

**COUNTY OF MODOC**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

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

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>14</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>15</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>GOVERNMENTAL FUNDS BALANCE SHEET</b>	<b>16</b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET     TO THE STATEMENT OF NET POSITION</b>	<b>17</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCES</b>	<b>18</b>
<b>RECONCILIATION OF THE STATEMENT REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO     THE STATEMENT OF ACTIVITIES</b>	<b>19</b>
<b>PROPRIETARY FUNDS – STATEMENT OF NET POSITION</b>	<b>20</b>
<b>PROPRIETARY FUNDS – STATEMENT OF REVENUES, EXPENSES, AND     CHANGES IN NET POSITION</b>	<b>21</b>
<b>PROPRIETARY FUNDS – STATEMENT OF CASH FLOWS</b>	<b>22</b>
<b>FIDUCIARY FUNDS – STATEMENT OF FIDUCIARY NET POSITION</b>	<b>23</b>
<b>FIDUCIARY FUNDS – STATEMENT OF CHANGES OF FIDUCIARY NET     POSITION</b>	<b>24</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>25</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	

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

<b>SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS</b>	<b>68</b>
<b>SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE IN NET PENSION LIABILITY AND RELATED RATIOS</b>	<b>69</b>
<b>SCHEDULE OF PLAN CONTRIBUTIONS</b>	<b>70</b>
<b>SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS</b>	<b>71</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>72</b>
<b>BUDGETARY COMPARISON SCHEDULES</b>	<b>73</b>

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
County of Modoc  
Alturas, California

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Modoc, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Modoc's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Modoc, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Modoc County Children and Families First Commission (Commission), which represents 100% of the assets, net position, and revenue of the County's discretely presented component unit as of and for the fiscal year ended June 30, 2023. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Commission are based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

***Emphasis of Matter***

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, effective July 1, 2022, the County of Modoc adopted new accounting guidance for subscription-based information technology arrangements. The guidance requires a right-to-use asset and corresponding liability to be recognized for each subscription-based information technology arrangement.

***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 of Modoc's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and related ratios, schedule of the County's proportionate share in net pension liability and related ratios, schedule of plan contributions, schedule of changes in the total OPEB liability and related ratios, and budgetary comparison schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the County of Modoc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Modoc'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 County of Modoc's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Roseville, California  
September 30, 2024

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Financial Highlights**

- ❖ The County of Modoc's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$53,808,611 (net position). Of this amount \$45,798,924 (restricted and unrestricted net position, excluding Net Pension Liability) was available to meet the County's ongoing obligations to citizens and creditors.
- ❖ The County's total net position increased by \$13,560,239, primarily resulting from an increase to assets and a reduction in liabilities.
- ❖ At the close of the current fiscal year, the County's Governmental Funds ending fund balance was \$48,873,481. This was an increase of \$8,294,143, in comparison with the prior year.
- ❖ Unassigned fund balance for the General Fund at the close of the current fiscal year was \$6,535,981.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County of Modoc'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 Modoc's finances, in a manner similar to a private-sector business. It is comprised of a Statement of Net Position and Statement of Activities.

- *Statement of Net Position* presents information on all County assets and deferred outflows of resources, liabilities and deferred inflows of resources, and 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 Modoc County is improving or deteriorating.
- *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 Modoc 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 (Business-type activities). The governmental activities of the County include: General Government, Public Protection, Public Ways and Facilities (Transportation), Health and Sanitation, Public Assistance, Education, Recreation and Cultural Services.

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

The Government-wide Financial Statements include not only the County of Modoc itself (known as the primary government), but also the following blended component units: Adin Light, Canby Light, Cedarville Light, Fort Bidwell Light, Eagleville Light, Modoc County Air Pollution Control Districts and Hafer Hills CSA. Although legally separate, the Districts function for all practical purposes as departments of the County, have the same Board as the County, and therefore have been included as an integral part of the primary government. The Government-wide financial statements also include one discretely presented component unit, Modoc County Children and Families First Commission (First Five). Although legally separate, the Modoc County Board of Supervisors appoints the majority of the commission's governing body, and can remove members at will. Complete, separate financial statements for the commission can be obtained from the Modoc County Children and Families First Commission, 802 N. East Street, Room 103, Alturas, California, 96101.

**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 Modoc maintains sixteen 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 Mental Health Fund, the Social Services Fund, the Public Health Fund, and the ARPA Local Recovery Fund, Other Public Safety Fund, Other Special Revenue Fund, all of which are major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation.

**Proprietary Funds.** The County maintains one type of proprietary funds – Enterprise Funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar 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.

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

The County of Modoc maintains three enterprise funds. The Modoc Medical Center Fund and the Waste Management Fund are major funds, while the Watermaster Fund is considered a nonmajor fund. All three of these funds are reported separately in the proprietary fund financial statements.

**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 statements 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.

**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.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of the County's Proportionate Share in Net Pension Liability and Related Ratios, Schedule of Plan Contributions to Pension Plan, and Schedule of Changes in the Total Other Post-Employment Benefits (OPEB) Liability, as well as budgetary comparison schedules. The County adopts an annual appropriated budget for each of its funds. A budgetary comparison has been provided for the major funds to demonstrate compliance with this budget.

### **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 Modoc, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53,808,611 at the close of the 2022/2023 Fiscal Year. Net position increased by \$13,560,239, from the previous year.

By far the largest portion of the County's net position 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 Modoc'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.

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

An additional portion of the County's net position, \$39,648,868, represents resources that are subject to external restrictions on how they may be used. The remaining portion of the County's net position, (\$22,794,067) represents unrestricted net position deficit. Of this amount, (\$9,115,953) is related to the net position deficit of the Hospital Enterprise Fund (Modoc Medical Center, Fund 550). This deficit balance was accumulated over more than a decade of losses attributed to the County Hospital. In 2012 a district was formed that now funds the hospital; however, the pre-existing deficit balance in the County's Hospital Enterprise Fund remains the responsibility of the County, and therefore, is reported in the proprietary fund statements. A repayment plan is in effect. The net position also includes the Net Pension Liability of \$28,944,123 and the OPEB Liability of \$2,755,013.

**Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total Activities		Variance
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	%
Current and Other Assets	\$ 53,220,141	\$ 44,439,748	\$ (1,622,038)	\$ (6,562,633)	\$ 51,598,103	\$ 37,877,115	36%
Capital Assets	37,689,080	37,403,884	216,708	227,915	37,905,788	37,631,799	1%
Total Assets	90,909,221	81,843,632	(1,405,330)	(6,334,718)	89,503,891	75,508,914	19%
Deferred Outflows	11,319,128	5,661,786	94,689	40,669	11,413,817	5,702,455	100%
Current Liabilities	5,429,118	4,320,247	101,657	145,803	5,530,775	4,466,050	24%
Long-Term Liabilities	34,583,237	22,235,545	2,892,169	2,708,614	37,475,406	24,944,159	50%
Total Liabilities	40,012,355	26,555,792	2,993,826	2,854,417	43,006,181	29,410,209	46%
Deferred Inflows	4,101,174	11,446,700	1,742	106,088	4,102,916	11,552,788	-64%
Net Investment in Capital Assets	36,737,102	37,018,424	216,708	227,915	36,953,810	37,246,339	-1%
Restricted	39,648,868	32,483,371	-	-	39,648,868	32,483,371	22%
Unrestricted	(18,271,150)	(19,998,869)	(4,522,917)	(9,482,469)	(22,794,067)	(29,481,338)	-23%
Total Net	\$ 58,114,820	\$ 49,502,926	\$ (4,306,209)	\$ (9,254,554)	\$ 53,808,611	\$ 40,248,372	34%

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Governmental Activities.** Governmental activities increased the County's net position by \$8,611,894. Business activities increased the County's net position by \$4,948,345 (please see note below regarding the transfer from Governmental activities to Business-type activities). Key elements of this increase are as follows:

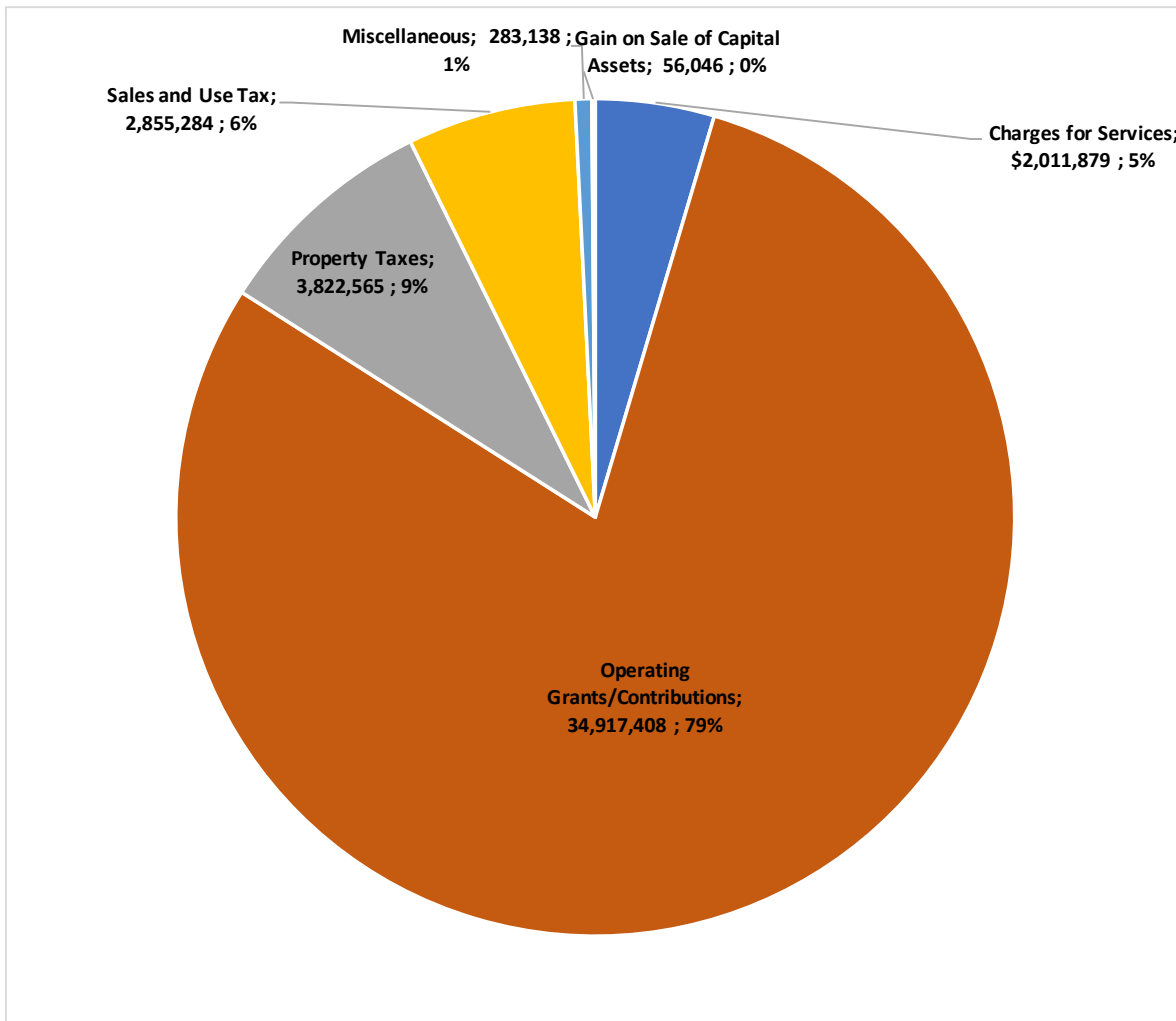
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total Activities		Variance %
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	
<b>Revenues</b>							
Charges for Services	\$ 2,011,879	\$ 1,657,557	\$ 1,314,157	\$ 1,323,300	\$ 3,326,036	\$ 2,980,857	12%
Operating Grants/Contributions	34,917,408	29,723,627	5,025,000	25,000	39,942,408	29,748,627	34%
Property Taxes	3,822,565	3,655,392	-	-	3,822,565	3,655,392	5%
Sales and Use Tax	2,855,284	2,783,930	-	-	2,855,284	2,783,930	3%
Miscellaneous	283,138	226,313	-	-	283,138	226,313	25%
Gain on Sale of Capital Assets	56,046	29,423	-	-	56,046	29,423	90%
Interest and Investment Earnings	423,980	(767,808)	(101,180)	(124,739)	322,800	(892,547)	-136%
<b>Total Revenues</b>	<b>44,370,300</b>	<b>37,308,434</b>	<b>6,237,977</b>	<b>1,223,561</b>	<b>50,608,277</b>	<b>38,531,995</b>	<b>31%</b>
<b>Expenses</b>							
General Government	3,895,466	3,633,337	-	-	3,895,466	3,633,337	7%
Public Protection	9,915,515	7,481,756	-	-	9,915,515	7,481,756	33%
Public Assistance	8,107,284	6,592,335	-	-	8,107,284	6,592,335	23%
Public Ways and Facilities	6,258,174	6,733,833	-	-	6,258,174	6,733,833	-7%
Health and Sanitation	7,250,732	7,532,695	-	-	7,250,732	7,532,695	-4%
Education	-	221,903	-	-	-	221,903	-100%
Recreation and Cultural Services	223,715	67,249	-	-	223,715	67,249	233%
Interest on Long-Term Debt	-	2,296	-	-	-	2,296	-100%
Waste Management	-	-	1,241,158	1,192,247	1,241,158	1,192,247	4%
Watermaster	-	-	155,994	139,089	155,994	139,089	12%
<b>Total Expenses</b>	<b>35,650,886</b>	<b>32,265,404</b>	<b>1,397,152</b>	<b>1,331,336</b>	<b>37,048,038</b>	<b>33,596,740</b>	<b>10%</b>
Increase (Decrease) in Net Position							
Before Transfers	8,719,414	5,043,030	4,840,825	(107,775)	13,560,239	4,935,255	175%
Transfers	(107,520)	(131,305)	107,520	131,305	-	-	
<b>Change in Net Position</b>	<b>8,611,894</b>	<b>4,911,725</b>	<b>4,948,345</b>	<b>23,530</b>	<b>13,560,239</b>	<b>4,935,255</b>	<b>175%</b>
Net Position Beginning	49,502,926	44,591,201	(9,254,554)	(9,728,084)	40,248,372	34,863,117	15%
Prior Period Adjustments	-	-	-	-	-	-	
Net Position Beginning, Restated	49,502,926	44,591,201	(9,254,554)	(9,728,084)	40,248,372	34,863,117	15%
Net Position Ending	<b>\$ 58,114,820</b>	<b>\$ 49,502,926</b>	<b>\$ (4,306,209)</b>	<b>\$ (9,704,554)</b>	<b>\$ 53,808,611</b>	<b>\$ 39,798,372</b>	<b>35%</b>

