

**COUNTY OF SIERRA,
CALIFORNIA**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2024**

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**COUNTY OF SIERRA
Annual Financial Report
For the Year Ended June 30, 2024**

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INTRODUCTORY SECTION

- **List of Officials**

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COUNTY OF SIERRA
List of Officials
For the Year Ended June 30, 2024

ELECTED OFFICIALS

Supervisor, District 1	Lee Adams
Supervisor, District 2	Lila Heuer
Supervisor, District 3	Paul Roen
Supervisor, District 4	Terry LeBlanc
Supervisor, District 5	Sharon Dryden
Assessor	Laura Marshall
Auditor/Controller	Van Maddox
Clerk/Recorder	Heather Foster
District Attorney	Sandra Groven
Sheriff/Coroner	Mike Fisher

DEPARTMENT DIRECTORS/ADMINISTRATORS

Agricultural Commissioner	Tim W. Gibson
Behavioral Health	Sharon Souza
Director of Public Works/Director of Transportation	Brandon Pangiman
Emergency Services – OES Coordinator	Michael Fisher
Emergency Services – Emergency Preparedness Coordinator	LeTina Vanetti
Environmental Health	Elizabeth Morgan
Management Information System	Jeremy Miller
Planning Director	Bryan Davey
Probation	Chuck Henson
Public Health	Rhonda Grandi
Social Services	Lori McGee

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FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors and Grand Jury
County of Sierra
Downieville, California

Report on the Audit of the Financial Statements**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sierra, California (County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

To the Board of Supervisors and Grand Jury
County of Sierra
Downieville, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Supervisors and Grand Jury
County of Sierra
Downieville, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, County Pension Plan information, County OPEB Plan information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

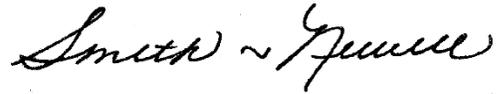
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, 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.

To the Board of Supervisors and Grand Jury
County of Sierra
Downieville, California

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 23, 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.



Smith & Newell CPAs
Yuba City, California
January 23, 2025

**Management's Discussion and Analysis
(Unaudited)**

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**Sierra County
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

Prepared By: Van Maddox, County Auditor/Treasurer/Tax Collector

As management of Sierra County, we offer readers of the County of Sierra's financial statements this narrative overview and analysis of the financial activities of Sierra County for the fiscal year ended June 30, 2024.

Financial Highlights

- ❖ The County of Sierra's assets exceeded its liabilities at the close of the most recent fiscal year by \$15,601,420 (net position). Of this amount (\$27,985,202) (unrestricted net position) was available to meet the County's ongoing obligations to citizens and creditors.

The primary causes for the increase are from an increase in State-funded programs and an increase in local revenues due to a better economy.

- ❖ At the close of the current fiscal year, the County's combined (all Government funds) ending fund balance was \$24,609,146. This was an increase of \$1,892,463 in comparison with the prior year. Approximately 64.2% of this total amount or \$23,132,018 is available for spending in the following year's budget.
- ❖ Unassigned fund balance for the General Fund at the close of the current fiscal year was \$1,853,039.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of Sierra's basic financial statements. The County's basic financial statements are comprised of three components: 1) Government-wide Financial Statements, 2) Individual Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains additional supplementary information to the basic Financial Statements.

Government-Wide Financial Statements. The Government-Wide Financial Statements are designed to provide readers with a broad overview of the County of Sierra's finances, in a manner similar to a private-sector business. It is comprised of a Statement of Net Position and Statement of Activities.

The Statement of Net Position presents information on all County assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Sierra County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the current 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 expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the Government-Wide Financial Statements distinguish functions of the County of Sierra that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees, fines and charges for service. The governmental activities of the County include: General Government, Public Protection, Public Ways and Facilities (Transportation), Health and Sanitation, Public Assistance, Education, Recreation and Culture, and Debt Service and Contingencies. Internal Service Funds that provide insurance coverage, computer software acquisition and vehicle replacement are also included in governmental activities.

**Sierra County
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

The Government-Wide Financial Statements include not only the County of Sierra itself (known as the primary government), but also five legally separate County Service Areas. Although legally separate, the County Service Areas function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

The Government-Wide Financial Statements can be found on pages 14-16 of this report.

Individual Fund Financial Statements. A fund is a grouping of related accounts that are 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 compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental 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 Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the 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 County's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statements of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County of Sierra maintains over 150 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, the Road Fund, the Human Services Fund, and the Public Health and Drug Program Fund, all of which are considered to be major funds. Data from the other forty-three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County of Sierra adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule (page 66) has been provided for the general fund to demonstrate compliance with this budget.

The basic Governmental Fund Financial Statements can be found on pages 17-20 of this report.

Proprietary Funds. The County maintains one type of proprietary fund – Enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The County of Sierra maintains three enterprise funds. The Solid Waste Fund, the Sierra Brooks Water Fund, both which are major funds, and the Transit Fund, a nonmajor fund. These funds are reported separately in the Proprietary Fund financial statements.

**Sierra County
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-Wide Financial Statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic Fiduciary Fund Financial Statement can be found on pages 25 and 26 of this report.

Notes to Financial Statements. The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-60 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. Required Supplementary Information can be found on pages 61-70 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual funds statements and schedules can be found on pages 71-78 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County of Sierra, assets exceeded liabilities by \$15,601,420 at the close of the 2023/2024 fiscal year.

By far the largest portion of the County's net position (137.83%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County of Sierra's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Sierra County
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

County of Sierra's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current & Other Assets	\$ 31,540,023	\$ 28,797,817	\$ 1,597,678	\$ 1,669,097	\$ 33,137,701	\$ 30,466,914
Capital assets	18,755,168	13,676,027	4,691,079	4,857,533	23,446,247	18,533,560
Total Assets	50,295,191	42,473,844	6,288,757	6,526,630	56,583,948	49,000,474
Deferred Outflows of Resources:						
Pension adjustments	11,714,572	16,931,215	124,328	137,694	11,838,900	17,068,909
OPEB adjustments	297,179	321,913	-	-	297,179	321,913
Total Deferred Outflows of Resources	12,011,751	17,253,128	124,328	137,694	12,136,079	17,390,822
Liabilities:						
Other Liabilities	4,329,428	3,690,788	76,964	84,510	4,406,392	3,775,298
Long-term liabilities	28,167,458	29,964,490	6,199,096	6,098,057	34,366,554	36,062,547
Total Liabilities	32,496,886	33,655,278	6,276,060	6,182,567	38,772,946	39,837,845
Deferred Inflows of Resources:						
Pension adjustments	13,686,449	18,789,310	150,805	157,843	13,837,254	18,947,153
OPEB adjustments	508,407	376,048	-	-	508,407	376,048
Total Deferred Inflows of Resources	14,194,856	19,165,358	150,805	157,843	14,345,661	19,323,201
Net Position:						
Net Investment in Capital Assets	18,737,526	13,640,776	2,765,434	4,365,481	21,502,960	18,006,257
Restricted	22,083,662	21,684,099	-	-	22,083,662	21,684,099
Unrestricted	(25,205,988)	(28,418,539)	(2,779,214)	(4,041,567)	(27,985,202)	(32,460,106)
Total Net Position	\$ 15,615,200	\$ 6,906,336	\$ (13,780)	\$ 323,914	\$ 15,601,420	\$ 7,230,250

Investments in capital assets are subject to various external restrictions on how they may be used.

The County's total net position increased by \$8,371,170. The primary cause for the increase resulted from the increase in capital assets.

**Sierra County
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

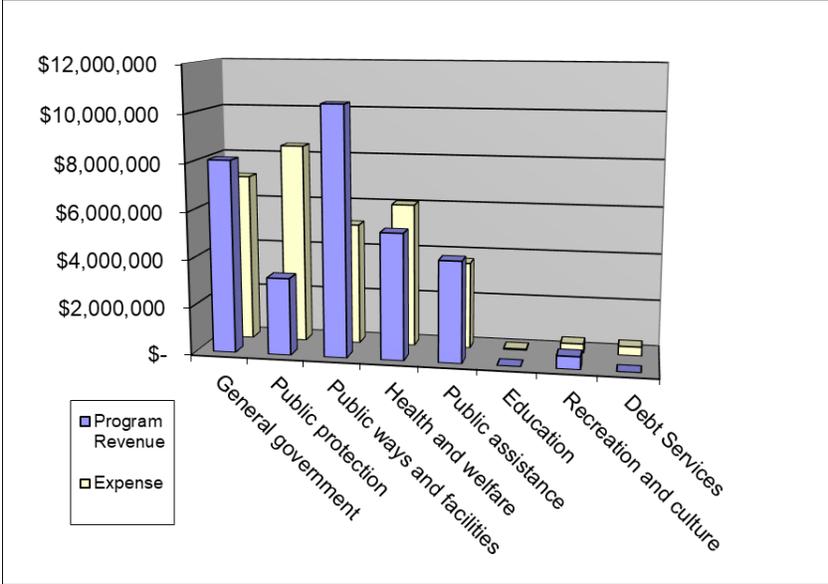
Governmental Activities. Governmental activities increased the County's net position by \$8,708,864. Key elements of this increase are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	\$ 3,656,686	\$ 4,014,551	\$ 1,118,553	\$ 1,215,502	\$ 4,775,239	\$ 5,230,053
Operating Grants & Contributions	23,076,007	17,139,034	228,695	215,327	23,304,702	17,354,361
Capital Grants	5,125,831	410,556	-	-	5,125,831	410,556
General Revenues:						
Property Taxes	4,647,598	4,163,876	176,937	177,453	4,824,535	4,341,329
Sales & Use Taxes	290,508	236,649	-	-	290,508	236,649
Other Taxes	527,919	494,825	-	-	527,919	494,825
Miscellaneous Revenues	2,625,564	1,749,463	-	-	2,625,564	1,749,463
Unrestricted Interest	580,983	398,307	29,590	23,637	610,573	421,944
Loss on disposal of capital asset	(615,277)	-	(1,000)	-	(616,277)	-
Total revenues	39,915,819	28,607,261	1,552,775	1,631,919	41,468,594	30,239,180
Expenditures						
General Government	7,081,109	4,308,526	-	-	7,081,109	4,308,526
Public Protection	8,438,765	9,706,145	-	-	8,438,765	9,706,145
Health & Welfare	6,054,230	6,699,490	-	-	6,054,230	6,699,490
Public Assistance	3,650,587	3,557,557	-	-	3,650,587	3,557,557
Education	54,415	36,851	-	-	54,415	36,851
Recreation & Cultural Services	397,686	432,421	-	-	397,686	432,421
Public Ways & Facilities	5,130,539	5,799,108	-	-	5,130,539	5,799,108
Interest on Long-Term Debt	377,979	400,862	-	-	377,979	400,862
Solid Waste	-	-	1,338,676	2,761,662	1,338,676	2,761,662
Sierra Brooks Water	-	-	351,606	389,681	351,606	-
Transit	-	-	221,832	237,722	221,832	237,722
Total Expenses	31,185,310	30,940,960	1,912,114	3,389,065	33,097,424	33,940,344
Excess (Deficiency) Over Expenses	8,730,509	(2,333,699)	(359,339)	(1,757,146)	8,371,170	(3,701,164)
Transfers	(21,645)	(11,758)	21,645	11,758	-	-
Change in Net Position	8,708,864	(2,345,457)	(337,694)	(1,745,388)	8,371,170	(3,701,164)
Net Position - Prior Year	6,906,336	9,251,793	323,914	2,123,161	7,230,250	11,374,954
Prior period adjustment	-	-	-	(53,859)	-	(53,859)
Net Position - Current Year	\$ 15,615,200	\$ 6,906,336	\$ (13,780)	\$ 323,914	\$ 15,601,420	\$ 7,619,931

- ❖ Property taxes increased by \$483,722 (11.6%) during the year. Sales tax increased by \$53,859.
- ❖ Contributions from others and Capital Grants are up primarily from increase in State programs, and Road and Park projects.

