUNTY OF HUMBOLDT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue		Debt Service	
	Northcoast Resource Partnership	Special Districts Under County Board of Supervisors	Debt Service	Total
ASSETS				
Cash and Investments	\$ -	\$ 1,068,126	\$ 4,941,162	\$ 10,910,673
Receivables	1,055,923	-	-	1,055,935
Prepays	1,858	-	-	42,603
Lease Receivable	-	8,409	-	8,409
Total Assets	<u>\$ 1,057,781</u>	<u>\$ 1,076,535</u>	<u>\$ 4,941,162</u>	<u>\$ 12,017,620</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,163,814	\$ 3,521	\$ -	\$ 1,341,209
Salaries and Benefits Payable	8,197	-	-	102,330
Due to Other Funds	115,660	-	-	115,660
Total Liabilities	<u>1,287,671</u>	<u>3,521</u>	<u>-</u>	<u>1,559,199</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	10,129	-	-	10,129
Deferred Inflows related to Leases	-	8,223	-	8,223
Total Deferred Inflow of Resources	<u>10,129</u>	<u>8,223</u>	<u>-</u>	<u>18,352</u>
FUND BALANCE				
Nonspendable	1,858	-	-	42,603
Restricted	-	1,064,791	4,941,162	10,639,343
Unassigned	<u>(241,877)</u>	<u>-</u>	<u>-</u>	<u>(241,877)</u>
Total Fund Balances	<u>(240,019)</u>	<u>1,064,791</u>	<u>4,941,162</u>	<u>10,440,069</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,057,781</u>	<u>\$ 1,076,535</u>	<u>\$ 4,941,162</u>	<u>\$ 12,017,620</u>

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

	Special Revenue			
	Family Support	Courthouse Construction	County Library	Fish and Game Propagation
REVENUES				
Taxes	\$ -	\$ -	\$ 3,490,588	\$ -
Fines, Forfeitures, and Penalties	-	207,778	-	5,801
Use of Money and Property	11,499	4,281	11,004	232
Intergovernmental	4,029,315	-	285,566	-
Charges for Services	79,710	-	20,893	-
Miscellaneous	-	-	262,201	-
Total Revenues	<u>4,120,524</u>	<u>212,059</u>	<u>4,070,252</u>	<u>6,033</u>
EXPENDITURES				
Current:				
Public Protection	4,143,175	-	-	8,915
Education	-	-	4,699,968	-
Capital Outlay	27,493	-	-	-
Debt Service:				
Principal	316,686	-	19,672	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>4,487,354</u>	<u>-</u>	<u>4,719,640</u>	<u>8,915</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(366,830)	212,059	(649,388)	(2,882)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	369,600	-
Transfers Out	-	(74,786)	(54,963)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(74,786)</u>	<u>314,637</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(366,830)	137,273	(334,751)	(2,882)
Fund Balances - Beginning of Year	<u>1,976,922</u>	<u>1,746,225</u>	<u>1,500,820</u>	<u>17,358</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,610,092</u>	<u>\$ 1,883,498</u>	<u>\$ 1,166,069</u>	<u>\$ 14,476</u>

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

	Special Revenue		Debt Service	
	Northcoast Resource Partnership	Special Districts Under County Board of Supervisors	Debt Service	Total
REVENUES				
Taxes	\$ -	\$ 447,379	\$ -	\$ 3,937,967
Fines, Forfeitures, and Penalties	-	-	-	213,579
Use of Money and Property	(39,936)	9,278	(203,618)	(207,260)
Intergovernmental	8,349,275	30,066	-	12,694,222
Charges for Services	10,226	-	-	110,829
Miscellaneous	25,000	-	275	287,476
Total Revenues	8,344,565	486,723	(203,343)	17,036,813
EXPENDITURES				
Current:				
Public Protection	7,613,422	44,631	-	11,810,143
Education	-	-	-	4,699,968
Capital Outlay	-	76,575	-	104,068
Debt Service:				
Principal	686	33,438	-	370,482
Interest and Other Charges	-	34,514	-	34,514
Total Expenditures	7,614,108	189,158	-	17,019,175
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	730,457	297,565	(203,343)	17,638
OTHER FINANCING SOURCES (USES)				
Transfers In	20,000	-	15,530,458	15,920,058
Transfers Out	-	(260,311)	(3,893,851)	(4,283,911)
Total Other Financing Sources (Uses)	20,000	(260,311)	11,636,607	11,636,147
NET CHANGE IN FUND BALANCES	750,457	37,254	11,433,264	11,653,785
Fund Balances - Beginning of Year	(990,476)	1,027,537	(6,492,102)	(1,213,716)
FUND BALANCES - END OF YEAR	\$ (240,019)	\$ 1,064,791	\$ 4,941,162	\$ 10,440,069