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

- ❖ Total revenues increased by \$12,076,282, with Charges for Services, Operating Grants and Contributions, Property Taxes, Sales and Use Taxes and Gain of Sale of Capital Assets up \$10,804,110, and Miscellaneous and Interest & Investment Earnings increased by \$1,272,172.
- ❖ Governmental Activities expenses increased by \$3,385,482. Decreases occurred in most categories excluding Public Protection.
- ❖ The Change in Business activities net position is due primarily to the transfer from the General Fund covering more than just the negative interest amounts during this fiscal year.

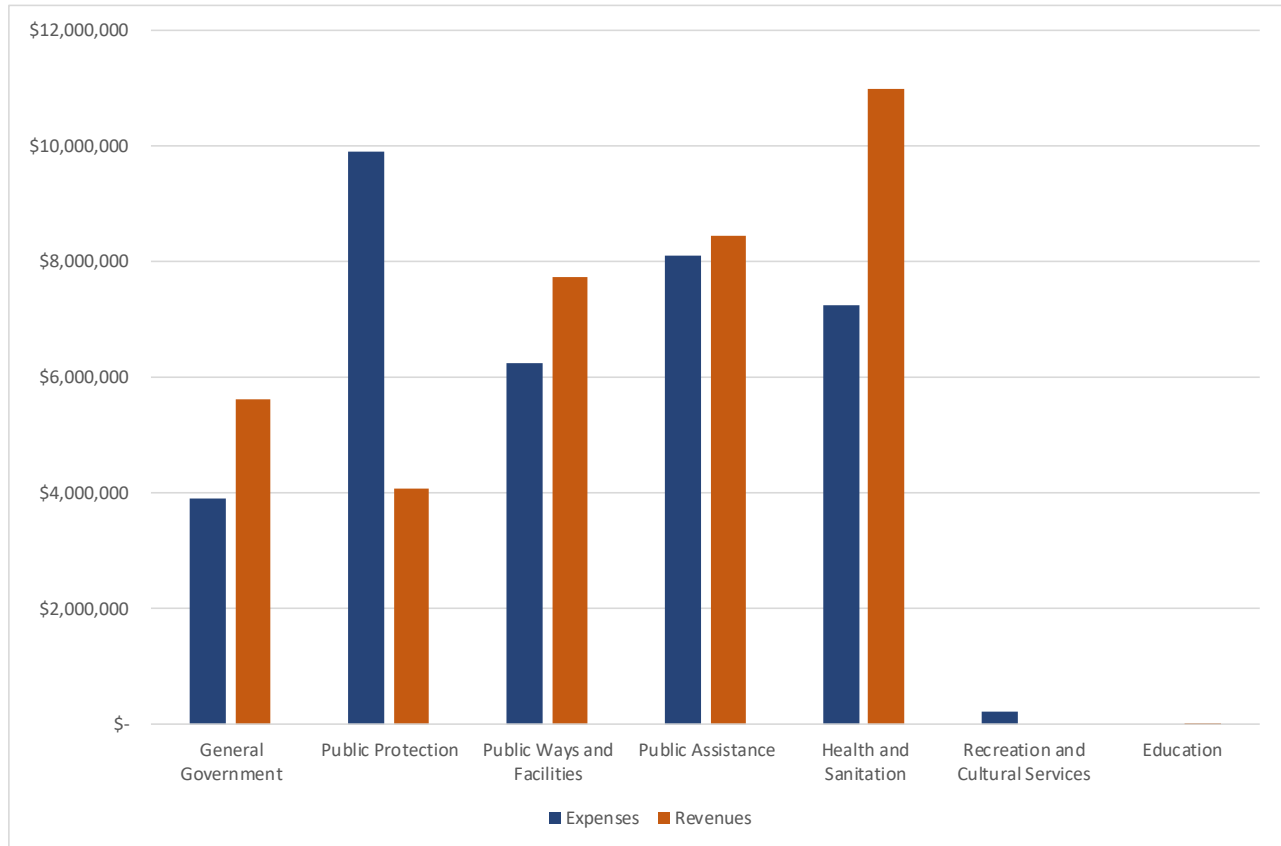
**Revenue by Source – Governmental Activities  
FY 2022/2023**



The largest portion of revenue received by the County comes from Federal and State sources (approximately 79%). The next largest sources came from Property Taxes (9%). Only approximately 13% of total county revenue received is discretionary (not dedicated at the source of funding to particular services/programs).