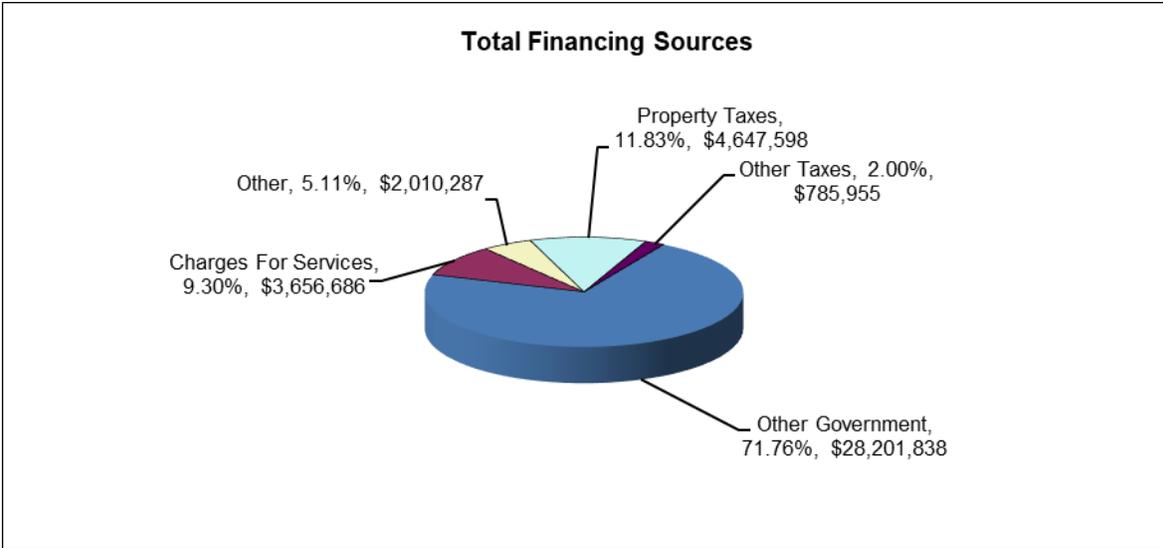
**Sierra County
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

Expenses and Program Revenues – Governmental Activities



	Program Revenues	Expenses
General government	\$ 8,090,240	\$ 7,081,109
Public protection	3,245,644	8,438,765
Public ways and facilities	10,444,740	5,130,539
Health and welfare	5,298,737	6,054,230
Public assistance	4,242,129	3,650,587
Education	1,188	54,415
Recreation and culture	535,846	397,686
Debt Services	-	377,979

Revenues by Source (in millions) – Governmental Activities



**Sierra County
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

The largest portion of revenue received by the County comes from Federal and State sources (approximately 71.8%). The second largest source comes from taxes (16.94%). However, it should be noted that of every \$1.00 collected in property tax approximately 35% benefits schools, with 52% going towards the funding of County services and programs, the City receiving less than 1% and Special Districts receive 12%. Only 20% of total county revenue received is discretionary (not dedicated at the source of funding to particular services/programs).

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-Type Activities. Three of Sierra County's funds are classified as business-type activities. The Solid Waste fund, Sierra Brooks Water and the Transit fund. The Transit Fund is a pass through of State funds to operate two senior van programs.

The Solid Waste fund consists of monitoring a closed landfill and four transfer stations. The County does not provide curb side pickup.

Sierra Brooks Water provides water to the community of Sierra Books out side of the City of Loyalton.

The County purchases services for a county-wide dial-a-ride van services.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the County of Sierra'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County of Sierra's governmental funds reported combined ending fund balances of \$24,609,146, which is available for spending on going operation, an increase of \$1,892,463 from the prior year. Approximately 8% of this total amount, \$1,354,378, constitutes unassigned fund balance. The remaining fund balance of \$23,254,678 is restricted to indicate that it is available for specific programs and projects. Most of the restricted are imposed for other governments which are the source of the funding, and are available to fund ongoing programs and projects in the special funds below.

The General fund is the general operating fund of the County of Sierra. The General fund balance increased by \$225,706 during the 2023/24 fiscal year. This was caused by operating revenues exceeding expenditures. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents of 11.52% total General fund expenditures, while total of all fund's unassigned balance 5.09% represents of that all fund's balances.

At the end of the current fiscal year, the Road Fund had a fund balance of (\$401,762), while non-spendable fund balance was \$94,919, representing inventory. As a measure of the Road Fund's liquidity, it may be useful to compare both restricted fund balance and total fund balance to total fund expenditures. The above deficit will be eliminated by combination of funds injected from the General fund and additional billings to other government agencies.

At the end of the current fiscal year, the Human Services fund had a balance of \$10,592,666.

**Sierra County
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

At the end of the current fiscal year, the Public Health and Drug Program fund had a balance of \$7,458,853.

Proprietary Funds. The County of Sierra’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to (\$2,779,214). The deficit in the Solid Waste is the reason for the full negative balance in the enterprise funds. The deficit is due to the closure and post-closure costs that are projected in future years but must be accounted for in the year incurred.

General Fund Budgetary Highlights

From 2009 thru 2014, the County of Sierra has experienced declining fund balances due to the State’s appropriation of local funds, increases in labor costs (health insurance, retirement, and workers compensation insurance) and declining property taxes. However, the County has experienced a gradual increase in revenues starting with the 2015 year. We expect over the next five years revenues to continue to keep up with rising costs.

Capital Asset and Debt Administration

Capital Assets. The County of Sierra’s investment in capital assets for its governmental and business type activities as of June 30, 2024, amounts to \$23,446,247 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, and bridges. The total increase in the County of Sierra’s investment in capital assets for the current fiscal year was net of current year depreciation. See Note 4 on pages 41-43.

Major capital asset events during the current fiscal year included the following:

**County of Sierra’s Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,055,098	\$ 1,055,098	\$ 122,124	\$ 122,124	\$ 1,177,222	\$ 1,177,222
Building and System	2,761,374	3,022,198	4,322,323	4,487,048	7,083,697	7,509,246
Machinery and Equipment	2,152,129	1,094,751	246,632	248,361	2,398,761	1,343,112
Infrastructure	9,170,179	6,622,176	-	-	9,170,179	6,622,176
Right to Use Leased Assets	17,592	35,186	-	-	17,592	35,186
Construction in Progress	3,566,783	1,814,605	-	-	3,566,783	1,814,605
Historical Treasures	32,013	32,013	-	-	32,013	32,013
Total	\$ 18,755,168	\$ 13,676,027	\$ 4,691,079	\$ 4,857,533	\$ 23,446,247	\$ 18,533,560

Additional information of the County of Sierra’s capital assets can be found in Note 4 on pages 41-43 of this report.

Long-Term Debt. At the end of the current fiscal year, the County of Sierra has total bonded debt outstanding of \$21,916,503, the debt consist of capital leases, landfill closure/post-closure costs, compensated absences and a pension bond.

**Sierra County
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

**County of Sierra’s Outstanding Debt
General Obligation and Revenue Bonds**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Pension Obligation Bond	\$ 15,252,416	\$ 17,001,221	\$ 188,779	\$ 210,424	\$ 15,441,195	\$ 17,211,645
Special Assessment Bond	-	-	1,925,645	1,965,245	1,925,645	1,965,245
Other (leases, comp balances & landfill closure)	571,306	558,386	3,978,357	3,840,113	4,549,663	4,398,499
Total	\$ 15,823,722	\$ 17,559,607	\$ 6,092,781	\$ 6,015,782	\$ 21,916,503	\$ 23,575,389

The County of Sierra’s total debt decreased by (\$1,658,886) (7.04%) during the current fiscal year. The key factor in this decrease was payments made on the debt.

Additional information on the County of Sierra’s long-term debt can be found in Notes 6, 7, and 8 on pages 44-47 of this report.

Economic Factors which Impacted Budget

All of the factors listed below were considered in preparing the County of Sierra’s budget for the 2023-2024 fiscal year.

- ❖ The unemployment rate for the County of Sierra is currently 4.3% (6-30-2024), which is no change from a year ago. This compares to the state’s average unemployment rate of 5.2%.

Requests for Information

The financial report is designed to provide a general overview of the County of Sierra’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 County of Sierra, Auditor/Controller Office, P.O. Box 425, Downieville, California, 95936.

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Basic Financial Statements

- **Government-Wide Financial Statements**

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COUNTY OF SIERRA
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 23,219,905	\$ 941,836	\$ 24,161,741
Receivables:			
Accounts	57,408	269	57,677
Taxes	248,971	15,497	264,468
Intergovernmental	4,674,738	35,183	4,709,921
Prepaid costs	3,141,107	-	3,141,107
Deposits	775	-	775
Inventory	94,919	-	94,919
Internal balances	102,200	(102,200)	-
Restricted cash and investments	-	707,093	707,093
Capital assets:			
Non-depreciable	4,653,894	122,124	4,776,018
Depreciable, net	14,101,274	4,568,955	18,670,229
Total capital assets	<u>18,755,168</u>	<u>4,691,079</u>	<u>23,446,247</u>
Total Assets	<u>50,295,191</u>	<u>6,288,757</u>	<u>56,583,948</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	11,714,572	124,328	11,838,900
Deferred OPEB adjustments	297,179	-	297,179
Total Deferred Outflows of Resources	<u>12,011,751</u>	<u>124,328</u>	<u>12,136,079</u>
LIABILITIES			
Accounts payable	1,063,379	37,775	1,101,154
Salaries and benefits payable	1,268,239	27,276	1,295,515
Retention payable	172,655	-	172,655
Accrued interest	-	11,913	11,913
Due to external agencies	102,200	-	102,200
Accrued claims liability	1,722,955	-	1,722,955
Long-term liabilities:			
Due within one year	2,343,744	62,020	2,405,764
Due in more than one year	13,479,978	6,030,761	19,510,739
Net pension liability	10,733,384	106,315	10,839,699
Total OPEB liability	<u>1,610,352</u>	<u>-</u>	<u>1,610,352</u>
Total Liabilities	<u>32,496,886</u>	<u>6,276,060</u>	<u>38,772,946</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	13,686,449	150,805	13,837,254
Deferred OPEB adjustments	508,407	-	508,407
Total Deferred Inflows of Resources	<u>14,194,856</u>	<u>150,805</u>	<u>14,345,661</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

COUNTY OF SIERRA
Statement of Net Position
June 30, 2024

NET POSITION	Governmental Activities	Business-Type Activities	Totals
Net investment in capital assets	\$ 18,737,526	\$ 2,765,434	\$ 21,502,960
Restricted for:			
General government	312,037	-	312,037
Public protection	3,219,270	-	3,219,270
Health and welfare	7,209,393	-	7,209,393
Public assistance	10,592,666	-	10,592,666
Culture and recreation	410,319	-	410,319
Public ways and facilities	339,977	-	339,977
Unrestricted	(25,205,988)	(2,779,214)	(27,985,202)
Total Net Position	\$ 15,615,200	\$ (13,780)	\$ 15,601,420

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

COUNTY OF SIERRA
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 7,081,109	\$ 2,616,362	\$ 5,473,878	\$ -
Public protection	8,438,765	162,622	3,083,022	-
Health and welfare	6,054,230	178,638	5,120,099	-
Public assistance	3,650,587	-	4,242,129	-
Education	54,415	1,188	-	-
Culture and recreation	397,686	-	535,846	-
Public ways and facilities	5,130,539	697,876	4,621,033	5,125,831
Interest on long-term debt	377,979	-	-	-
Total Governmental Activities	31,185,310	3,656,686	23,076,007	5,125,831
Business-type activities:				
Solid waste	1,338,676	983,591	30,000	-
Sierra Brooks Water	351,606	125,579	1,978	-
Transit	221,832	9,383	196,717	-
Total Business-Type Activities	1,912,114	1,118,553	228,695	-
Total	\$ 33,097,424	\$ 4,775,239	\$ 23,304,702	\$ 5,125,831

General revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Transient occupancy taxes
- Property transfer tax
- Timber yield tax
- Franchise fees
- Interest and investment earnings
- Miscellaneous
- Loss on disposal of capital asset

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business- Type Activities	Totals
\$ 1,009,131	\$ -	\$ 1,009,131
(5,193,121)	-	(5,193,121)
(755,493)	-	(755,493)
591,542	-	591,542
(53,227)	-	(53,227)
138,160	-	138,160
5,314,201	-	5,314,201
(377,979)	-	(377,979)
<u>673,214</u>	<u>-</u>	<u>673,214</u>
-	(325,085)	(325,085)
-	(224,049)	(224,049)
-	(15,732)	(15,732)
<u>-</u>	<u>(564,866)</u>	<u>(564,866)</u>
<u>673,214</u>	<u>(564,866)</u>	<u>108,348</u>
4,647,598	176,937	4,824,535
290,508	-	290,508
446,404	-	446,404
31,191	-	31,191
17,852	-	17,852
32,472	-	32,472
580,983	29,590	610,573
2,625,564	-	2,625,564
(615,277)	(1,000)	(616,277)
(21,645)	21,645	-
<u>8,035,650</u>	<u>227,172</u>	<u>8,262,822</u>
8,708,864	(337,694)	8,371,170
<u>6,906,336</u>	<u>323,914</u>	<u>7,230,250</u>
<u>\$ 15,615,200</u>	<u>\$ (13,780)</u>	<u>\$ 15,601,420</u>

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Basic Financial Statements

- **Fund Financial Statements**

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COUNTY OF SIERRA
Balance Sheet
Governmental Funds
June 30, 2024

	General	Road	Human Services	Public Health and Drug Programs
ASSETS				
Cash and investments	\$ 1,914,611	\$ 63,270	\$ 10,455,521	\$ 7,237,638
Receivables:				
Accounts	-	-	-	-
Taxes	246,885	-	-	-
Intergovernmental	894,213	1,858,626	296,049	1,343,847
Prepaid costs	3,105,164	-	-	35,943
Deposits	-	-	-	-
Inventory	-	94,919	-	-
Due from other funds	352,787	63,605	-	-
Total Assets	\$ 6,513,660	\$ 2,080,420	\$ 10,751,570	\$ 8,617,428
LIABILITIES				
Accounts payable	\$ 338,517	\$ 334,479	\$ 26,299	\$ 319,855
Salaries and benefits payable	612,982	187,315	132,605	335,337
Retention payable	41,032	131,623	-	-
Accrued claims liability	1,722,955	-	-	-
Due to other funds	-	303,625	-	-
Total Liabilities	2,715,486	957,042	158,904	655,192
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	562,926	1,525,140	-	503,383
Total Deferred Inflows of Resources	562,926	1,525,140	-	503,383
FUND BALANCES				
Nonspendable	1,382,209	94,919	-	-
Restricted	-	-	10,592,666	7,458,853
Unassigned	1,853,039	(496,681)	-	-
Total Fund Balances (Deficit)	3,235,248	(401,762)	10,592,666	7,458,853
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,513,660	\$ 2,080,420	\$ 10,751,570	\$ 8,617,428

The notes to the basic financial statements are an integral part of this statement.