INTERNAL SERVICE FUNDS

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

	Heavy Equipment	Information Technology	Central Services	Communications
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 935,175	\$ 2,523,422	\$ 50	\$ 2,062,258
Accounts Receivable	6,963	63,809	-	-
Total Current Assets	<u>942,138</u>	<u>2,587,231</u>	<u>50</u>	<u>2,062,258</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	33,585	-	5,259,012
Depreciable, Net of Depreciation	3,056,448	78,013	-	163,227
Righ-to-Use, Net of Amortization	205,777	-	-	168,642
SBITA, Net of Amortization	-	4,530,584	-	-
Total Noncurrent Assets	<u>3,262,225</u>	<u>4,642,182</u>	<u>-</u>	<u>5,590,881</u>
Total Assets	<u>4,204,363</u>	<u>7,229,413</u>	<u>50</u>	<u>7,653,139</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	129,117	110,799	877	18,323
Accrued Payroll and Benefits	15,204	35,006	4,234	2,270
Due to Other Funds	-	-	26,147	-
Interest Payable	77	-	-	173
Lease Liability	168,763	-	-	57,981
SBITA Liability	-	863,486	-	-
Compensated Absences	22,937	74,069	4,510	694
Provision for Estimated Claims	-	-	-	-
Total Current Liabilities	<u>336,098</u>	<u>1,083,360</u>	<u>35,768</u>	<u>79,441</u>
Noncurrent Liabilities:				
Lease Liability	41,851	-	-	117,540
SBITA Liability	-	3,204,273	-	-
Compensated Absences	34,405	111,104	6,766	1,042
Total Noncurrent Liabilities	<u>76,256</u>	<u>3,315,377</u>	<u>6,766</u>	<u>118,582</u>
Total Liabilities	<u>412,354</u>	<u>4,398,737</u>	<u>42,534</u>	<u>198,023</u>
NET POSITION				
Net Investment in Capital Assets	3,051,611	574,423	-	5,415,360
Unrestricted	740,398	2,256,253	(42,484)	2,039,756
Total Net Position	<u>\$ 3,792,009</u>	<u>\$ 2,830,676</u>	<u>\$ (42,484)</u>	<u>\$ 7,455,116</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2023**

	Motor Pool	ADA Compliance	Insurance Funds	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 1,171,330	\$ 2,601,619	\$ 12,687,811	\$ 21,981,665
Accounts Receivable	-	-	44,144	114,916
Total Current Assets	<u>1,171,330</u>	<u>2,601,619</u>	<u>12,731,955</u>	<u>22,096,581</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	-	-	5,292,597
Depreciable, Net of Depreciation	8,573,688	60,871	-	11,932,247
Righ-to-Use, Net of Amortization	-	-	8,168	382,587
SBITA, Net of Amortization	-	-	-	4,530,584
Total Noncurrent Assets	<u>8,573,688</u>	<u>60,871</u>	<u>8,168</u>	<u>22,138,015</u>
Total Assets	<u>9,745,018</u>	<u>2,662,490</u>	<u>12,740,123</u>	<u>44,234,596</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	223,076	306,316	634,729	1,423,237
Accrued Payroll and Benefits	10,654	6,169	15,474	89,011
Due to Other Funds	-	-	-	26,147
Interest Payable	-	-	219	469
Lease Liability	-	-	3,219	229,963
SBITA Liability	-	-	-	863,486
Compensated Absences	22,480	7,606	105,879	238,175
Provision for Estimated Claims	-	-	1,913,890	1,913,890
Total Current Liabilities	<u>256,210</u>	<u>320,091</u>	<u>2,673,410</u>	<u>4,784,378</u>
Noncurrent Liabilities:				
Lease Liability	-	-	4,850	164,241
SBITA Liability	-	-	-	3,204,273
Compensated Absences	33,720	11,409	-	198,446
Total Noncurrent Liabilities	<u>33,720</u>	<u>11,409</u>	<u>4,850</u>	<u>3,566,960</u>
Total Liabilities	<u>289,930</u>	<u>331,500</u>	<u>2,678,260</u>	<u>8,351,338</u>
NET POSITION				
Net Investment in Capital Assets	8,573,688	60,871	99	17,676,052
Unrestricted	<u>881,400</u>	<u>2,270,119</u>	<u>10,061,764</u>	<u>18,207,206</u>
Total Net Position	<u>\$ 9,455,088</u>	<u>\$ 2,330,990</u>	<u>\$ 10,061,863</u>	<u>\$ 35,883,258</u>