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Expenses and Program Revenue – Governmental Activities  
FY 2022/2023**



❖ The above chart excludes non-program (general) revenues such as property taxes and investment income. Expenses do not include special items in order to provide a more consistent comparison of actual expenses.

**Business-type activities.** Three of Modoc County’s funds are classified as Business-type activities: The Waste Management Fund, Modoc Medical Center Fund and the Watermaster Fund.

The Waste Management Fund consists of the operation of a landfill and ten transfer stations. The county contracts with a private company to provide curbside pickup, operate the transfer stations and transport waste from the transfer sites to a larger landfill in Lockwood, Nevada. Annual expenses also include post-closure costs for four closed landfills.

The Watermaster Fund consists of activities related to Watermaster services in the central and eastern portions of the County.

The Modoc Medical Center Fund was formerly used for operation of the County Hospital (Modoc Medical Center). In 2012 operation of the hospital was transferred to a newly formed district (Last Frontier Healthcare District). The remaining deficit balance in the enterprise fund is the responsibility of the County General Fund. A repayment plan, developed in April of 2012, includes annual transfers from \$550,000 (minimum) to \$800,000 (maximum) to decrease that deficit cash balance.

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of the County of Modoc'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 (i.e. spendable) fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**Fund Balance Designations – Governmental Funds  
FY 2022/2023**

	Major Funds							Non-major Governmental Funds	Total
	General Fund	Roads	Mental Health	Social Services	Public Health	ARPA Local Recovery	Other Public Safety		
<b>Fund Balances</b>									
Nonspendable:									
Inventory and Prepaids	\$ 13,879	\$ 1,216,097	\$ -	\$ 7,823	\$ 950	\$ -	\$ -	\$ -	\$ 1,238,749
Advances to Other Funds	2,116,970	-	-	-	-	-	-	-	2,116,970
Restricted for:									
Public Assistance	-	-	-	6,628,115	-	-	-	-	6,628,115
Public Ways and Facilities	-	7,568,419	-	-	-	-	-	-	7,568,419
Health and Sanitation	-	-	8,764,081	-	4,590,215	6,493	-	-	13,360,789
Various Purposes	-	-	-	-	-	-	2,311,920	5,075,946	3,463,411
Committed for:									
Public Protection	-	-	-	-	-	-	573,181	-	573,181
Assigned:	-	-	-	-	-	-	-	-	-
Unassigned:	6,535,981	-	-	-	-	-	-	-	6,535,981
<b>Total Fund Balances</b>	<b>\$ 8,666,830</b>	<b>\$ 8,784,516</b>	<b>\$ 8,764,081</b>	<b>\$ 6,635,938</b>	<b>\$ 4,591,165</b>	<b>\$ 6,493</b>	<b>\$ 2,885,101</b>	<b>\$ 5,075,946</b>	<b>\$ 48,873,481</b>

As of the end of the current fiscal year, the County of Modoc's governmental funds reported combined ending fund balances of \$48,873,481, an increase of \$8,294,143. Of this amount, \$3,355,719 is non-spendable (i.e. inventory and long-term advances between funds to cover deficit cash balances, primarily in the Modoc Medical Center Fund). \$38,408,600 is restricted for specific programs and projects. Most of the restrictions are imposed by other governments which are the source of the funding, and therefore those fund balances are available to fund ongoing programs and projects in the special funds below. \$573,181 has been committed by the Board of Supervisors for a potential new jail, and there is a balance of \$6,535,981, attributed to the unassigned fund balance.

Approximately 89% of the total fund balance is available to meet the County's current and future needs. While \$3,355,719 is considered non-spendable and \$573,181 has been committed at June 30, 2023, cash flow procedures are in place to ensure restricted funds (i.e. program funds) are available as needed.

**General Fund** The General Fund is the general operating fund of the County of Modoc. The General Fund balance increased \$932,244 during the 2022/23 Fiscal Year. General Fund expenditures exceeded revenues by \$801,081 and net transfers in were \$1,733,326. As a measure of the General Fund's liquidity, although the ending fund balance is a positive \$8,666,830, \$2,130,849, was considered non-spendable, the majority of which is the long-term advance to the hospital enterprise fund.

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Roads Fund** The Roads fund balance decreased by \$849,155 from the prior year. Of the \$8,784,516 total fund balance, \$1,216,097 represents inventory values, and \$347,249 represents advances to other funds. As a measure of the Roads fund's liquidity it may be useful to compare total fund balance to total fund expenditures. The total fund balance represents 119% of total Roads Fund expenditures.

**Mental Health Fund** The Mental Health fund balance increased \$826,719 from the prior year. Of the \$8,764,081 total fund balance, \$393,747 represents advances to other funds. As a measure of the Mental Health fund's liquidity it may be useful to compare total fund balance to total fund expenditures. The total fund balance represents 204% of total Mental Health Fund expenditures.

**Social Services Fund** The Social Services fund balance increased by \$778,956. Of the \$6,635,938 total fund balance, \$7,823 represents prepaid items and \$308,076 represents advances to other funds. As a measure of the Social Services Fund's liquidity it may be useful to compare total fund balance to total fund expenditures. The total fund balance represents 91% of total Social Services Fund expenditures.

**Public Health Fund** The Public Health fund balance increased \$928,643 from the prior year. Of the \$4,591,165 total fund balance, \$181,689 represents advances to other funds. As a measure of the Public Health Fund's liquidity it may be useful to compare total fund balance to total fund expenditures. The total fund balance represents 102% of total Public Health Fund expenditures.

**ARPA Local Recovery Fund** The ARPA Local Recovery fund balance stayed the same from the prior year. The reported fund balance available is \$6,493.

**Other Public Safety Fund** The Other Public Safety fund balance increased by \$338,639. Of the total \$2,885,101 total fund balance, \$2,311,920 is restricted while \$573,181 is committed to Public Protection.

**Other Special Revenue Fund** The Other Special Revenue fund balance increased by \$3,148,506. Of the total \$5,075,946 total fund balance, \$5,075,946 is restricted to various purposes.