Other Governmental Funds	Totals
\$ 3,548,865	\$23,219,905
57,408	57,408
2,086	248,971
282,003	4,674,738
-	3,141,107
775	775
-	94,919
2,000	418,392
<u>\$ 3,893,137</u>	<u>\$31,856,215</u>
\$ 44,229	\$ 1,063,379
-	1,268,239
-	172,655
-	1,722,955
114,767	418,392
<u>158,996</u>	<u>4,645,620</u>
<u>10,000</u>	<u>2,601,449</u>
<u>10,000</u>	<u>2,601,449</u>
-	1,477,128
3,726,121	21,777,640
(1,980)	1,354,378
<u>3,724,141</u>	<u>24,609,146</u>
<u>\$ 3,893,137</u>	<u>\$31,856,215</u>

COUNTY OF SIERRA
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2024

Total Fund Balances - Total Governmental Funds	\$ 24,609,146
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	18,737,576
Right-to-use capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	17,592
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues in the governmental funds.	2,601,449
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	12,011,751
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(14,194,856)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Bonds payable	(15,252,416)
Right-to-use lease payable	(17,643)
Compensated absences	(553,663)
Net pension liability	(10,733,384)
Total OPEB liability	<u>(1,610,352)</u>
Net Position of Governmental Activities	<u>\$ 15,615,200</u>

The notes to the basic financial statements are an integral part of this statement.

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COUNTY OF SIERRA
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Road	Human Services	Public Health and Drug Programs
REVENUES				
Taxes and assessments	\$ 5,374,797	\$ -	\$ -	\$ -
Licenses, permits, and franchises	119,404	7,015	-	-
Fines and forfeitures	60,222	-	-	-
Intergovernmental	5,255,402	9,468,905	4,212,229	5,369,559
Use of money and property	399,933	-	41,077	155,382
Charges for services	2,447,804	578,207	26,759	149,635
Other revenues	164,583	-	25,159	41,404
Total Revenues	13,822,145	10,054,127	4,305,224	5,715,980
EXPENDITURES				
Current:				
General government	6,771,867	-	-	-
Public protection	7,468,055	-	-	-
Health and welfare	3,524	-	-	6,018,785
Public assistance	135,569	-	3,488,698	-
Education	54,232	-	-	-
Culture and recreation	346,384	-	-	-
Public ways and facilities	174,935	3,912,012	-	-
Debt service:				
Principal	17,608	-	-	-
Interest and other charges	48	4,159	-	-
Capital outlay	1,113,548	5,740,716	63,857	44,092
Total Expenditures	16,085,770	9,656,887	3,552,555	6,062,877
Excess of Revenues Over (Under) Expenditures	(2,263,625)	397,240	752,669	(346,897)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,696,930	1,108,963	118,848	108,318
Transfers out	(241,240)	-	(146,543)	(73,293)
Proceeds from the sale of capital assets	33,641	-	-	-
Total Other Financing Sources (Uses)	2,489,331	1,108,963	(27,695)	35,025
Net Change in Fund Balances	225,706	1,506,203	724,974	(311,872)
Fund Balances - Beginning (Deficit)	3,009,542	(1,907,965)	9,867,692	7,770,725
Fund Balances - Ending (Deficit)	\$ 3,235,248	\$ (401,762)	\$ 10,592,666	\$ 7,458,853

The notes to the basic financial statements are an integral part of this statement.

Other Governmental Funds	Totals
\$ 87,476	\$ 5,462,273
-	126,419
34,838	95,060
3,655,920	27,962,015
(15,409)	580,983
265,274	3,467,679
<u>2,394,418</u>	<u>2,625,564</u>
<u>6,422,517</u>	<u>40,319,993</u>
327,208	7,099,075
373,141	7,841,196
-	6,022,309
-	3,624,267
-	54,232
-	346,384
17,519	4,104,466
1,748,805	1,766,413
373,772	377,979
<u>240,992</u>	<u>7,203,205</u>
<u>3,081,437</u>	<u>38,439,526</u>
<u>3,341,080</u>	<u>1,880,467</u>
77,494	4,110,553
(3,671,122)	(4,132,198)
-	33,641
<u>(3,593,628)</u>	<u>11,996</u>
(252,548)	1,892,463
<u>3,976,689</u>	<u>22,716,683</u>
<u>\$ 3,724,141</u>	<u>\$24,609,146</u>

COUNTY OF SIERRA
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 1,892,463

Amounts reported for governmental activities in the Statement of Activities are different because:

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

Expenditures for capital outlay	7,203,205
Less current year depreciation/amortization	(1,647,787)
Various adjustments	172,641

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale.

In the Statement of Activities, a gain or loss is reported for each disposal. This is the net cost of capital assets disposed. Proceeds from the sale of capital assets were \$33,641. (648,918)

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

Principal retirements	1,766,413
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Some revenues reported in the Statement of Activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in unavailable revenue	211,103
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Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Change in deferred outflows of resources related to pension	(5,216,643)
Change in deferred inflows of resources related to pension	5,102,861
Change in deferred outflows of resources related to OPEB	(24,734)
Change in deferred inflows of resources related to OPEB	(132,359)

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 the governmental funds.

Change in compensated absences	(30,528)
Change in net pension liability	(62,711)
Change in total OPEB liability	123,858

Change in Net Position of Governmental Activities \$ 8,708,864

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF SIERRA
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities			Totals
	Enterprise Funds			
	Major Funds	Nonmajor		
	Solid Waste	Sierra Brooks Water	Transit	
ASSETS				
Current Assets:				
Cash and investments	\$ 660,845	\$ 270,934	\$ 10,057	\$ 941,836
Receivables:				
Accounts	-	269	-	269
Taxes	12,661	2,836	-	15,497
Intergovernmental	-	188	34,995	35,183
Total Current Assets	673,506	274,227	45,052	992,785
Noncurrent Assets:				
Restricted cash and investments	707,093	-	-	707,093
Capital assets:				
Non-depreciable	122,124	-	-	122,124
Depreciable, net	180,724	4,325,463	62,768	4,568,955
Total capital assets	<u>302,848</u>	<u>4,325,463</u>	<u>62,768</u>	<u>4,691,079</u>
Total Noncurrent Assets	1,009,941	4,325,463	62,768	5,398,172
Total Assets	1,683,447	4,599,690	107,820	6,390,957
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	96,706	27,622	-	124,328
Total Deferred Outflows of Resources	96,706	27,622	-	124,328
LIABILITIES				
Current Liabilities:				
Accounts payable	31,926	5,849	-	37,775
Salaries and benefits payable	22,647	4,629	-	27,276
Accrued interest	-	11,913	-	11,913
Due to other funds	-	-	102,200	102,200
Bonds payable	16,095	45,925	-	62,020
Total Current Liabilities	70,668	68,316	102,200	241,184
Noncurrent Liabilities:				
Bonds payable	124,279	1,928,125	-	2,052,404
Closure/postclosure liability	3,978,357	-	-	3,978,357
Net pension liability	82,695	23,620	-	106,315
Total Noncurrent Liabilities	4,185,331	1,951,745	-	6,137,076
Total Liabilities	4,255,999	2,020,061	102,200	6,378,260
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	117,301	33,504	-	150,805
Total Deferred Inflows of Resources	117,301	33,504	-	150,805
NET POSITION				
Net investment in capital assets	302,848	2,399,818	62,768	2,765,434
Unrestricted	(2,895,995)	173,929	(57,148)	(2,779,214)
Total Net Position (Deficit)	\$ (2,593,147)	\$ 2,573,747	\$ 5,620	\$ (13,780)

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF SIERRA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Totals
	Enterprise Funds			
	Major Funds	Nonmajor		
	Solid Waste	Sierra Brooks Water	Transit	
OPERATING REVENUES				
Charges for services	\$ 983,591	\$ 125,579	\$ -	\$ 1,109,170
Passenger fares	-	-	9,383	9,383
Total Operating Revenues	983,591	125,579	9,383	1,118,553
OPERATING EXPENSES				
Salaries and benefits	320,128	50,642	-	370,770
Services and supplies	988,044	96,166	-	1,084,210
Purchased transportation	-	-	159,383	159,383
Administration	-	-	23,535	23,535
Depreciation	30,504	170,753	38,914	240,171
Total Operating Expenses	1,338,676	317,561	221,832	1,878,069
Operating Income (Loss)	(355,085)	(191,982)	(212,449)	(759,516)
NON-OPERATING REVENUES (EXPENSES)				
Taxes and assessments	(9,481)	186,418	-	176,937
Intergovernmental	30,000	1,978	196,717	228,695
Interest income	30,919	4,285	(5,614)	29,590
Interest expense	-	(34,045)	-	(34,045)
Gain (loss) on disposal of capital assets	-	-	(1,000)	(1,000)
Total Non-Operating Revenues (Expenses)	51,438	158,636	190,103	400,177
Income (Loss) Before Transfers	(303,647)	(33,346)	(22,346)	(359,339)
Transfers in	16,095	5,550	-	21,645
Change in Net Position	(287,552)	(27,796)	(22,346)	(337,694)
Total Net Position - Beginning (Deficit)	(2,305,595)	2,601,543	27,966	323,914
Total Net Position - Ending (Deficit)	\$ (2,593,147)	\$ 2,573,747	\$ 5,620	\$ (13,780)

The notes to the basic financial statements are an integral part of this statement.

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COUNTY OF SIERRA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Totals
	Enterprise Funds			
	Major Funds			
	Solid Waste	Sierra Brooks Water	Transit	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 983,591	\$ 126,618	\$ 9,383	\$ 1,119,592
Payments to suppliers	(859,229)	(96,208)	(182,918)	(1,138,355)
Payments to employees	(289,423)	(49,053)	-	(338,476)
Net Cash Provided (Used) by Operating Activities	(165,061)	(18,643)	(173,535)	(357,239)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	132	185,906	250,251	436,289
Intergovernmental revenue received	106,805	1,790	-	108,595
Transfers from other funds	16,095	5,550	-	21,645
Interfund loans received	-	-	102,200	102,200
Interfund loans repaid	43,183	-	(88,528)	(45,345)
Net Cash Provided (Used) by Noncapital Financing Activities	166,215	193,246	263,923	623,384
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	(74,717)	(74,717)
Principal paid on capital debt	(16,095)	(45,150)	-	(61,245)
Interest paid on capital debt	-	(34,047)	-	(34,047)
Net Cash Provided (Used) by Capital and Related Financing Activities	(16,095)	(79,197)	(74,717)	(170,009)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	30,919	4,285	(5,614)	29,590
Net Cash Provided (Used) by Investing Activities	30,919	4,285	(5,614)	29,590
Net Increase (Decrease) in Cash and Cash Equivalents	15,978	99,691	10,057	125,726
Balances - Beginning	1,351,960	171,243	-	1,523,203
Balances - Ending	\$ 1,367,938	\$ 270,934	\$ 10,057	\$ 1,648,929

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

COUNTY OF SIERRA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities			Totals
	Enterprise Funds			
	Major Funds	Nonmajor		
	Solid Waste	Sierra Brooks Water	Transit	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (355,085)	\$ (191,982)	\$ (212,449)	\$ (759,516)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	30,504	170,753	38,914	240,171
Decrease (increase) in:				
Accounts receivable	-	1,039	-	1,039
Pension adjustments - deferred outflows	3,206	10,160	-	13,366
Increase (decrease) in:				
Accounts payable	(9,429)	(42)	-	(9,471)
Salaries and benefits payable	1,736	190	-	1,926
Pension adjustments - deferred inflows	2,768	(9,806)	-	(7,038)
Net pension liability	22,995	1,045	-	24,040
Closure/postclosure liability	138,244	-	-	138,244
Net Cash Provided (Used) by Operating Activities	\$ (165,061)	\$ (18,643)	\$ (173,535)	\$ (357,239)

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

COUNTY OF SIERRA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Investment Trust Funds	Custodial Funds	Total Fiduciary Funds
ASSETS			
Cash and investments	\$ 14,425,218	\$ 396,201	\$ 14,821,419
Receivables:			
Accounts	103,543	-	103,543
Taxes	-	995,163	995,163
Intergovernmental	15,000	71,082	86,082
Due from other funds	-	102,200	102,200
	14,543,761	1,564,646	16,108,407
Total Assets			
LIABILITIES			
Accounts payable	2,820	40,087	42,907
	2,820	40,087	42,907
Total Liabilities			
NET POSITION			
Restricted for individuals, organizations, and other governments	14,540,941	1,524,559	16,065,500
	\$ 14,540,941	\$ 1,524,559	\$ 16,065,500
Total Net Position			

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF SIERRA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Investment Trust Funds	Custodial Funds	Total Fiduciary Funds
ADDITIONS			
Property taxes collected for other governments	\$ 5,300,227	\$ 980,002	\$ 6,280,229
Contributions to pooled investments	9,703,501	813,925	10,517,426
Net investment earnings	334,052	1,001,302	1,335,354
Total Additions	15,337,780	2,795,229	18,133,009
DEDUCTIONS			
Property taxes distributed to other governments	963,245	380,348	1,343,593
Distributions from pooled investments	12,627,312	2,061,511	14,688,823
Total Deductions	13,590,557	2,441,859	16,032,416
Net Increase (Decrease) in Fiduciary Net Position	1,747,223	353,370	2,100,593
Total Net Position - Beginning	12,793,718	1,171,189	13,964,907
Total Net Position - Ending	\$ 14,540,941	\$ 1,524,559	\$ 16,065,500

The notes to the basic financial statements are an integral part of this statement.