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

	Heavy Equipment	Information Technology	Central Services	Communications
OPERATING REVENUES				
Charges for Services	\$ 2,901,917	\$ 6,740,828	\$ 408,608	\$ 353,916
Miscellaneous Revenues	139,692	-	29,008	49,334
Total Operating Revenues	<u>3,041,609</u>	<u>6,740,828</u>	<u>437,616</u>	<u>403,250</u>
OPERATING EXPENSES				
Salaries and Benefits	970,212	2,249,040	344,151	97,703
Services and Supplies	1,909,132	2,231,810	140,807	72,199
Self-Insurance Claims	-	-	-	-
Depreciation and Amortization	737,844	584,813	-	104,130
Total Operating Expenses	<u>3,617,188</u>	<u>5,065,663</u>	<u>484,958</u>	<u>274,032</u>
NET OPERATING INCOME (LOSS)	(575,579)	1,675,165	(47,342)	129,218
NONOPERATING REVENUES (EXPENSES)				
Interest Income/(Expense)	26,719	48,285	1,403	81,429
Grant Income	-	-	-	-
Insurance Proceeds	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>26,719</u>	<u>48,285</u>	<u>1,403</u>	<u>81,429</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(548,860)	1,723,450	(45,939)	210,647
Transfers In	-	-	-	17,219
Capital Contributions	-	-	-	-
Total Contributions and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,219</u>
CHANGE IN NET POSITION	(548,860)	1,723,450	(45,939)	227,866
Net Position - Beginning of Year	<u>4,340,869</u>	<u>1,107,226</u>	<u>3,455</u>	<u>7,227,250</u>
NET POSITION - END OF YEAR	<u>\$ 3,792,009</u>	<u>\$ 2,830,676</u>	<u>\$ (42,484)</u>	<u>\$ 7,455,116</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023**

	Motor Pool	ADA Compliance	Insurance Funds	Total
OPERATING REVENUES				
Charges for Services	\$ 1,895,911	\$ 1,042,771	\$ 41,390,921	\$ 54,734,872
Miscellaneous Revenues	26,005	42,099	13,065	299,203
Total Operating Revenues	<u>1,921,916</u>	<u>1,084,870</u>	<u>41,403,986</u>	<u>55,034,075</u>
OPERATING EXPENSES				
Salaries and Benefits	671,437	448,497	948,028	5,729,068
Services and Supplies	2,654,523	923,088	37,864,405	45,795,964
Self-Insurance Claims	-	-	1,182,494	1,182,494
Depreciation and Amortization	1,403,469	6,493	3,136	2,839,885
Total Operating Expenses	<u>4,729,429</u>	<u>1,378,078</u>	<u>39,998,063</u>	<u>55,547,411</u>
NET OPERATING INCOME (LOSS)	(2,807,513)	(293,208)	1,405,923	(513,336)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,714,104	(21,976)	34,002	1,883,966
Grant Income	-	-	425,114	425,114
Insurance Proceeds	-	-	2,290,547	2,290,547
Gain/(Loss) on Sale of Capital Assets	(26,030)	-	-	(26,030)
Total Nonoperating Revenues (Expenses)	<u>1,688,074</u>	<u>(21,976)</u>	<u>2,749,663</u>	<u>4,573,597</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(1,119,439)	(315,184)	4,155,586	4,060,261
Transfers In	-	1,862,731	-	1,879,950
Capital Contributions	35,293	-	-	35,293
Total Contributions and Transfers	<u>35,293</u>	<u>1,862,731</u>	<u>-</u>	<u>1,915,243</u>
CHANGE IN NET POSITION	(1,084,146)	1,547,547	4,155,586	5,975,504
Net Position - Beginning of Year	<u>10,539,234</u>	<u>783,443</u>	<u>5,906,277</u>	<u>29,907,754</u>
NET POSITION - END OF YEAR	<u>\$ 9,455,088</u>	<u>\$ 2,330,990</u>	<u>\$ 10,061,863</u>	<u>\$ 35,883,258</u>