**Nonmajor Governmental Funds** Nonmajor governmental fund balances increased by \$491,281 from the prior year. The entire \$3,463,411 fund balance is restricted for various purposes.

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

Total net position deficit of the enterprise funds at the end of the year amounted to \$(4,306,209), an increase (reduction of deficit) of \$4,948,345 from prior year. This change is predominately due to the General Fund transferring additional monies toward the Hospital deficit.

**General Fund Budgetary Highlight**

General Fund budgeted expenditures exceeded actual expenditures by \$1.8 million, while budgeted revenues exceeded actual revenues by \$330 thousand.

**COUNTY OF MODOC  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Capital Asset and Debt Administration**

**Capital assets** The County of Modoc's investment in capital assets for its governmental and Business-type activities as of June 30, 2023, amounts to \$36,953,810 (net of accumulated depreciation). This investment in capital assets includes land, buildings/structures, improvements to land and structures, machinery and equipment, roads, and bridges. The County's total investment in capital assets (net depreciation) decreased by \$292,529 from the prior year. During the fiscal year 2022/2023, total capital expenditures were \$3,925,957, including: equipment additions of \$726,932, improvement infrastructure improvements of \$2,898,919. During the same period, the County disposed of \$181,737 in equipment.

Additional information on the County of Modoc's capital assets can be found in Note 1(I) and Note 5 of this report.

**Long-term liabilities** The long-term liabilities of the County include liabilities for compensated absences, claims liability, financed purchases, lease liability, other post-employment benefits, closure and post-closure landfill costs, and the net pension liability.

The County of Modoc's total debt increased by \$12,486,247 during the current fiscal year. The key factors in the change were increases in net pension liability.

Additionally, the breakdown of the increase Net Pension Liability is as follows: The Miscellaneous Plan has a Net Pension Liability of \$22,529,095; and the Safety Plan (including PEPRA) has a Net Pension Liability of \$6,415,028.

Additional information on the County of Modoc's long-term liabilities can be found in Notes 6,7, 8, 10, and 12 of this report.

**Requests for Information**

The financial report is designed to provide a general overview of the County of Modoc'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 Modoc, Auditor/Controller Office, 108 E. Modoc Street, Alturas, CA 96101.

## **BASIC FINANCIAL STATEMENTS**

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and Investments	\$ 36,688,601	\$ 2,362,142	\$ 39,050,743	\$ 428,658
Receivables:				
Accounts and Other Receivables	5,943,120	6,650	5,949,770	83,938
Taxes Receivable	391,602	-	391,602	-
Inventory	1,216,097	-	1,216,097	-
Internal Balances	3,990,830	(3,990,830)	-	-
Prepaid Items	22,652	-	22,652	-
Deposits with Others	4,967,239	-	4,967,239	-
Capital Assets:				
Capital Assets not Being Depreciated	1,328,413	47,071	1,375,484	-
Capital Assets Being Depreciated, Net	35,480,708	169,637	35,650,345	-
Right to Use Assets Being Amortized, Net	879,959	-	879,959	-
Total Assets	<u>90,909,221</u>	<u>(1,405,330)</u>	<u>89,503,891</u>	<u>512,596</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred Outflow of Resources - OPEB	1,511,907	-	1,511,907	-
Deferred Outflow of Resources - Pension Plans	9,807,221	94,689	9,901,910	48,414
Total Deferred Outflows	<u>11,319,128</u>	<u>94,689</u>	<u>11,413,817</u>	<u>48,414</u>
<b>LIABILITIES</b>				
Accounts Payable	2,648,305	44,596	2,692,901	57,036
Unearned Revenue	1,682,957	-	1,682,957	-
Long-Term Liabilities:				
Due Within One Year:				
Compensated Absences	477,057	-	477,057	11,404
Claims Liability	252,728	-	252,728	-
Lease Liability	144,022	-	144,022	-
SBITA Liability	216,316	-	216,316	-
Closure/Postclosure Care Costs	-	57,061	57,061	-
Other Post-Employment Benefits	7,733	-	7,733	-
Due Beyond One Year:				
Compensated Absences	920,460	-	920,460	-
Claims Liability	1,834,759	-	1,834,759	-
Lease Liability	342,182	-	342,182	-
SBITA Liability	83,524	-	83,524	-
Closure/Postclosure Care Costs	-	2,595,345	2,595,345	-
Other Post-Employment Benefits	2,755,013	-	2,755,013	-
Net Pension Liability	28,647,299	296,824	28,944,123	150,088
Total Liabilities	<u>40,012,355</u>	<u>2,993,826</u>	<u>43,006,181</u>	<u>218,528</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows of Resources - OPEB	3,379,860	-	3,379,860	-
Deferred Inflows of Resources - Pension Plans	721,314	1,742	723,056	2,279
Total Deferred Inflows	<u>4,101,174</u>	<u>1,742</u>	<u>4,102,916</u>	<u>2,279</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	36,737,102	216,708	36,953,810	-
Restricted For:				
Capital Improvements and Acquisitions	102,246	-	102,246	-
General Government	4,557,471	-	4,557,471	-
Public Protection	2,784,540	-	2,784,540	-
Public Assistance	6,796,907	-	6,796,907	-
Public Ways and Facilities	9,768,807	-	9,768,807	-
Health and Sanitation	15,201,491	-	15,201,491	-
Education	396,741	-	396,741	-
Recreation and Cultural Services	40,665	-	40,665	-
Modoc County Children and Families Commission	-	-	-	340,203
Unrestricted	(18,271,150)	(4,522,917)	(22,794,067)	-
Total Net Position (Deficit)	<u>\$ 58,114,820</u>	<u>\$ (4,306,209)</u>	<u>\$ 53,808,611</u>	<u>\$ 340,203</u>

See accompanying Notes to Basic Financial Statements.