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Component Units

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

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

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Sierra, Auditor-Controller's Office at, 211 Nevada Street, Downieville, CA 95936.

Blended Component Units

Special Districts Governed by the Board of Supervisors - The County Board of Supervisors is the governing body of a number of special purpose district funds. Among its duties the County Board of Supervisors approves the budgets, special taxes, and fees of these special districts. As an integral part of the County, these special districts are reported as a nonmajor special revenue fund in the County's financial statements.

County Service Area No. 1
County Service Area No. 3
County Service Area No. 5

County Service Area No. 2
County Service Area No. 4
Verdi Fire Zone

Discretely Presented Component Units

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

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Joint Agencies

The County is a participant in Trindel Insurance Fund (Trindel) the purpose of which is to provide for the creation and operation of a common risk sharing and insurance purchasing pool to be used to meet the obligations of the member counties to provide Worker's Compensation benefits for their employees and to provide public liability and property damage insurance for its members. Trindel is governed by a Joint Powers Agreement between the member counties pursuant to Article 1 (commencing with Section 6500), Chapter 5 of Division 7, Title 1 of the Government Code of California. Complete audited financial statements can be obtained from their office at P.O. Box 2069, Weaverville, CA 96093. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

The County is a member of Public Risk Innovation, Solutions, and Management (PRISM). PRISM is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. PRISM operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. PRISM is under the control and direction of a board of directors consisting of representatives of the 55 member counties. Complete audited financial statements can be obtained from PRISM's office at 75 Iron Point Circle, Suite 200, Folsom, CA 95630. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

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

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

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

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

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, health and sanitation, public assistance, education, and general government administration services.
- The Road fund is a special revenue fund used to account for revenues and expenditures for streets and road expansion. Funding comes primarily from state highway user taxes and state and federal highway improvement grants.
- The Human Services fund is a special revenue fund used to account for revenues and expenditures for public assistance programs. Funding comes primarily from federal and state grants.
- The Public Health and Drug Programs fund is a special revenue fund used to account for revenue and expenditures for public health programs. Funding comes primarily from federal and state grants.

The County reports the following major proprietary fund:

- The Solid Waste fund is an enterprise fund used to account for activity related to providing customers with solid waste service.
- The Sierra Brooks Water fund is an enterprise fund used to account for activity related to providing water services to residents of the Sierra Brooks region.

Additionally, the County reports the following fund types:

- Investment Trust funds are used to report fiduciary activities from the external portion of an investment pool and individual investment accounts that are held in a trust. Participants include school districts, other special districts governed by local boards, regional boards and authorities, and cities that are required to keep cash in the County Treasury.
- Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These include unapportioned property taxes and other custodial funds.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus

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

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

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

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

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

E. Cash and Cash Equivalents

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

F. Investments

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

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments (Continued)

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2024, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

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

G. Restricted Cash and Investments

Restricted assets in the County's enterprise funds represent cash and investments held in the Solid Waste fund of \$707,093 for closure/post-closure funding.

H. Receivables

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

Receivables for business-type activities consist mainly of user fees, taxes and intergovernmental revenues. Management believes these receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

I. Other Assets

Inventory

Inventories are stated at cost (first-in, first-out basis) for governmental funds. Inventory recorded by governmental funds includes fuel, materials, and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Other Assets (Continued)

Prepaid Costs

Payments made for services that will benefit periods beyond June 30, 2024 are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, and similar items) are defined by the County as assets with an initial cost of more than \$7,500 and an estimated useful life in excess of one year. Repairs and upgrades to existing equipment and structures with a value of \$7,500 or more for equipment and \$10,000 or more for structures, and extends the useful life of the item for more than three years shall be capitalized. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

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

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 to 15 years
Structures and improvements	30 years
Infrastructure (except for the maintained pavement subsystem)	30 years

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

K. Property Tax

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

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

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Due dates	November 1 (1 st installment) February 1 (2 nd installment)	July 1
Delinquent dates	December 10 (1 st installment) April 10 (2 nd installment)	August 31

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax (Continued)

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

The County is legally required to maintain a minimum balance of 1 percent of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$509,041 at June 30, 2024. The County’s management believes that any ownership rights to the TLRF the County may have, are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s Teeter Plan and accounted for in a custodial fund.

L. Interfund Transactions

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

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

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

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

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

M. Unearned Revenue

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

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Compensated Absences

Vacation leave may be accumulated depending on the length of an employee's years of service, up to a maximum of 320 hours or 40 days. Sick leave is paid out only for employees with 15 years or more of employment with the County, at 40 percent of time accrued up to a maximum of 960 hours or 120 days. In the government-wide financial statements the accrued compensated absences are recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature.

O. Pension

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

P. Other Postemployment Benefits (OPEB)

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

Q. Deferred Outflows/Inflows of Resources

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

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items relate to inflows from changes in the net pension liability and total OPEB liability and are reportable on the Statement of Net Position.

R. 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.

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

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

Statement No. 99, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

Statement No. 100, Accounting Changes and Error Corrections. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

T. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

Statement No. 102 “Certain Risk Disclosures” The requirements of this statement are effective for fiscal years beginning after June 15, 2024. (FY 24/25)

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Future Accounting Pronouncements (Continued)

Statement No. 103 “Financial Reporting Model Improvements” The requirements of this statement are effective for fiscal years beginning after June 15, 2025. (FY 25/26)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balance/Net Position

The following major special revenue fund had a deficit fund balance:

- The Road fund had a fund balance deficit of \$401,762, which is expected to be eliminated in future years through increased revenues and recognition of long-term revenues.

The following major enterprise fund had a deficit net position:

- The Solid Waste fund had a net position deficit of \$2,593,147, which is expected to be eliminated in future years through increased revenues.

NOTE 3: CASH AND INVESTMENTS

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

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

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as Investment Trust Funds which do not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The investments of involuntary participants in the investment pool totaled \$14,425,218 at June 30, 2024.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

A. Financial Statement Presentation

As of June 30, 2024, the County's cash and investments are reported in the financial statements as follows:

Primary government	\$ 24,868,834
Investment trust funds	14,425,218
Custodial funds	<u>396,201</u>
Total Cash and Investments	<u>\$ 39,690,253</u>

As of June 30, 2024, the County's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 17,937
Deposits in Treasurer's Pool (less outstanding checks)	<u>1,810,350</u>
Total Cash	<u>1,828,287</u>
Investments:	
In Treasurer's Pool	<u>37,861,966</u>
Total Investments	<u>37,861,966</u>
Total Cash and Investments	<u>\$ 39,690,253</u>

B. Cash

At year end, the carrying amount of the County's cash deposits (including the amount in a checking account) was \$1,810,350 and the bank balance was \$2,038,825. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the County had cash on hand of \$17,937.

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

C. Investments

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

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Under the provisions of the County’s investment policy the County may invest or deposit in the following:

- Bankers’ Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Medium-Term Corporate Notes
- California Asset Management Program (CAMP)
- Negotiable Certificates of Deposit
- Time Certificates of Deposit
- Repurchase Agreements
- Investment Trust of California (CalTRUST)
- Securities of the Federal Government or its Agencies
- Supranationals

Fair Value of Investments - The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

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

At June 30, 2024, the County had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Federal Agencies	\$ 9,485,636	\$ -	\$ 9,485,636	\$ -
Medium-Term Corporate Notes	9,122,991	-	9,122,991	-
Supranationals	1,504,378	-	1,504,378	-
U.S. Treasuries	<u>14,115,416</u>	<u>-</u>	<u>14,115,416</u>	<u>-</u>
Total Investments Measured at Fair Value	34,228,421	<u>\$ -</u>	<u>\$34,228,421</u>	<u>\$ -</u>
Investments in External Investment Pools				
LAIF	100,406			
CAMP	<u>3,533,139</u>			
Total Investments	<u>\$ 37,861,966</u>			

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

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2024, the County had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Federal Agencies	0.375-4.875%	\$ 2,101,191	\$ 7,384,445	\$ 9,485,636	2.10
Medium-Term Corporate Notes	0.625-4.980%	4,663,065	4,459,926	9,122,991	1.55
Supranationals	0.500-4.375%	499,617	1,004,761	1,504,378	0.14
U.S. Treasuries	0.250-4.625%	5,936,784	8,178,632	14,115,416	2.32
LAIF	Variable	3,533,139	-	3,533,139	-
CAMP	Variable	100,406	-	100,406	-
Total Investments		<u>\$16,834,202</u>	<u>\$21,027,764</u>	<u>\$37,861,966</u>	<u>1.78</u>

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

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Federal Farm Credit Bank	-	AA+	Aaa	10.85%
Federal Home Loan Bank	-	AA+	Aaa	9.00%
Federal Home Loan Mortgage Corporation	-	AA+	Aaa	1.32%
Federal Home Loan Mortgage Corporation	-	AA+	Aaa	2.56%
Federal National Mortgage Association	-	AA+	Aaa	1.32%
Medium-Term Corporate Notes	A	A+	A1	1.85%
Medium-Term Corporate Notes	A	A	A1	4.46%
Medium-Term Corporate Notes	A	A-	A1	1.71%
Medium-Term Corporate Notes	A	A+	A2	1.72%
Medium-Term Corporate Notes	A	A	A2	5.69%
Medium-Term Corporate Notes	A	A-	A2	1.71%
Medium-Term Corporate Notes	A	A	A3	2.70%
Medium-Term Corporate Notes	A	A-	A3	0.81%
Medium-Term Corporate Notes	A	A+	Aa1	0.93%
Medium-Term Corporate Notes	A	AA	Aa2	0.79%
Medium-Term Corporate Notes	A	A+	Aa2	0.93%
Medium-Term Corporate Notes	A	A	Aa3	0.80%
Supranationals	A	AAA	Aaa	3.97%
U.S. Treasuries	-	AAA	AA+	37.28%
LAIF	N/A	NR	NR	9.33%
CAMP	N/A	NR	NR	0.27%
Total				<u>100.00%</u>

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2024, that represent 5 percent or more of total County investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	\$ 4,107,135	10.85%
Federal Home Loan Bank	3,408,684	9.00%

D. Investment in External Investment Pools

The County of Sierra maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2024, the County's investment in LAIF valued at amortized cost was \$100,406 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$178 billion. Of that amount, 97.00 percent is invested in non-derivative financial products and 3.00 percent in structured notes and asset-backed securities.