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

	Heavy Equipment	Information Technology	Central Services	Communications
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services Provided	\$ 3,038,491	\$ 6,677,019	\$ 437,616	\$ 403,250
Cash Paid to Suppliers for Goods and Services	(2,015,081)	(2,374,236)	(156,211)	(112,087)
Cash Paid to Employees	(1,013,122)	(2,367,490)	(353,638)	(103,545)
Net Cash Provided (Used) by Operating Activities	10,288	1,935,293	(72,233)	187,618
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	-	-	17,219
Due to Other Funds	-	-	26,147	-
Operating Grants Received	-	-	-	-
Insurance Proceeds Received	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	-	26,147	17,219
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	-	-	-	-
Purchase of Capital Assets	(263,688)	-	-	(763,299)
Principal Paid on Leases	(316,161)	-	-	(55,164)
Principal Paid on SBITAs	-	(998,577)	-	-
Net Cash Used by Capital and Related Financing Activities	(579,849)	(998,577)	-	(818,463)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	26,719	48,285	1,403	81,429
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(542,842)	985,001	(44,683)	(532,197)
Cash and Cash Equivalents - Beginning of Year	1,478,017	1,538,421	44,733	2,594,455
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 935,175</u>	<u>\$ 2,523,422</u>	<u>\$ 50</u>	<u>\$ 2,062,258</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, 2023**

	Motor Pool	ADA Compliance	Insurance Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services Provided	\$ 1,921,920	\$ 1,084,870	\$ 41,360,325	\$ 54,923,491
Cash Paid to Suppliers for Goods and Services	(2,666,777)	(877,777)	(39,199,599)	(47,401,768)
Cash Paid to Employees	(703,507)	(459,211)	(907,369)	(5,907,882)
Net Cash Provided (Used) by Operating Activities	(1,448,364)	(252,118)	1,253,357	1,613,841
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	1,862,731	-	1,879,950
Advances from Other Funds	-	-	(51,929)	(25,782)
Operating Grants Received	-	-	425,114	425,114
Insurance Proceeds Received	-	-	2,290,547	2,290,547
Net Cash Provided by Noncapital Financing Activities	-	1,862,731	2,663,732	4,569,829
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	193,973	-	-	193,973
Purchase of Capital Assets	(1,984,034)	-	-	(3,011,021)
Principal Paid on Leases	-	-	(3,124)	(374,449)
Principal Paid on SBITAs	-	-	-	(998,577)
Net Cash Used by Capital and Related Financing Activities	(1,790,061)	-	(3,124)	(4,190,074)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	1,714,104	(21,976)	34,002	1,883,966
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,524,321)	1,588,637	3,947,967	3,877,562
Cash and Cash Equivalents - Beginning of Year	2,695,651	1,012,982	8,739,844	18,104,103
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,171,330</u>	<u>\$ 2,601,619</u>	<u>\$ 12,687,811</u>	<u>\$ 21,981,665</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Transfer of Capital Assets (to) from Governmental Activities	<u>\$ 35,293</u>	<u>\$ (734,436)</u>	<u>\$ -</u>	<u>\$ (699,143)</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023**

	<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)	\$ (575,579)	\$ 1,675,165	\$ (47,342)	\$ 129,218
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	737,844	584,813	-	104,130
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	(3,118)	(63,809)	-	-
Prepaid Expenses and Other Assets	500	380,934	-	4,751
Increase (decrease) in:				
Payables	(106,449)	(523,360)	(15,404)	(44,639)
Accrued Salaries and Benefits	(35,166)	(85,609)	(13,945)	(3,671)
Compensated Absences	(7,744)	(32,841)	4,458	(2,171)
Claims Payable	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,288</u>	<u>\$ 1,935,293</u>	<u>\$ (72,233)</u>	<u>\$ 187,618</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2023**