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

	Program Revenues				Net Revenue (Expense) and Change in Net Position			Component Unit
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Governmental Activities:</b>								
General Government	\$ 3,895,466	\$ 1,247,770	\$ 4,373,409	\$ -	\$ 1,725,713	\$ -	\$ 1,725,713	
Public Protection	9,915,515	315,437	3,778,654	-	(5,821,424)	-	(5,821,424)	
Public Ways and Facilities	6,258,174	58,599	7,691,037	-	1,491,462	-	1,491,462	
Public Assistance	8,107,284	48,077	8,404,673	-	345,466	-	345,466	
Health and Sanitation	7,250,732	336,321	10,655,607	-	3,741,196	-	3,741,196	
Recreation and Cultural Services	223,715	-	-	-	(223,715)	-	(223,715)	
Education	-	5,675	14,028	-	19,703	-	19,703	
Total Governmental Activities	<u>35,650,886</u>	<u>2,011,879</u>	<u>34,917,408</u>	-	<u>1,278,401</u>	-	<u>1,278,401</u>	
<b>Business-Type Activities:</b>								
Modoc Medical Center	-	-	5,000,000	-	-	5,000,000	5,000,000	
Waste Management	1,241,158	1,084,297	25,000	-	-	(131,861)	(131,861)	
Watermaster	155,994	229,860	-	-	-	73,866	73,866	
Total Business-Type Activities	<u>1,397,152</u>	<u>1,314,157</u>	<u>5,025,000</u>	-	-	<u>4,942,005</u>	<u>4,942,005</u>	
Total Primary Government	<u>\$ 37,048,038</u>	<u>\$ 3,326,036</u>	<u>\$ 39,942,408</u>	<u>\$ -</u>	<u>1,278,401</u>	<u>4,942,005</u>	<u>6,220,406</u>	
Component Unit	<u>\$ 413,441</u>		<u>\$ 325,938</u>					\$ (87,503)
<b>Taxes:</b>								
Property Taxes					3,822,565	-	3,822,565	-
Other Taxes					2,855,284	-	2,855,284	-
Investment Income					423,980	(101,180)	322,800	3,365
Other					283,138	-	283,138	109,305
Gain on Sale of Capital Assets					56,046	-	56,046	-
Transfers					(107,520)	107,520	-	-
Total General Revenues and Transfers					<u>7,333,493</u>	<u>6,340</u>	<u>7,339,833</u>	<u>112,670</u>
Change in Net Position					<u>8,611,894</u>	<u>4,948,345</u>	<u>13,560,239</u>	<u>25,167</u>
Net Position (Deficit), Beginning of Year					<u>49,502,926</u>	<u>(9,254,554)</u>	<u>40,248,372</u>	<u>315,036</u>
Net Position (Deficit), End of Year					<u>\$ 58,114,820</u>	<u>\$ (4,306,209)</u>	<u>\$ 53,808,611</u>	<u>\$ 340,203</u>

See accompanying Notes to Basic Financial Statements.

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

	Major Funds							Nonmajor Governmental Funds	Total	
	General Fund	Roads	Mental Health	Social Services	Public Health	ARPA Local Recovery	Other Public Safety			Other SRF
<b>ASSETS</b>										
Cash and Investments	\$ 528,235	\$ 6,562,299	\$ 7,419,424	\$ 5,811,471	\$ 3,454,867	\$ 1,640,787	\$ 3,171,782	\$ 5,025,549	\$ 3,074,187	\$ 36,688,601
Accounts and Other Receivables	1,172,632	929,454	885,605	590,295	1,340,983	-	805,465	96,935	121,751	5,943,120
Taxes Receivable	391,602	-	-	-	-	-	-	-	-	391,602
Inventory	-	1,216,097	-	-	-	-	-	-	-	1,216,097
Prepaid Items	13,879	-	-	7,823	950	-	-	-	-	22,652
Deposits with Others	4,967,239	-	-	-	-	-	-	-	-	4,967,239
Due from Other Funds	1,009,473	16,872	394,590	288,257	63,735	-	135	109,444	175,429	2,057,935
Advances to other funds	2,116,970	347,249	393,747	308,076	181,689	-	136,952	342,591	163,303	3,990,577
<b>Total Assets</b>	<b>\$ 10,200,030</b>	<b>\$ 9,071,971</b>	<b>\$ 9,093,366</b>	<b>\$ 7,005,922</b>	<b>\$ 5,042,224</b>	<b>\$ 1,640,787</b>	<b>\$ 4,114,334</b>	<b>\$ 5,574,519</b>	<b>\$ 3,534,670</b>	<b>\$ 55,277,823</b>
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Accounts Payable	1,444,205	\$ 247,520	\$ 237,622	\$ 220,852	\$ 283,775	\$ -	\$ 99,354	\$ 60,200	\$ 54,777	\$ 2,648,305
Unearned Revenue	-	-	-	48,663	-	1,634,294	-	-	-	1,682,957
Due to Other Funds	88,995	39,935	91,663	100,469	167,284	-	1,129,879	422,975	16,482	2,057,682
<b>Total Liabilities</b>	<b>1,533,200</b>	<b>287,455</b>	<b>329,285</b>	<b>369,984</b>	<b>451,059</b>	<b>1,634,294</b>	<b>1,229,233</b>	<b>483,175</b>	<b>71,259</b>	<b>6,388,944</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable Revenue	-	-	-	-	-	-	-	15,398	-	15,398
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	2,130,849	1,216,097	-	7,823	950	-	-	-	-	3,355,719
Restricted	-	7,568,419	8,764,081	6,628,115	4,590,215	6,493	2,311,920	5,075,946	3,463,411	38,408,600
Committed	-	-	-	-	-	-	573,181	-	-	573,181
Unassigned	6,535,981	-	-	-	-	-	-	-	-	6,535,981
<b>Total Fund Balances</b>	<b>8,666,830</b>	<b>8,784,516</b>	<b>8,764,081</b>	<b>6,635,938</b>	<b>4,591,165</b>	<b>6,493</b>	<b>2,885,101</b>	<b>5,075,946</b>	<b>3,463,411</b>	<b>48,873,481</b>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<b>\$ 10,200,030</b>	<b>\$ 9,071,971</b>	<b>\$ 9,093,366</b>	<b>\$ 7,005,922</b>	<b>\$ 5,042,224</b>	<b>\$ 1,640,787</b>	<b>\$ 4,114,334</b>	<b>\$ 5,574,519</b>	<b>\$ 3,534,670</b>	<b>\$ 55,277,823</b>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MODOC  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

**Total Fund Balances - Governmental Funds Balance Sheet** \$ 48,873,481

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 funds.