The County of Sierra also maintains an investment in the California Asset Management Program (CAMP), a California JPA established in 1989 by the treasurers and finance directors of several California agencies. CAMP was created to provide professional investment services to California public agencies at a reasonable cost. The County's investment with CAMP as of June 30, 2024, was \$3,533,139, which approximates fair value.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

E. County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's Pool at June 30, 2024:

	Internal Participants	External Participants	Total Pool
Statement of Net Position			
Cash on hand	\$ 17,937	\$ -	\$ 17,937
Deposits (less outstanding checks)	1,810,350	-	1,810,350
Investments	23,436,748	14,425,218	37,861,966
Net Position at June 30, 2024	\$ 25,265,035	\$ 14,425,218	\$ 39,690,253
Statement of Changes in Net Position			
Net position at July 1, 2023	\$ 23,957,129	\$ 12,857,035	\$ 36,814,164
Net changes in investments by pool participants	1,307,906	1,568,183	2,876,089
Net Position at June 30, 2024	\$ 25,265,035	\$ 14,425,218	\$ 39,690,253

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2024
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,055,098	\$ -	\$ -	\$ -	\$ 1,055,098
Construction in progress	1,814,605	5,727,260	(614,902)	(3,360,180)	3,566,783
Historical treasures	32,013	-	-	-	32,013
Total Capital Assets, Not Being Depreciated	2,901,716	5,727,260	(614,902)	(3,360,180)	4,653,894
Capital Assets, Being Depreciated:					
Infrastructure	21,452,645	-	-	3,360,180	24,812,825
Structures and improvements	8,826,366	-	-	-	8,826,366
Right-to-use leased buildings	20,066	-	(20,066)	-	-
Equipment	9,550,896	1,475,945	(204,835)	155,994	10,978,000
Right-to-use leased equipment	70,374	-	-	-	70,374
Total Capital Assets, Being Depreciated	39,920,347	1,475,945	(224,901)	3,516,174	44,687,565
Less Accumulated Depreciation For:					
Infrastructure	(14,830,469)	(812,177)	-	-	(15,642,646)
Structures and improvements	(5,804,168)	(260,824)	-	-	(6,064,992)
Right-to-use leased buildings	(20,066)	-	20,066	-	-
Equipment	(8,456,145)	(557,192)	170,819	16,647	(8,825,871)
Right-to-use leased equipment	(35,188)	(17,594)	-	-	(52,782)
Total Accumulated Depreciation	(29,146,036)	(1,647,787)	190,885	16,647	(30,586,291)
Total Capital Assets, Being Depreciated, Net	10,774,311	(171,842)	(34,016)	3,532,821	14,101,274
Governmental Activities Capital Assets, Net	\$ 13,676,027	\$ 5,555,418	(\$ 648,918)	\$ 172,641	\$ 18,755,168

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 4: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 122,124	\$ -	\$ -	\$ 122,124
Total Capital Assets, Not Being Depreciated	<u>122,124</u>	<u>-</u>	<u>-</u>	<u>122,124</u>
Capital Assets, Being Depreciated:				
Structures and improvements	4,967,902	-	-	4,967,902
Equipment	882,970	74,717	(49,586)	908,101
Total Capital Assets, Being Depreciated	<u>5,850,872</u>	<u>74,717</u>	<u>(49,586)</u>	<u>5,876,003</u>
Less Accumulated Depreciation For:				
Structures and improvements	(480,854)	(164,725)	-	(645,579)
Equipment	(634,609)	(75,446)	48,586	(661,469)
Total Accumulated Depreciation	<u>(1,115,463)</u>	<u>(240,171)</u>	<u>48,586</u>	<u>(1,307,048)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,735,409</u>	<u>(165,454)</u>	<u>(1,000)</u>	<u>4,568,955</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,857,533</u>	<u>(\$ 165,454)</u>	<u>(\$ 1,000)</u>	<u>\$ 4,691,079</u>

Depreciation

Depreciation expense was charged to governmental activities as follows:

General government	\$ 164,479
Public protection	317,261
Health and welfare	43,821
Public assistance	30,870
Culture and recreation	51,474
Public ways and facilities	<u>1,039,882</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,647,787</u>

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

Solid waste	\$ 30,504
Sierra Brooks Water	170,753
Transit	<u>38,914</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 240,171</u>

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on the Packer Lake Bridge, Salmon Lake Bridge, Plumbago Road Bridge, Gold Lake highway, Nevada Street Bridge, and Downieville Community Hall project road improvements. Construction in progress for business-type activities relates primarily to landfill closure.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 4: CAPITAL ASSETS (CONTINUED)

Historical Treasures

Historical treasures consist of 159 gold nuggets weighing approximately 1,000 ounces in total. The nuggets were originally donated to the County and are currently on exhibit at the Los Angeles County Museum of Natural History. The gold is insured for \$2,000,000, and was valued at fair market value at the time of donation in 1880. The gold is not capitalized because it has met all of the conditions to qualify as collections that are not required to be capitalized. These conditions are:

- The gold is held for public exhibition or education in the furtherance of public service, not held for financial gain.

NOTE 5: INTERFUND TRANSACTIONS

Due From/To Other Funds

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

The following are due from and due to balances as of June 30, 2024:

	Due From Other Funds	Due To Other Funds
General fund	\$ 352,787	\$ -
Road	63,605	303,625
Nonmajor governmental funds	2,000	114,767
Nonmajor enterprise funds	-	102,200
Custodial funds	102,200	-
Total	\$ 520,592	\$ 520,592

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2024:

	Transfers In	Transfers Out
General fund	\$ 2,696,930	\$ 241,240
Road	1,108,963	-
Human Services	118,848	146,543
Public Health and Drug Programs	108,318	73,293
Nonmajor governmental funds	77,494	3,671,122
Solid Waste	16,095	-
Sierra Brooks Water	5,550	-
Total	\$ 4,132,198	\$ 4,132,198

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds from direct borrowings	\$ 17,001,221	\$ -	(\$1,748,805)	\$ 15,252,416	\$ 1,772,438
Right-to-use leases	35,251	-	(17,608)	17,643	17,643
Compensated absences	523,135	510,418	(479,890)	553,663	553,663
Total Governmental Activities	<u>\$ 17,559,607</u>	<u>\$ 510,418</u>	<u>(\$2,246,303)</u>	<u>\$ 15,823,722</u>	<u>\$ 2,343,744</u>
Business-Type Activities					
Bonds from direct borrowings	\$ 2,175,669	\$ -	(\$ 61,245)	\$ 2,114,424	\$ 62,020
Closure/post-closure	3,840,113	138,244	-	3,978,357	-
Total Business-Type Activities	<u>\$ 6,015,782</u>	<u>\$ 138,244</u>	<u>(\$ 61,245)</u>	<u>\$ 6,092,781</u>	<u>\$ 62,020</u>

Compensated absences and right-to-use leases for governmental activities are generally liquidated by the fund where the accrued liability occurred. The closure/post-closure liability will be liquidated by the Solid Waste fund.

Individual issues of debt payable outstanding at June 30, 2024, are as follows:

Governmental Activities

Bonds from Direct Borrowings:

2022 Direct Borrowing Taxable Pension Obligation Bonds issued January 1, 2022, in the amount of \$18,990,000, due in annual installments of \$1,005,000 to \$2,190,000, with an interest rate of 0.92 to 2.78%, and a maturity on August 1, 2031. The bonds were issued to (a) finance a portion of the County's unfunded accrued actuarial liability (the "UAL") to the California Public Employees' Retirement System ("CalPERS") for the benefit of the County's miscellaneous employees, and (b) pay the costs of issuance of the Bonds. The bonds are secured by pledged revenue. In the event of default, the County agrees to pay accrued interest plus the principal of all unpaid installments under the related agreement. The bond proceeds and payments are allocated among governmental funds, proprietary funds, and to the courts.

	<u>\$ 15,252,416</u>
Total Bonds from Direct Borrowings	<u>15,252,416</u>
Total Governmental Activities	<u>\$ 15,252,416</u>

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Bonds from Direct Borrowings:

2019 Series Direct Borrowing Assessment District No. 2015-01 Limited Obligation Improvement Bonds, issued September 1, 2019 in the amount of \$2,080,145, due in annual installments of \$37,600 to \$73,045, with an interest rate of 1.75% and maturity date of September 2, 2058. The bonds were used for the purpose of acquisitions, work and improvements of County Service Area No. 5 (CSA). The bonds are secured by monies in the redemption fund and by the unpaid portion of the assessments made for the payment of improvements. The CSA is responsible for these Bonds and payments cannot be made from the General fund on behalf of the CSA.

\$ 1,925,645

2022 Direct Borrowing Taxable Pension Obligation Bonds issued January 1, 2022, in the amount of \$18,990,000, due in annual installments of \$1,005,000 to \$2,190,000, with an interest rate of 0.92 to 2.78%, and a maturity on August 1, 2031 The bonds were issued to (a) finance a portion of the County's unfunded accrued actuarial liability (the "UAL") to the California Public Employees' Retirement System ("CalPERS") for the benefit of the County's miscellaneous employees, and (b) pay the costs of issuance of the Bonds. The bonds are secured by pledged revenue. In the event of default, the County agrees to pay accrued interest plus the principal of all unpaid installments under the related agreement. The bond proceeds and payments are allocated among governmental funds, proprietary funds, and to the courts.

188,779

Total Bonds from Direct Borrowings

2,114,424

Total Business-Type Activities

\$ 2,114,424

Following is a schedule of debt payment requirements of governmental activities to maturity for long-term debt, right-to-use leases which are reported in Note 7, excluding compensated absences that have indefinite maturities, and landfill closure/post-closure costs which are reported in Note 7.

Governmental Activities

Year Ended June 30	Bonds from Direct Borrowings		
	Principal	Interest	Totals
2025	\$ 1,772,437	\$ 330,506	\$ 2,102,943
2026	1,800,797	301,632	2,102,429
2027	1,833,882	267,354	2,101,236
2028	1,871,694	227,773	2,099,467
2029	1,918,959	183,500	2,102,459
2030-2032	6,054,647	248,371	6,303,018
Total	\$ 15,252,416	\$ 1,559,136	\$ 16,811,552

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Year Ended June 30	Bonds from Direct Borrowings		
	Principal	Interest	Totals
2025	\$ 62,238	\$ 37,437	\$ 99,675
2026	63,288	36,368	99,656
2027	64,498	35,219	99,717
2028	65,666	33,992	99,658
2029	66,951	32,694	99,645
2030-2034	302,838	143,466	446,304
2035-2039	248,400	119,564	367,964
2040-2044	270,900	96,863	367,763
2045-2049	295,600	72,090	367,690
2050-2054	322,200	45,081	367,281
2055-2059	351,845	15,616	367,461
Total	\$ 2,114,424	\$ 668,390	\$ 2,782,814

NOTE 7: LEASES

Right-to-Use Equipment Liability

The County is the lessee under one equipment lease agreement, which meets the lease criteria as defined by GASB Statement No. 87, Leases.

The lease agreement for printers and copiers expires on June 30, 2025. As of June 30, 2024, the County's lease liability was \$17,643. The County is required to make monthly principal and interest payments of \$1,472. The lease has an interest rate of 0.20%. The value of the right-to-use asset and accumulated amortization as of June 30, 2024 were \$70,374 and \$52,782, respectively.

The future principal and lease payments as of June 30, 2024 are as follows:

Year Ended June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 17,643	\$ 19	\$ 17,662
Total	\$ 17,643	\$ 19	\$ 17,662

NOTE 8: CLOSURE/POST-CLOSURE

The County of Sierra is responsible for one operating landfill site. State and Federal laws and regulations require the County to perform certain closure and post-closure maintenance and monitoring functions at the site for thirty years after closure. GASB Statement No. 18 requires that a portion of these closure and post-closure care costs be reported as an operating expense in each year based on landfill capacity used as of each statement of net position date. The capacity of the landfill was formally reduced in 2012 following the County's adoption of a revised preliminary closure and post-closure maintenance plan which reflected the landfill's redesign to stay within its existing footprint. The redesign resulted in the total landfill capacity being reduced from 165,827 tons to 71,000 tons. The \$3,978,357 reported as closure/post-closure liability at June 30, 2024, represents the cumulative amount reported to date based on the estimate of 100.00 percent of total permitted site capacity filled.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: CLOSURE/POST-CLOSURE (CONTINUED)

The County will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure, post-closure, and corrective action care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulation.

The County is required by State and Federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and post-closure care costs in the future. At June 30, 2024, cash and investments of \$707,093 were held for these purposes. This deposit is held in the Solid Waste fund.

The County expects that future inflation costs will be paid from interest earnings on the funds deposited. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

The County has pledged Solid Waste assessments and fees to secure the payment of post-closure costs of the landfill in accordance with the terms and the provisions of the agreement with the California Department of Resources Recycling and Recovery (CalRecycle). The amount of the pledged revenue shall be equal to \$114,533 per year for the eighteen (18) year period of post-closure maintenance, representing the most recent monitoring and post-closure maintenance costs estimate for the Loyalton landfill. It is agreed that the amount of this pledge may increase or decrease to match any adjustments to the identified cost estimate, which is mutually agreed to by the County of Sierra and CalRecycle.

NOTE 9: NET POSITION

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

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$22,083,662 of restricted net position, of which \$22,083,662 is restricted by enabling legislation.