	<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)	\$ (2,807,513)	\$ (293,208)	\$ 1,405,923	\$ (513,336)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,403,469	6,493	3,136	2,839,885
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	4	-	(43,661)	(110,584)
Prepaid Expenses and Other Assets	-	-	-	386,185
Increase (decrease) in:				
Payables	(12,254)	45,311	63,035	(593,760)
Accrued Salaries and Benefits	(32,055)	(12,245)	(21,700)	(204,391)
Compensated Absences	(15)	1,531	33,144	(3,638)
Claims Payable	-	-	(186,520)	(186,520)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,448,364)</u>	<u>\$ (252,118)</u>	<u>\$ 1,253,357</u>	<u>\$ 1,613,841</u>

INSURANCE FUNDS

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**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION
INSURANCE FUNDS
JUNE 30, 2023**

	Dental	County Insurance	Workers' Compensation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,206,594	\$ 191,863	\$ 898,412
Accounts Receivable	-	-	15,681
Capital Assets:			
Right-to-Use, Net of Amortization	-	8,168	-
Total Assets	1,206,594	200,031	914,093
LIABILITIES			
Current Liabilities:			
Accounts Payable	23,309	2,184	2,134
Accrued Payroll and Benefits	-	15,474	-
Interest Payable	-	219	-
Lease Liability	-	3,219	-
Liability for Compensated Absences	-	105,879	-
Provision for Estimated Claims	162,666	-	-
Total Current Liabilities	185,975	126,975	2,134
Noncurrent Liabilities:			
Lease Liability	-	4,850	-
Total Noncurrent Liabilities	-	4,850	-
Total Liabilities	185,975	131,825	2,134
NET POSITION			
Net Investment in Capital Assets	-	99	-
Unrestricted	1,020,619	68,107	911,959
Total Net Position	\$ 1,020,619	\$ 68,206	\$ 911,959

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
INSURANCE FUNDS
JUNE 30, 2023**

	Liability	Medical	Unemployment
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 5,955,889	\$ 3,414,094	\$ 223,534
Accounts Receivable	-	-	-
Capital Assets:			
Right-to-Use, Net of Amortization	-	-	-
Total Assets	5,955,889	3,414,094	223,534
LIABILITIES			
Current Liabilities:			
Accounts Payable	528,102	-	54,731
Accrued Payroll and Benefits	-	-	-
Interest Payable	-	-	-
Lease Liability	-	-	-
Liability for Compensated Absences	-	-	-
Provision for Estimated Claims	1,646,000	-	105,224
Total Current Liabilities	2,174,102	-	159,955
Noncurrent Liabilities:			
Lease Liability	-	-	-
Total Noncurrent Liabilities	-	-	-
Total Liabilities	2,174,102	-	159,955
NET POSITION			
Net Investment in Capital Assets	-	-	-
Unrestricted	3,781,787	3,414,094	63,579
Total Net Position	\$ 3,781,787	\$ 3,414,094	\$ 63,579

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
INSURANCE FUNDS
JUNE 30, 2023**

	Purchased Insurance Premium	Employee Benefits	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 616,505	\$ 180,920	\$ 12,687,811
Accounts Receivable	28,463	-	44,144
Capital Assets:			
Right-to-Use, Net of Amortization	-	-	8,168
Total Assets	644,968	180,920	12,740,123
LIABILITIES			
Current Liabilities:			
Accounts Payable	8,141	16,128	634,729
Accrued Payroll and Benefits	-	-	15,474
Interest Payable	-	-	219
Lease Liability	-	-	3,219
Liability for Compensated Absences	-	-	105,879
Provision for Estimated Claims	-	-	1,913,890
Total Current Liabilities	8,141	16,128	2,673,410
Noncurrent Liabilities:			
Lease Liability	-	-	4,850
Total Noncurrent Liabilities	-	-	4,850
Total Liabilities	8,141	16,128	2,678,260
NET POSITION			
Net Investment in Capital Assets	-	-	99
Unrestricted	636,827	164,792	10,061,764
Total Net Position	\$ 636,827	\$ 164,792	\$ 10,061,863