Capital assets not being depreciated	1,328,413
Capital assets being depreciated, net of accumulated depreciation	35,480,708
Right to use assets being amortized, net of accumulated amortization	879,959

Long-term liabilities applicable to governmental activities are not due and payable in the current period, and accordingly, are not reported as governmental fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Compensated Absences	(1,397,517)
Claims Liability	(2,087,487)
Lease Liability	(486,204)
SBITA Liability	(299,840)
Laborers International Pension Fund	
Accrued Other Postemployment Benefits (OPEB)	(2,762,746)
Net Pension Liability	(28,647,299)
Deferred Outflows Related to the Net Pension Liability and OPEB	11,319,128
Deferred Inflows Related to the Net Pension Liability and OPEB	(4,101,174)

Net Position of Governmental Activities - Statement of Net Position \$ 58,114,820

**COUNTY OF MODOC**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2023**

	Major Funds								Nonmajor Governmental Funds	Total
	General Fund	Roads	Mental Health	Social Services	Public Health	ARPA Local Recovery	Other Public Safety	Other SRF		
<b>REVENUES</b>										
Taxes	\$ 6,346,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,805	\$ 273,846	\$ 6,677,849
Intergovernmental	3,391,374	7,140,450	5,171,482	8,074,444	4,791,315	-	949,054	4,152,608	1,430,435	35,101,162
License and Permits	131,684	5,507	-	-	13,993	-	-	1,592	41,955	194,731
Fines and Forfeiture	556,953	-	-	-	34	-	14,474	22,530	1,157	595,148
Use of Money and Property	90,632	58,047	91,973	61,993	31,136	-	26,820	204,611	31,834	597,046
Charges for Services	602,945	25,330	149,164	40,309	15,204	-	6,596	38,799	170,587	1,048,934
Other Revenue	175,209	210	39,984	8,181	7,717	-	1,721	13,451	36,665	283,138
<b>Total Revenues</b>	<b>11,294,995</b>	<b>7,229,544</b>	<b>5,452,603</b>	<b>8,184,927</b>	<b>4,859,399</b>	<b>-</b>	<b>998,665</b>	<b>4,491,396</b>	<b>1,986,479</b>	<b>44,498,008</b>
<b>EXPENDITURES</b>										
<b>Current:</b>										
General Government	3,331,696	-	-	-	-	-	-	673,587	964	4,006,247
Public Ways and Facilities	14,434	6,146,774	-	-	-	-	-	-	103,941	6,265,149
Public Protection	7,656,299	-	-	-	-	-	90,614	60,740	612,825	8,420,478
Health and Sanitation	-	-	4,480,619	-	3,631,742	-	-	-	-	8,112,361
Public Assistance	699,962	-	-	7,111,888	-	-	-	206,580	631,311	8,649,741
Education	-	-	-	-	-	-	-	-	83,974	83,974
Recreation and Cultural Services	158,638	-	-	-	-	-	-	650	-	159,288
Capital Outlay	458,735	-	-	18,926	-	-	-	-	-	477,661
Debt Service:										
Principal	291,094	-	48,102	73,637	26,285	-	-	-	16,035	455,153
<b>Total Expenditures</b>	<b>12,610,858</b>	<b>6,146,774</b>	<b>4,528,721</b>	<b>7,204,451</b>	<b>3,658,027</b>	<b>-</b>	<b>90,614</b>	<b>941,557</b>	<b>1,449,050</b>	<b>36,630,052</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,315,863)	1,082,770	923,882	980,476	1,201,372	-	908,051	3,549,839	537,429	7,867,956
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	2,062,792	22,525	190,322	63,096	232,477	-	983	34,665	42,343	2,649,203
Transfers Out	(329,466)	(256,140)	(287,485)	(283,542)	(505,206)	-	(570,395)	(435,998)	(88,491)	(2,756,723)
Lease & SBITA Issuance	458,735	-	-	18,926	-	-	-	-	-	477,661
Sale of Capital Assets	56,046	-	-	-	-	-	-	-	-	56,046
<b>Total Other Financing Sources (Uses)</b>	<b>2,248,107</b>	<b>(233,615)</b>	<b>(97,163)</b>	<b>(201,520)</b>	<b>(272,729)</b>	<b>-</b>	<b>(569,412)</b>	<b>(401,333)</b>	<b>(46,148)</b>	<b>426,187</b>
Net Change in Fund Balances	932,244	849,155	826,719	778,956	928,643	-	338,639	3,148,506	491,281	8,294,143
Fund Balances at Beginning of Year	7,734,586	7,935,361	7,937,362	5,856,982	3,662,522	6,493	2,546,462	1,927,440	2,972,130	40,579,338
Fund Balances at End of Year	<u>\$ 8,666,830</u>	<u>\$ 8,784,516</u>	<u>\$ 8,764,081</u>	<u>\$ 6,635,938</u>	<u>\$ 4,591,165</u>	<u>\$ 6,493</u>	<u>\$ 2,885,101</u>	<u>\$ 5,075,946</u>	<u>\$ 3,463,411</u>	<u>\$ 48,873,481</u>

See accompanying Notes to Basic Financial Statements.



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

	Business-Type Activities			
	Major Funds		Nonmajor	
	Modoc Medical Center	Waste Management	Watermaster	Total
<b>Current Assets</b>				
Cash and Investments	\$ -	\$ 1,691,110	\$ 671,032	\$ 2,362,142
Accounts and Other Receivables	-	6,650	-	6,650
Due from Other Funds	-	-	-	-
Advances to Other Funds	-	90,144	35,231	125,375
<b>Noncurrent Assets</b>				
Capital Assets:				
Capital Assets not being Depreciated	-	16,571	30,500	47,071
Capital Assets being Depreciated, Net	-	91,718	77,919	169,637
Total Assets	-	1,896,193	814,682	2,710,875
<b>Deferred Outflows</b>				
Pension Related Deferred Outflows	-	36,589	58,100	94,689
Total Deferred Outflows	-	36,589	58,100	94,689
<b>Current Liabilities</b>				
Accounts Payable	-	36,822	7,774	44,596
Closure/Postclosure Care Costs	-	57,061	-	57,061
<b>Noncurrent Liabilities</b>				
Advances From Other Funds	4,115,952	-	-	4,115,952
Closure/Postclosure Care Costs	-	2,595,345	-	2,595,345
Net Pension Liability	-	114,695	182,129	296,824
Total Liabilities	4,115,952	2,804,009	190,070	7,110,031
<b>Deferred Inflows</b>				
Pension Related Deferred Inflows	-	1,742	-	1,742
Total Deferred Inflows	-	1,742	-	1,742
<b>Net Position</b>				
Investment in Capital Assets	-	108,289	108,419	216,708
Unrestricted	(4,115,952)	(981,258)	574,293	(4,522,917)
Total Net Position (Deficit)	<u>\$ (4,115,952)</u>	<u>\$ (872,969)</u>	<u>\$ 682,712</u>	<u>\$ (4,306,209)</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MODOC  
 PROPRIETARY FUNDS – STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN NET POSITION  
 YEAR ENDED JUNE 30, 2023**