Net Position Flow Assumption

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

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: FUND BALANCES

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

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the County that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the County’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2024, were distributed as follows:

	General Fund	Road	Human Services	Public Health and Drug Programs	Other Governmental Funds	Totals
Nonspendable:						
Prepaid costs (net of claims liability)	\$ 1,382,209	\$ -	\$ -	\$ -	\$ -	\$ 1,382,209
Inventory	-	94,919	-	-	-	94,919
Subtotal	<u>1,382,209</u>	<u>94,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,477,128</u>
Restricted for:						
Social Service Programs	-	-	10,592,666	-	-	10,592,666
Public Health & Drug Programs	-	-	-	7,458,853	-	7,458,853
Fish and Game	-	-	-	-	9,820	9,820
Aviation	-	-	-	-	3,163	3,163
Predator Control	-	-	-	-	703	703
Clerk Recorder	-	-	-	-	108,388	108,388
Court Fines	-	-	-	-	62,087	62,087
Law Enforcement	-	-	-	-	2,712,312	2,712,312
Board of Supervisors	-	-	-	-	284,940	284,940
Fire Safe Programs	-	-	-	-	237,067	237,067
Tax Related Costs	-	-	-	-	73,881	73,881
Office of Emergency Services	-	-	-	-	28,714	28,714
Special Districts Under the Board	-	-	-	-	104,639	104,639
Debt Services	-	-	-	-	100,407	100,407
Subtotal	<u>-</u>	<u>-</u>	<u>10,592,666</u>	<u>7,458,853</u>	<u>3,726,121</u>	<u>21,777,640</u>
Unassigned	<u>1,853,039</u>	<u>(496,681)</u>	<u>-</u>	<u>-</u>	<u>(1,980)</u>	<u>1,354,378</u>
Total	<u>\$ 3,235,248</u>	<u>(\$ 401,762)</u>	<u>\$10,592,666</u>	<u>\$ 7,458,853</u>	<u>\$ 3,724,141</u>	<u>\$24,609,146</u>

Fund Balance Flow Assumptions

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

Fund Balance Policy

The Board of Supervisors has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for a measure of financial protection for the County against unforeseen circumstances and to comply with GASB 54. The minimum unrestricted fund balance may be recognized within the committed, assigned, or unassigned classifications.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County’s Safety and Miscellaneous (all other) Employee Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

Summary of Rate of Tiers and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Safety County Peace Officer PEPRA	Active safety employees hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013
Safety	Safety employees hired before January 1, 2013

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law.

Each Rate Tier’s specific provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.7% @ 55	50-55	2.000% to 2.700%
Miscellaneous PEPRA	2.0% @ 62	52-67	1.000% to 2.500%
Safety	3.0% @ 55	50-55	2.400% to 3.000%
Safety County Peace Officer PEPRA	2.7% @ 57	50-57	2.000% to 2.700%

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	15.950%	8.00%	0.00%
Miscellaneous PEPRA	7.680%	7.75%	0.00%
Safety	24.150%	9.00%	0.00%
Safety County Peace Officer PEPRA	13.540%	13.00%	0.00%

For the year ended June 30, 2024, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 1,148,311	\$ -
Safety	284,767	-

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

The County's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The County's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

	<u>Proportion June 30, 2023</u>	<u>Proportion June 30, 2024</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.17686%	.16019%	(.01667%)
Safety	.03903%	.03786%	(.00117%)

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

As of June 30, 2024, the County reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 8,009,983
Safety	<u>2,829,716</u>
Total Net Pension Liability	<u>\$ 10,839,699</u>

For the year ended June 30, 2024, the County recognized pension expense of \$1,346,793. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 1,046,040	\$ -
Change in assumptions	648,745	-
Difference between expected and actual experience	616,947	(81,262)
Difference between projected and actual earnings on pension plan investments	1,684,134	-
Difference between County contributions and proportionate share of contributions	7,789,248	(1,653,310)
Adjustment due to differences in proportions	<u>53,786</u>	<u>(12,102,682)</u>
Total	<u>\$ 11,838,900</u>	<u>(\$ 13,837,254)</u>

\$1,046,040 reported 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, 2025. 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 Ended June 30</u>		
2025		(\$ 2,138,997)
2026		(1,637,651)
2027		684,233
2028		<u>48,021</u>
Total		<u>(\$ 3,044,394)</u>

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80 percent of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the CalPERS 2021 experience study that can be found on the CalPERS website.

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (1, 2)</u>
Global Equity – Cap-Weighted	30.0%	4.54%
Global Equity – Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging 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>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management Study

Discount Rate

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

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

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

	1% Decrease <u>5.90%</u>	Discount Rate <u>6.90%</u>	1% Increase <u>7.90%</u>
Miscellaneous	\$ 17,716,853	\$ 8,009,983	\$ 20,643
Safety	6,156,129	2,829,716	110,136

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Pension Plan Fiduciary Net Position

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

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The County's defined benefit OPEB plan (the Plan) provides OPEB for all permanent full-time general and public safety employees of the County. The Plan is a single-employer defined benefit plan administered by the California Public Employees' Retirement System (CalPERS). The Board of Supervisors reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The County provides the following OPEB: retiree medical, dental and vision plan coverage.

The coverage is available for employees who meet the following eligibility requirements:

- For miscellaneous and safety non-management employees, those who retire directly from the County having completed at least 20 years of County service. Benefits do not begin unless/until the employee commences his or her retirement benefit under PERS.
- For management employees and County Board members, those who terminate or retire with at least 10 years of service with the County. PERS retirement is not required for employees to begin receiving the benefit.

Employees who do not satisfy the requirements above are not entitled to a County paid subsidy nor may they continue their coverage beyond the applicable COBRA period.

For those employees who satisfy the requirements above, the County pays for 100 percent of the cost of healthcare coverage for the employee and spouse up to an amount fixed at the time each employee separates from service. This cap was set at \$1,020 at the time of the valuation. Should the healthcare premiums increase beyond the retiree's cap amount, the retiree is required to pay the excess amount.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

Benefits and coverage (except for COBRA coverage, if applicable) ends under the County’s healthcare plans under the following circumstances:

- ▶ A non-management employee hired prior to September 1, 1990 becomes eligible for Medicare
- ▶ A non-management employee hired on or after September 1, 1990 has received benefits for 5 years or, if earlier, becomes eligible for Medicare
- ▶ A management employee or County Board member becomes eligible for Medicare or has a new job that offers coverage
- ▶ At the retiree’s death

The 2024 monthly healthcare premium rates are shown below. The top chart shows the composite rates for medical, dental and vision coverage. The lower chart shows the medical premiums only, which are used in the valuation to develop expected retiree claims by age and the implicit subsidy liability.

Combined M/D/V: Active or Retiree	Gold	Silver	EPO	HSA
Employee only	\$ 1,311.65	\$ 958.36	\$ 1,557.82	\$ 1,102.56
Employee +1	2,607.53	1,899.92	3,102.96	2,194.50
Employee + Family	3,424.50	2,501.62	4,070.31	2,885.81

Medical Only: Active or Retiree	Gold	Silver	EPO	HSA
Employee only	\$ 1,251.45	\$ 898.16	\$ 1,497.62	\$ 1,042.36
Employee +1	2,503.93	1,796.32	2,999.36	2,090.90
Employee + Family	3,254.80	2,331.92	3,900.61	2,716.11

Plan Members Covered by Benefit Terms

At June 30, 2024 the following plan members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	5
Active plan members	<u>75</u>
Total	<u>80</u>

B. Total OPEB Liability

The County’s total OPEB liability of \$1,610,352 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	Last day of the prior fiscal year (June 30, 2023)
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Not Applicable (\$0; no OPEB trust has been established)
Municipal Bond Index	S&P General Obligation 20-year High Grade Municipal Bond Index
Discount rate	4.13% as of June 30, 2023, and 4.09% as of June 30, 2022
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are included.
Salary Increase	3.00% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
General Inflation Rate	2.50% per year
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2017.
Healthcare cost trend rates	14.00% for 2024, 6.50% for 2025, 6.00% for 2026, 5.50% for 2027, decreasing .1% per year to an ultimate rate of 3.90% for 2075 and later years

Demographic actuarial assumptions used in the valuation are based on the 2021 Experience Study of the California Public Employees Retirement System using data from 1997 to 2019, and applicable to the County's employees and retirees, except projection of future mortality improvement.

C. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at Fiscal Year Ending June 30, 2023	\$ <u>1,734,210</u>
Changes during the period:	
Service cost	95,753
Interest cost	72,826
Differences between expected and actual experience	(85,859)
Changes of assumptions	(107,820)
Benefit payments	<u>(98,758)</u>
Net changes	<u>(123,858)</u>
Balance at Fiscal Year Ending June 30, 2024	\$ <u>1,610,352</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.09 percent to 4.13 percent.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Total OPEB Liability (Continued)

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

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

	<u>1% Decrease</u> 3.13%	<u>Current Rate</u> 4.13%	<u>1% Increase</u> 5.13%
Total OPEB liability	\$ 1,727,978	\$ 1,610,352	\$ 1,500,035

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

The following presents the total OPEB liability of the County, as well as what the County's total 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:

	<u>Current Trend</u> -1%	<u>Current Trend</u>	<u>Current Trend</u> +1%
Total OPEB Liability	\$ 1,472,529	\$ 1,610,352	\$ 1,768,089

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$132,627. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Changes of assumptions	\$ 90,207	(\$ 419,020)
Contributions made subsequent to the measurement date	99,392	-
Difference between expected and actual experience	<u>107,580</u>	<u>(89,387)</u>
Total	<u>\$ 297,179</u>	<u>(\$ 508,407)</u>

\$99,392 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>June 30</u>	
2025	(\$ 35,952)
2026	(35,952)
2027	(35,952)
2028	(33,261)
2029	(31,297)
Thereafter	<u>(138,206)</u>
	<u>(\$ 310,620)</u>

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 13: DEFERRED COMPENSATION PLAN

Employees of the County of Sierra may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the County. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries is to be held in trust for the exclusive benefit of plan participants and their beneficiaries.

The deferred compensation balance is not considered an asset of the County and, therefore, does not appear in the financial statements.

NOTE 14: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County is a member of the Trindel Insurance Fund, a joint powers agency (JPA). The JPA is classified as a claims-servicing or account pool, which results in the County retaining the risk of loss and being considered self-insured with regard to liability coverage for the first \$100,000 of general liability per occurrence. The County maintains reserves on hand with the JPA for all known claims as calculated by the actuary and a prudent reserve for the deductibles for future claims.

The County also belongs to another larger JPA called Public Risk Innovation, Solutions, and Management (PRISM). PRISM, along with other commercial carriers, increases the coverage for general liability to \$25 million. Also, PRISM, with other commercial carriers, covers replacement cost on property to \$50 million with a \$1,000 deductible per occurrence. The County has funded the first \$300,000 coverage for Workers' Compensation insurance through a JPA.

Settled claims have not exceeded the commercial coverage in any of the past three fiscal years and there has not been a significant reduction in coverage in fiscal year 2023/2024.

The claims liability of the County is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

All funds of the County participate in the program and the cost of the coverage is recorded in each participating fund. The County's investment in the Trindel Insurance fund of \$1,382,029 (net) is included in the General fund as prepaid costs/accrued claims liability.

COUNTY OF SIERRA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 14: RISK MANAGEMENT (CONTINUED)

Changes in the County’s claims liability amount for the fiscal years 2022, 2023 and 2024 were as follows:

	<u>Balance at</u> <u>Beginning of</u> <u>Fiscal Year</u>	<u>Current Year</u> <u>Claims and</u> <u>Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at</u> <u>End of</u> <u>Fiscal Year</u>
2022	\$ 1,899,054	\$ 430,341	(\$ 320,727)	\$ 2,008,668
2023	2,008,668	(153,291)	(158,733)	1,696,644
2024	1,696,644	542,470	(516,159)	1,722,955

NOTE 15: OTHER INFORMATION

A. Commitments and Contingencies

At June 30, 2024, the County had construction commitments outstanding of approximately \$1,244,863.

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

B. Subsequent Events

Management has evaluated events subsequent to June 30, 2024 through January 23, 2025, the date on which the financial statements were available for issuance. Management has determined no other subsequent events requiring disclosure have occurred.