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	<u>Dental</u>	<u>County Insurance</u>	<u>Workers' Compensation</u>
OPERATING REVENUES			
Charges for Services	\$ 1,208,887	\$ 881,445	\$ 7,750,599
Miscellaneous Revenues	-	-	2,160
Total Operating Revenues	<u>1,208,887</u>	<u>881,445</u>	<u>7,752,759</u>
OPERATING EXPENSES			
Salaries and Benefits	-	706,364	-
Services and Supplies	202,159	221,353	7,199,280
Self-Insurance Claims	1,182,494	-	-
Depreciation and Amortization	-	3,136	-
Total Operating Expenses	<u>1,384,653</u>	<u>930,853</u>	<u>7,199,280</u>
NET OPERATING INCOME (LOSS)	(175,766)	(49,408)	553,479
NONOPERATING REVENUES (EXPENSES)			
Interest Income/(Expense)	10,243	7,414	1,938
Grant Income	-	13,000	412,114
Insurance Proceeds	-	-	-
Total Nonoperating Revenues (Expenses)	<u>10,243</u>	<u>20,414</u>	<u>414,052</u>
CHANGE IN NET POSITION	(165,523)	(28,994)	967,531
Net Position - Beginning of Year	<u>1,186,142</u>	<u>97,200</u>	<u>(55,572)</u>
NET POSITION - END OF YEAR	<u>\$ 1,020,619</u>	<u>\$ 68,206</u>	<u>\$ 911,959</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
OPERATING REVENUES			
Charges for Services	\$ 7,738,615	\$ 20,781,869	\$ 296,021
Miscellaneous Revenues	170	-	10,735
Total Operating Revenues	<u>7,738,785</u>	<u>20,781,869</u>	<u>306,756</u>
OPERATING EXPENSES			
Salaries and Benefits	-	-	241,664
Services and Supplies	7,571,084	20,309,880	70,919
Self-Insurance Claims	-	-	-
Depreciation and Amortization	-	-	-
Total Operating Expenses	<u>7,571,084</u>	<u>20,309,880</u>	<u>312,583</u>
NET OPERATING INCOME (LOSS)	167,701	471,989	(5,827)
NONOPERATING REVENUES (EXPENSES)			
Interest Income/(Expense)	7,811	(7,348)	2,662
Grant Income	-	-	-
Insurance Proceeds	2,290,547	-	-
Total Nonoperating Revenues (Expenses)	<u>2,298,358</u>	<u>(7,348)</u>	<u>2,662</u>
CHANGE IN NET POSITION	2,466,059	464,641	(3,165)
Net Position - Beginning of Year	<u>1,315,728</u>	<u>2,949,453</u>	<u>66,744</u>
NET POSITION - END OF YEAR	<u>\$ 3,781,787</u>	<u>\$ 3,414,094</u>	<u>\$ 63,579</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	Purchased Insurance Premium	Insurance Benefits	Total
OPERATING REVENUES			
Charges for Services	\$ 2,297,155	\$ 436,330	\$ 41,390,921
Miscellaneous Revenues	-	-	13,065
Total Operating Revenues	<u>2,297,155</u>	<u>436,330</u>	<u>41,403,986</u>
OPERATING EXPENSES			
Salaries and Benefits	-	-	948,028
Services and Supplies	1,817,233	472,497	37,864,405
Self-Insurance Claims	-	-	1,182,494
Depreciation and Amortization	-	-	3,136
Total Operating Expenses	<u>1,817,233</u>	<u>472,497</u>	<u>39,998,063</u>
NET OPERATING INCOME (LOSS)	479,922	(36,167)	1,405,923
NONOPERATING REVENUES (EXPENSES)			
Interest Income/(Expense)	2,431	8,851	34,002
Grant Income	-	-	425,114
Insurance Proceeds	-	-	2,290,547
Total Nonoperating Revenues (Expenses)	<u>2,431</u>	<u>8,851</u>	<u>2,749,663</u>
CHANGE IN NET POSITION	482,353	(27,316)	4,155,586
Net Position - Beginning of Year	<u>154,474</u>	<u>192,108</u>	<u>5,906,277</u>
NET POSITION - END OF YEAR	<u>\$ 636,827</u>	<u>\$ 164,792</u>	<u>\$ 10,061,863</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	<u>Dental</u>	<u>County Insurance</u>	<u>Workers' Compensation</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 1,208,887	\$ 881,445	\$ 7,737,078
Cash Paid to Suppliers for Goods and Services	(1,412,913)	(225,808)	(7,200,789)
Cash Paid to Employees	29,215	(694,920)	-
Net Cash Provided (Used) by Operating Activities	<u>(174,811)</u>	<u>(39,283)</u>	<u>536,289</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to Other Funds	-	-	(51,929)
Operating Grants Received	-	13,000	412,114
Insurance Proceeds Received	-	-	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>13,000</u>	<u>360,185</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	-	(3,124)	-
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(3,124)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	10,243	7,414	1,938
Net Cash Provided (Used) by Investing Activities	<u>10,243</u>	<u>7,414</u>	<u>1,938</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(164,568)</u>	<u>(21,993)</u>	<u>898,412</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,371,162</u>	<u>213,856</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,206,594</u>	<u>\$ 191,863</u>	<u>\$ 898,412</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 7,738,785	\$ 20,781,869	\$ 306,756
Cash Paid to Suppliers for Goods and Services	(7,507,734)	(20,309,880)	(116,550)
Cash Paid to Employees	-	-	(241,664)
Net Cash Provided (Used) by Operating Activities	<u>231,051</u>	<u>471,989</u>	<u>(51,458)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to Other Funds	-	-	-
Operating Grants Received	-	-	-
Insurance Proceeds Received	<u>2,290,547</u>	<u>-</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>2,290,547</u>	<u>-</u>	<u>-</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	<u>7,811</u>	<u>(7,348)</u>	<u>2,662</u>
Net Cash Provided (Used) by Investing Activities	<u>7,811</u>	<u>(7,348)</u>	<u>2,662</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,529,409</u>	<u>464,641</u>	<u>(48,796)</u>
Cash and Cash Equivalents - Beginning of Year	<u>3,426,480</u>	<u>2,949,453</u>	<u>272,330</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 5,955,889</u></u>	<u><u>\$ 3,414,094</u></u>	<u><u>\$ 223,534</u></u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	Purchased Insurance Premium	Employee Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 2,269,175	\$ 436,330	\$ 41,360,325
Cash Paid to Suppliers for Goods and Services	(1,931,466)	(494,459)	(39,199,599)
Cash Paid to Employees	-	-	(907,369)
Net Cash Provided (Used) by Operating Activities	337,709	(58,129)	1,253,357
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to Other Funds	-	-	(51,929)
Operating Grants Received	-	-	425,114
Insurance Proceeds Received	-	-	2,290,547
Net Cash Provided by Investing Activities	-	-	2,663,732
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	-	-	(3,124)
Net Cash Used by Capital and Related Financing Activities	-	-	(3,124)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	2,431	8,851	34,002
Net Cash Provided (Used) by Investing Activities	2,431	8,851	34,002
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	340,140	(49,278)	3,947,967
Cash and Cash Equivalents - Beginning of Year	276,365	230,198	8,739,844
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 616,505	\$ 180,920	\$ 12,687,811

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	Dental	County Insurance	Workers' Compensation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (175,766)	\$ (49,408)	\$ 553,479
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	3,136	-
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	-	(15,681)
Increase (Decrease) in:			
Payables	(28,260)	(4,455)	(1,509)
Accrued Salaries and Benefits	-	(21,700)	-
Liability for Compensated Absences	-	33,144	-
Claims Payable	29,215	-	-
Net Cash Provided (Used) by Operating Activities	\$ (174,811)	\$ (39,283)	\$ 536,289

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	<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)	\$ 167,701	\$ 471,989	\$ (5,827)
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	268,350	-	(34,896)
Accrued Salaries and Benefits	-	-	-
Liability for Compensated Absences	-	-	-
Claims Payable	<u>(205,000)</u>	<u>-</u>	<u>(10,735)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 231,051</u>	<u>\$ 471,989</u>	<u>\$ (51,458)</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2023**

	Purchased Insurance Premium	Employee Benefits	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 479,922	\$ (36,167)	\$ 1,405,923
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	-	3,136
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	(27,980)	-	(43,661)
Increase (Decrease) in:			
Payables	(114,233)	(21,962)	63,035
Accrued Salaries and Benefits	-	-	(21,700)
Liability for Compensated Absences	-	-	33,144
Claims Payable	-	-	(186,520)
Net Cash Provided (Used) by Operating Activities	\$ 337,709	\$ (58,129)	\$ 1,253,357



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