**Required Supplementary Information
(Unaudited)**

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COUNTY OF SIERRA
Required Supplementary Information
County Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2024
Last 10 Years

Measurement Date	2013/2014	2014/2015	2015/2016	2016/2017
Miscellaneous				
Proportion of the net pension liability	0.13913%	0.16660%	0.16738%	0.19191%
Proportionate share of the net pension liability	\$ 8,657,213	\$ 11,437,030	\$ 14,483,260	\$ 16,606,467
Covered payroll	4,505,952	4,556,607	4,801,525	5,107,528
Proportionate share of the net pension liability as a percentage of covered payroll	192.13%	251.00%	301.64%	325.14%
Plan fiduciary net position as a percentage of the total pension liability	83.03%	77.92%	72.68%	71.22%
Safety				
Proportion of the net pension liability	0.04919%	0.04330%	0.04508%	0.05098%
Proportionate share of the net pension liability	\$ 3,060,592	\$ 2,973,244	\$ 3,901,046	\$ 4,411,224
Covered payroll	907,388	987,941	964,745	1,051,179
Proportionate share of the net pension liability as a percentage of covered payroll	337.30%	300.95%	404.36%	419.65%
Plan fiduciary net position as a percentage of the total pension liability	78.92%	81.18%	76.32%	75.81%

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
0.41358%	0.44128%	0.44868%	0.66578%	0.17686%	0.16019%
\$ 15,586,488	\$ 17,671,040	\$ 18,925,471	\$ 12,641,765	\$ 8,275,503	\$ 8,009,983
5,456,647	5,781,297	6,339,886	6,761,490	7,024,484	7,397,694
285.64%	305.66%	298.51%	186.97%	117.81%	108.28%
72.41%	71.45%	70.38%	80.79%	87.99%	88.84%
0.07387%	0.07617%	0.07949%	0.08492%	0.03903%	0.03786%
\$ 4,334,167	\$ 4,755,111	\$ 5,296,208	\$ 2,980,242	\$ 2,681,653	\$ 2,829,716
923,756	904,302	881,589	880,909	1,013,246	979,565
469.19%	525.83%	600.76%	338.31%	264.66%	288.87%
76.98%	76.57%	75.27%	86.43%	88.35%	88.33%

COUNTY OF SIERRA
Required Supplementary Information
County Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2024
Last 10 Years

Fiscal Year	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
Miscellaneous				
Contractually required contributions (actuarially determined)	\$ 1,575,804	\$ 484,762	\$ 1,160,151	\$ 1,109,258
Contributions in relation to the actuarially determined contributions	<u>(1,575,804)</u>	<u>(1,034,728)</u>	<u>(1,160,151)</u>	<u>(1,109,258)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (549,966)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,556,607	\$ 4,801,525	\$ 5,107,528	\$ 5,456,647
Contributions as a percentage of covered payroll	34.58%	21.55%	22.71%	20.33%
Safety				
Contractually required contributions (actuarially determined)	\$ 372,624	\$ 191,574	\$ 422,767	\$ 376,396
Contributions in relation to the actuarially determined contributions	<u>(372,624)</u>	<u>(419,022)</u>	<u>(422,767)</u>	<u>(376,396)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (227,448)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 987,941	\$ 964,745	\$ 1,051,179	\$ 923,756
Contributions as a percentage of covered payroll	37.72%	43.43%	40.22%	40.75%

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
\$ 1,476,955	\$ 1,712,439	\$ 2,189,003	\$ 2,184,103	\$ 1,148,311	\$ 838,961
<u>(1,476,955)</u>	<u>(1,712,439)</u>	<u>(2,189,003)</u>	<u>(16,944,484)</u>	<u>(1,148,311)</u>	<u>(838,961)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,760,381)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,781,297 25.55%	\$ 6,339,886 27.01%	\$ 6,761,490 32.37%	\$ 7,024,484 241.22%	\$ 7,397,694 15.52%	\$ 7,992,200 10.50%
\$ 351,547	\$ 410,892	\$ 127,930	\$ 536,157	\$ 284,767	\$ 207,079
<u>(351,547)</u>	<u>(410,892)</u>	<u>(127,930)</u>	<u>(4,511,190)</u>	<u>(284,767)</u>	<u>(207,079)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,975,033)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 904,302 38.87%	\$ 881,589 46.61%	\$ 880,909 14.52%	\$ 1,013,246 445.22%	\$ 979,565 29.07%	\$ 1,197,943 17.29%

COUNTY OF SIERRA
Required Supplementary Information
County Pension Plan
Notes to County Pension Plan
For the Year Ended June 30, 2024

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	6.80%
Inflation	2.30%
Salary increases	Varies based on entry age and service

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COUNTY OF SIERRA
Required Supplementary Information
County OPEB Plan
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2024
Last 10 Years*

Fiscal Year	2017/2018	2018/2019	2019/2020	2020/2021
Total OPEB Liability				
Service cost	\$ 121,029	\$ 116,005	\$ 122,791	\$ 111,860
Interest	53,961	60,819	58,641	50,113
Differences between expected and actual experience	(1)	-	(19,733)	-
Changes of assumptions	(58,612)	20,026	(148,883)	15,973
Benefit payments	(184,302)	(179,123)	(178,668)	(168,424)
Net Change in Total OPEB Liability	(67,925)	17,727	(165,852)	9,522
Total OPEB Liability - Beginning	1,984,574	1,916,649	1,934,376	1,768,524
Total OPEB Liability - Ending (a)	<u>\$ 1,916,649</u>	<u>\$ 1,934,376</u>	<u>\$ 1,768,524</u>	<u>\$ 1,778,046</u>
Covered-employee payroll	\$ 5,912,691	\$ 5,949,898	\$ 6,408,023	\$ 6,939,137
Total OPEB liability as a percentage of covered-employee payroll	32.42%	32.51%	27.60%	25.62%

Note:
The County of Sierra has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

* The County implemented GASB 75 for the fiscal year June 30, 2018, therefore only seven years are shown.

<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
\$ 117,696	\$ 127,870	\$ 95,753
47,960	44,506	72,826
147,573	-	(85,859)
97,368	(262,402)	(107,820)
<u>(185,498)</u>	<u>(178,909)</u>	<u>(98,758)</u>
225,099	(268,935)	(123,858)
<u>1,778,046</u>	<u>2,003,145</u>	<u>1,734,210</u>
<u>\$ 2,003,145</u>	<u>\$ 1,734,210</u>	<u>\$ 1,610,352</u>
\$ 7,232,979	\$ 7,638,331	\$ 8,664,279
27.69%	22.70%	18.59%

COUNTY OF SIERRA
Required Supplementary Information
County OPEB Plan
Note to County OPEB Plan
For the Year Ended June 30, 2024

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

Changes of Assumptions

The discount rate was changed from 4.09 percent as of the June 30, 2022 measurement date to 4.13 percent as of the June 30, 2023 measurement date, based on the published change in return for the applicable municipal bond index.

COUNTY OF SIERRA
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 4,799,450	\$ 5,089,450	\$ 5,374,797	\$ 285,347
Licenses, permits, and franchises	123,300	123,300	119,404	(3,896)
Fines and forfeitures	26,000	26,000	60,222	34,222
Intergovernmental	5,037,869	5,166,716	5,255,402	88,686
Use of money and property	285,000	324,000	399,933	75,933
Charges for services	2,427,331	2,427,331	2,447,804	20,473
Other revenues	1,162,000	1,162,000	164,583	(997,417)
Total Revenues	13,860,950	14,318,797	13,822,145	(496,652)
EXPENDITURES				
Current:				
General government	5,385,492	5,498,339	6,771,867	(1,273,528)
Public protection	7,137,594	7,399,594	7,468,055	(68,461)
Health and welfare	8,710	8,710	3,524	5,186
Public assistance	153,291	153,291	135,569	17,722
Education	62,523	62,523	54,232	8,291
Culture and recreation	484,270	484,270	346,384	137,886
Public ways and facilities	3,427,944	3,567,604	174,935	3,392,669
Debt service:				
Principal	-	-	17,608	(17,608)
Interest and other charges	-	-	48	(48)
Capital outlay	-	-	1,113,548	(1,113,548)
Total Expenditures	16,659,824	17,174,331	16,085,770	1,088,561
Excess of Revenues Over (Under) Expenditures	(2,798,874)	(2,855,534)	(2,263,625)	591,909
OTHER FINANCING SOURCES (USES)				
Transfers in	2,404,821	2,600,481	2,696,930	96,449
Transfers out	(219,912)	(554,572)	(241,240)	313,332
Total Other Financing Sources (Uses)	2,184,909	2,045,909	2,455,690	409,781
Net Change in Fund Balances	(613,965)	(809,625)	192,065	1,001,690
Fund Balances - Beginning	3,009,542	3,009,542	3,009,542	-
Fund Balances - Ending	\$ 2,395,577	\$ 2,199,917	\$ 3,201,607	\$ 1,001,690

COUNTY OF SIERRA
Required Supplementary Information
Budgetary Comparison Schedule
Road - Major Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses, permits, and franchises	\$ -	\$ -	\$ 7,015	\$ 7,015
Intergovernmental	19,158,011	19,158,011	9,468,905	(9,689,106)
Charges for services	600,000	600,000	578,207	(21,793)
Other revenues	5,000	5,000	-	(5,000)
Total Revenues	<u>19,763,011</u>	<u>19,763,011</u>	<u>10,054,127</u>	<u>(9,708,884)</u>
EXPENDITURES				
Current:				
Public ways and facilities	20,191,448	20,191,448	3,912,012	16,279,436
Debt service:				
Interest and other charges	-	-	4,159	(4,159)
Capital outlay	1,999	394,682	5,740,716	(5,346,034)
Total Expenditures	<u>20,193,447</u>	<u>20,586,130</u>	<u>9,656,887</u>	<u>10,929,243</u>
Excess of Revenues Over (Under) Expenditures	<u>(430,436)</u>	<u>(823,119)</u>	<u>397,240</u>	<u>1,220,359</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	824,163	1,336,646	1,108,963	(227,683)
Total Other Financing Sources (Uses)	<u>824,163</u>	<u>1,336,646</u>	<u>1,108,963</u>	<u>(227,683)</u>
Net Change in Fund Balances	393,727	513,527	1,506,203	992,676
Fund Balances - Beginning (Deficit)	<u>(1,907,965)</u>	<u>(1,907,965)</u>	<u>(1,907,965)</u>	<u>-</u>
Fund Balances - Ending (Deficit)	<u>\$ (1,514,238)</u>	<u>\$ (1,394,438)</u>	<u>\$ (401,762)</u>	<u>\$ 992,676</u>

COUNTY OF SIERRA
Required Supplementary Information
Budgetary Comparison Schedule
Human Services - Major Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,124,720	\$ 3,124,720	\$ 4,212,229	\$ 1,087,509
Use of money	4,000	4,000	41,077	37,077
Charges for services	-	-	26,759	26,759
Other revenues	148,000	148,000	25,159	(122,841)
Total Revenues	<u>3,276,720</u>	<u>3,276,720</u>	<u>4,305,224</u>	<u>1,028,504</u>
EXPENDITURES				
Current:				
General government	85,317	85,317	-	85,317
Public assistance	4,201,603	4,201,603	3,488,698	712,905
Capital outlay	-	-	63,857	(63,857)
Total Expenditures	<u>4,286,920</u>	<u>4,286,920</u>	<u>3,552,555</u>	<u>734,365</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,010,200)</u>	<u>(1,010,200)</u>	<u>752,669</u>	<u>1,762,869</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	118,848	118,848
Transfers out	-	(67,272)	(146,543)	(79,271)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(67,272)</u>	<u>(27,695)</u>	<u>39,577</u>
Net Change in Fund Balances	<u>(1,010,200)</u>	<u>(1,077,472)</u>	<u>724,974</u>	<u>1,802,446</u>
Fund Balances - Beginning	<u>9,867,692</u>	<u>9,867,692</u>	<u>9,867,692</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 8,857,492</u>	<u>\$ 8,790,220</u>	<u>\$ 10,592,666</u>	<u>\$ 1,802,446</u>

COUNTY OF SIERRA
Required Supplementary Information
Budgetary Comparison Schedule
Public Health and Drug Programs - Major Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 8,734,287	\$ 9,706,867	\$ 5,369,559	\$ (4,337,308)
Use of money	50,775	50,775	155,382	104,607
Charges for services	206,546	206,546	149,635	(56,911)
Other revenues	5,326	5,326	41,404	36,078
Total Revenues	<u>8,996,934</u>	<u>9,969,514</u>	<u>5,715,980</u>	<u>(4,253,534)</u>
EXPENDITURES				
Current:				
Health and welfare	7,784,625	7,784,625	6,018,785	1,765,840
Capital outlay	-	-	44,092	(44,092)
Total Expenditures	<u>7,784,625</u>	<u>7,784,625</u>	<u>6,062,877</u>	<u>1,721,748</u>
Excess of Revenues Over (Under) Expenditures	<u>1,212,309</u>	<u>2,184,889</u>	<u>(346,897)</u>	<u>(2,531,786)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	67,272	108,318	41,046
Transfers out	-	(1,022,580)	(73,293)	949,287
Total Other Financing Sources (Uses)	<u>-</u>	<u>(955,308)</u>	<u>35,025</u>	<u>990,333</u>
Net Change in Fund Balances	1,212,309	1,229,581	(311,872)	(1,541,453)
Fund Balances - Beginning	<u>7,770,725</u>	<u>7,770,725</u>	<u>7,770,725</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 8,983,034</u>	<u>\$ 9,000,306</u>	<u>\$ 7,458,853</u>	<u>\$ (1,541,453)</u>

COUNTY OF SIERRA
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2024

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

The County does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

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Combining Nonmajor Fund Financial Statements

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Nonmajor Governmental Funds

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COUNTY OF SIERRA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue	Debt Service	Totals
ASSETS			
Cash and investments	\$ 3,506,641	\$ 42,224	\$ 3,548,865
Receivables:			
Accounts	-	57,408	57,408
Taxes	2,086	-	2,086
Intergovernmental	282,003	-	282,003
Deposits	-	775	775
Due from other funds	2,000	-	2,000
	\$ 3,792,730	\$ 100,407	\$ 3,893,137
LIABILITIES			
Accounts payable	\$ 44,229	\$ -	\$ 44,229
Due to other funds	114,767	-	114,767
	158,996	-	158,996
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	10,000	-	10,000
	10,000	-	10,000
FUND BALANCES			
Restricted	3,625,714	100,407	3,726,121
Unassigned	(1,980)	-	(1,980)
	3,623,734	100,407	3,724,141
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,792,730	\$ 100,407	\$ 3,893,137

COUNTY OF SIERRA
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue	Debt Service	Totals
REVENUES			
Taxes and assessments	\$ 87,476	\$ -	\$ 87,476
Fines and forfeitures	34,838	-	34,838
Intergovernmental	3,655,920	-	3,655,920
Use of money and property	3,782	(19,191)	(15,409)
Charges for services	265,274	-	265,274
Other revenues	229,321	2,165,097	2,394,418
Total Revenues	4,276,611	2,145,906	6,422,517
EXPENDITURES			
Current:			
General government	322,258	4,950	327,208
Public protection	373,141	-	373,141
Public ways and facilities	17,519	-	17,519
Debt service:			
Principal	-	1,748,805	1,748,805
Interest and other charges	-	373,772	373,772
Capital outlay	240,992	-	240,992
Total Expenditures	953,910	2,127,527	3,081,437
Excess of Revenues Over (Under) Expenditures	3,322,701	18,379	3,341,080
OTHER FINANCING SOURCES (USES)			
Transfers in	77,494	-	77,494
Transfers out	(3,649,477)	(21,645)	(3,671,122)
Total Other Financing Sources (Uses)	(3,571,983)	(21,645)	(3,593,628)
Net Change in Fund Balances	(249,282)	(3,266)	(252,548)
Fund Balances - Beginning	3,873,016	103,673	3,976,689
Fund Balances - Ending	\$ 3,623,734	\$ 100,407	\$ 3,724,141

Nonmajor Governmental Funds

- **Special Revenue Funds**

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COUNTY OF SIERRA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	Fish and Game	Aviation	Predator Control	Clerk Recorder	Court Fines
ASSETS					
Cash and investments	\$ 9,820	\$ 3,333	\$ 703	\$ 116,340	\$ 62,087
Receivables:					
Taxes	-	-	-	-	-
Intergovernmental	-	10,000	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 9,820	\$ 13,333	\$ 703	\$ 116,340	\$ 62,087
LIABILITIES					
Accounts payable	\$ -	\$ 170	\$ -	\$ 7,952	\$ -
Due to other funds	-	-	-	-	-
Total Liabilities	-	170	-	7,952	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	10,000	-	-	-
Total Deferred Inflows of Resources	-	10,000	-	-	-
FUND BALANCES					
Restricted	9,820	3,163	703	108,388	62,087
Unassigned	-	-	-	-	-
Total Fund Balances	9,820	3,163	703	108,388	62,087
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,820	\$ 13,333	\$ 703	\$ 116,340	\$ 62,087

Law Enforcement	Board of Supervisors	Fire Safe	Tax Related Costs Trust	Office of Emergency Services	Special Districts Under the Board	Totals
\$ 2,560,221	\$ 284,950	\$ 237,067	\$ 77,631	\$ 52,053	\$ 102,436	\$ 3,506,641
-	-	-	-	-	2,086	2,086
182,488	-	-	-	89,515	-	282,003
-	-	-	-	-	2,000	2,000
<u>\$ 2,742,709</u>	<u>\$ 284,950</u>	<u>\$ 237,067</u>	<u>\$ 77,631</u>	<u>\$ 141,568</u>	<u>\$ 106,522</u>	<u>\$ 3,792,730</u>
\$ 30,397	\$ 10	\$ -	\$ 3,750	\$ 87	\$ 1,863	\$ 44,229
-	-	-	-	112,767	2,000	114,767
<u>30,397</u>	<u>10</u>	<u>-</u>	<u>3,750</u>	<u>112,854</u>	<u>3,863</u>	<u>158,996</u>
-	-	-	-	-	-	10,000
-	-	-	-	-	-	10,000
2,712,312	284,940	237,067	73,881	28,714	104,639	3,625,714
-	-	-	-	-	(1,980)	(1,980)
<u>2,712,312</u>	<u>284,940</u>	<u>237,067</u>	<u>73,881</u>	<u>28,714</u>	<u>102,659</u>	<u>3,623,734</u>
<u>\$ 2,742,709</u>	<u>\$ 284,950</u>	<u>\$ 237,067</u>	<u>\$ 77,631</u>	<u>\$ 141,568</u>	<u>\$ 106,522</u>	<u>\$ 3,792,730</u>

COUNTY OF SIERRA
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2024

	Fish and Game	Aviation	Predator Control	Clerk Recorder	Court Fines
REVENUES					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	3,644	-	-	-	2,973
Intergovernmental	-	-	-	-	-
Use of money and property	1,946	-	-	-	231
Charges for services	-	-	-	246,652	-
Other revenues	151	-	-	1,843	-
Total Revenues	<u>5,741</u>	<u>-</u>	<u>-</u>	<u>248,495</u>	<u>3,204</u>
EXPENDITURES					
Current:					
General government	2,507	-	-	221,389	-
Public protection	-	-	(31)	-	-
Public ways and facilities	-	17,519	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>2,507</u>	<u>17,519</u>	<u>(31)</u>	<u>221,389</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>3,234</u>	<u>(17,519)</u>	<u>31</u>	<u>27,106</u>	<u>3,204</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	15,000	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	3,234	(2,519)	31	27,106	3,204
Fund Balances - Beginning	<u>6,586</u>	<u>5,682</u>	<u>672</u>	<u>81,282</u>	<u>58,883</u>
Fund Balances - Ending	<u>\$ 9,820</u>	<u>\$ 3,163</u>	<u>\$ 703</u>	<u>\$ 108,388</u>	<u>\$ 62,087</u>

Law Enforcement	Board of Supervisors	Fire Safe	Tax Related Costs Trust	Office of Emergency Services	Special Districts Under the Board	Totals
\$ -	\$ -	\$ -	\$ 1,690	\$ -	\$ 85,786	\$ 87,476
3,000	25,221	-	-	-	-	34,838
2,376,892	1,011,789	90,931	-	175,770	538	3,655,920
175	1,430	-	-	-	-	3,782
8,636	-	-	9,986	-	-	265,274
208,535	1,500	-	17,292	-	-	229,321
<u>2,597,238</u>	<u>1,039,940</u>	<u>90,931</u>	<u>28,968</u>	<u>175,770</u>	<u>86,324</u>	<u>4,276,611</u>
-	1,371	-	20,654	-	76,337	322,258
189,521	44,448	94,507	-	44,696	-	373,141
-	-	-	-	-	-	17,519
74,524	-	-	-	166,468	-	240,992
<u>264,045</u>	<u>45,819</u>	<u>94,507</u>	<u>20,654</u>	<u>211,164</u>	<u>76,337</u>	<u>953,910</u>
<u>2,333,193</u>	<u>994,121</u>	<u>(3,576)</u>	<u>8,314</u>	<u>(35,394)</u>	<u>9,987</u>	<u>3,322,701</u>
-	30,000	-	17,000	-	15,494	77,494
<u>(1,801,930)</u>	<u>(1,839,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,747)</u>	<u>(3,649,477)</u>
<u>(1,801,930)</u>	<u>(1,809,800)</u>	<u>-</u>	<u>17,000</u>	<u>-</u>	<u>7,747</u>	<u>(3,571,983)</u>
531,263	(815,679)	(3,576)	25,314	(35,394)	17,734	(249,282)
<u>2,181,049</u>	<u>1,100,619</u>	<u>240,643</u>	<u>48,567</u>	<u>64,108</u>	<u>84,925</u>	<u>3,873,016</u>
<u>\$ 2,712,312</u>	<u>\$ 284,940</u>	<u>\$ 237,067</u>	<u>\$ 73,881</u>	<u>\$ 28,714</u>	<u>\$ 102,659</u>	<u>\$ 3,623,734</u>

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Nonmajor Governmental Funds

- **Debt Service Fund**

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**COUNTY OF SIERRA
Combining Balance Sheet
Nonmajor Debt Service Fund
June 30, 2024**

	Debt Service	Totals
ASSETS		
Cash and investments	\$ 42,224	\$ 42,224
Receivables:		
Accounts	57,408	57,408
Deposits	775	775
Total Assets	\$ 100,407	\$ 100,407
LIABILITIES		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
FUND BALANCE		
Restricted	100,407	100,407
Total Fund Balance	100,407	100,407
Total Liabilities and Fund Balance	\$ 100,407	\$ 100,407

COUNTY OF SIERRA
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Debt Service Fund
For the Year Ended June 30, 2024

	Debt Service	Totals
REVENUES		
Use of money and property	\$ (19,191)	\$ (19,191)
Other revenues	2,165,097	2,165,097
Total Revenues	2,145,906	2,145,906
EXPENDITURES		
Current:		
General government	4,950	4,950
Debt service:		
Principal	1,748,805	1,748,805
Interest and other charges	373,772	373,772
Total Expenditures	2,127,527	2,127,527
Excess of Revenues Over (Under) Expenditures	18,379	18,379
OTHER FINANCING SOURCES (USES)		
Transfers out	(21,645)	(21,645)
Total Other Financing Sources (Uses)	(21,645)	(21,645)
Net Change in Fund Balance	(3,266)	(3,266)
Fund Balance - Beginning	103,673	103,673
Fund Balance - Ending	\$ 100,407	\$ 100,407

Nonmajor Governmental Funds

- **Special Districts Under the Board (A Nonmajor Special Revenue Fund)**

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COUNTY OF SIERRA
Combining Balance Sheet
Special Districts Under the Board
(A Nonmajor Special Revenue Fund)
June 30, 2024

	<u>Co. Service Area No. 1</u>	<u>Co. Service Area No. 2</u>	<u>Co. Service Area No. 3</u>	<u>Co. Service Area No. 4</u>
ASSETS				
Cash and investments	\$ 7,574	\$ 78,455	\$ 91	\$ 10,032
Receivables:				
Taxes	409	529	560	55
Due from other funds	-	2,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 7,983	\$ 80,984	\$ 651	\$ 10,087
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES				
Accounts payable	\$ 31	\$ 1,013	\$ 631	\$ 91
Due to other funds	-	-	2,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	31	1,013	2,631	91
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES				
Restricted	7,952	79,971	-	9,996
Unassigned	-	-	(1,980)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	7,952	79,971	(1,980)	9,996
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 7,983	\$ 80,984	\$ 651	\$ 10,087
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Co. Service Area No. 5	Verdi Fire Zone	Totals
\$ 5,864	\$ 420	\$ 102,436
533	-	2,086
-	-	2,000
<u>\$ 6,397</u>	<u>\$ 420</u>	<u>\$ 106,522</u>
\$ 97	\$ -	\$ 1,863
-	-	2,000
<u>97</u>	<u>-</u>	<u>3,863</u>
6,300	420	104,639
-	-	(1,980)
<u>6,300</u>	<u>420</u>	<u>102,659</u>
<u>\$ 6,397</u>	<u>\$ 420</u>	<u>\$ 106,522</u>

COUNTY OF SIERRA
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Special Districts Under the Board
(A Nonmajor Special Revenue Fund)
For the Year Ended June 30, 2024

	<u>Co. Service Area No. 1</u>	<u>Co. Service Area No. 2</u>	<u>Co. Service Area No. 3</u>	<u>Co. Service Area No. 4</u>
REVENUES				
Taxes and assessments	\$ 13,300	\$ 34,260	\$ 18,605	\$ 2,592
Intergovernmental	90	208	124	12
Total Revenues	<u>13,390</u>	<u>34,468</u>	<u>18,729</u>	<u>2,604</u>
EXPENDITURES				
Current:				
General government	<u>17,840</u>	<u>22,328</u>	<u>18,442</u>	<u>1,600</u>
Total Expenditures	<u>17,840</u>	<u>22,328</u>	<u>18,442</u>	<u>1,600</u>
Excess of Revenues Over (Under) Expenditures	(4,450)	12,140	287	1,004
OTHER FINANCING SOURCES (USES)				
Transfers in	15,494	-	-	-
Transfers out	<u>-</u>	<u>(7,747)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>15,494</u>	<u>(7,747)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	11,044	4,393	287	1,004
Fund Balances - Beginning (Deficit)	<u>(3,092)</u>	<u>75,578</u>	<u>(2,267)</u>	<u>8,992</u>
Fund Balances - Ending (Deficit)	<u>\$ 7,952</u>	<u>\$ 79,971</u>	<u>\$ (1,980)</u>	<u>\$ 9,996</u>

Co. Service Area No. 5	Verdi Fire Zone	Totals
\$ 17,029	\$ -	\$ 85,786
104	-	538
17,133	-	86,324
16,127	-	76,337
16,127	-	76,337
1,006	-	9,987
-	-	15,494
-	-	(7,747)
-	-	7,747
1,006	-	17,734
5,294	420	84,925
<u>\$ 6,300</u>	<u>\$ 420</u>	<u>\$ 102,659</u>

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