	Business-Type Activities			Total
	Major Funds		Nonmajor	
	Modoc Medical Center	Waste Management	Watermaster	
<b>Operating Revenues</b>				
Charges for Services	\$ -	\$ 425,522	\$ 229,860	\$ 655,382
Other Revenues	-	658,775	-	658,775
Total Operating Revenues	-	1,084,297	229,860	1,314,157
<b>Operating Expenses</b>				
Salaries and Benefits	-	77,995	122,144	200,139
Services and Supplies	-	89,660	4,932	94,592
Professional Services	-	1,065,032	277	1,065,309
Insurance	-	-	6,170	6,170
Repairs and Maintenance	-	-	4,213	4,213
Utilities	-	-	5,204	5,204
Depreciation	-	8,471	2,736	11,207
Other	-	-	10,318	10,318
Total Operating Expenses	-	1,241,158	155,994	1,397,152
Operating Income (Loss)	-	(156,861)	73,866	(82,995)
<b>Nonoperating Revenues (Expenses)</b>				
Intergovernmental	5,000,000	25,000	-	5,025,000
Investment Income	(133,968)	20,310	12,478	(101,180)
Total Nonoperating Revenues (Expenses)	4,866,032	45,310	12,478	4,923,820
<b>Net Income (Loss) before Transfers</b>	4,866,032	(111,551)	86,344	4,840,825
Transfers In	133,969	-	-	133,969
Transfers Out	-	(14,226)	(12,223)	(26,449)
Change in Net Position	5,000,001	(125,777)	74,121	4,948,345
Net Position (Deficit) at Beginning of Year	(9,115,953)	(747,192)	608,591	(9,254,554)
Net Position (Deficit) at End of Year	\$ (4,115,952)	\$ (872,969)	\$ 682,712	\$ (4,306,209)

See accompanying Notes to Basic Financial Statements.

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

	Business-Type Activities			
	Major Funds		Nonmajor	
	Modoc Medical Center	Waste Management	Watermaster	Total
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ -	\$ 1,083,830	\$ 229,860	\$ 1,313,690
Cash Payments to suppliers for Goods and Services	-	(1,136,926)	(33,521)	(1,170,447)
Cash Payments for Employee Services	-	(74,788)	(159,667)	(234,455)
Net Cash Provided (Used) by Operating Activities	-	(127,884)	36,672	(91,212)
Cash Flows from Noncapital Financing Activities:				
Transfers (to) from Other Funds	133,969	(14,226)	(12,223)	107,520
Advances (to) from Other Funds	(5,000,001)	261,321	87,243	(4,651,437)
Due (to) from Other Funds	-	86	1,021	1,107
Grant received from Other Governments	5,000,000	25,000	-	5,025,000
Net Cash Provided by Noncapital Financing Activities	133,968	272,181	76,041	482,190
Cash Flows from Investing Activities:				
Interest on Investments	(133,968)	20,310	12,478	(101,180)
Net Cash Used by Investing Activities	(133,968)	20,310	12,478	(101,180)
Net Increase (Decrease) in Cash and Cash Equivalents	-	164,607	125,191	289,798
Cash and Cash Equivalents at Beginning of Year	-	1,526,503	545,841	2,072,344
Cash and Cash Equivalents at End of Year	\$ -	\$ 1,691,110	\$ 671,032	\$ 2,362,142
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used) for Operating Activities:				
Operating Income (Loss)	\$ -	\$ (156,861)	\$ 73,866	\$ (82,995)
Adjustments to Reconcile Operating Income to Net Income (Loss) Provided by Operating Activities:				
Depreciation	-	8,471	2,736	11,207
(Increase) Decrease in Accounts Receivable	-	(467)	-	(467)
(Increase) Decrease in Deferred Outflows	-	(23,503)	(30,517)	(54,020)
Increase (Decrease) in Accounts Payable	-	(60,552)	(2,407)	(62,959)
Increase (Decrease) in Compensated Absences	-	-	-	-
Increase (Decrease) in Closure/Postclosure Care Costs	-	78,318	-	78,318
Increase (Decrease) in Net Pension Liability	-	59,103	64,947	124,050
Increase (Decrease) in Deferred Inflows	-	(32,393)	(71,953)	(104,346)
Total Adjustments	-	28,977	(37,194)	(8,217)
Net Cash Provided (Used) by Operating Activities	\$ -	\$ (127,884)	\$ 36,672	\$ (91,212)

See accompanying Notes to Basic Financial Statements.

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

	Investment Trust	Custodial
<b>ASSETS</b>		
Cash and Investments	\$ 24,391,410	\$ 1,761,416
Due from Other Governments	-	-
Taxes Receivable	-	76,893
Prepaid Expenses	8,246	-
Interest Receivable	-	299,586
Total Assets	24,399,656	2,137,895
<b>LIABILITIES</b>		
Accounts Payable	212,132	709,635
Due to Other Governments	-	1,433,653
Total Liabilities	212,132	2,143,288
<b>NET POSITION</b>		
Held in Trust for Investment Pool Participants	\$ 24,187,524	\$ (5,393)

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MODOC**  
**FIDUCIARY FUNDS – STATEMENT OF CHANGES OF FIDUCIARY NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	Investment Trust	Custodial
<b>Additions</b>		
Contributions to Investment Pool	\$ 43,166,298	\$ 4,230
Property Taxes Collected	-	20,846,045
Fees, Fines, and Charges	-	830,734
Net Investment Earnings	181,426	(51,389)
Other Contributions	-	5,110,595
Total Additions	43,347,724	26,740,215
<b>Deductions</b>		
Distribution to Pooled Participants	36,070,867	-
Fees, Fines, and Charges Distributed	-	509,257
Property Taxes Distributed	-	26,236,351
Total Deductions	36,070,867	26,745,608
Change in Net Position	7,276,857	(5,393)
Net Position, Beginning of the Year	16,910,667	-
Net Position, End of the Year	\$ 24,187,524	\$ (5,393)

See accompanying Notes to Basic Financial Statements.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Modoc, California (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant County accounting policies are described below.

**A. Reporting Entity**

The County of Modoc, California is a legal subdivision of the state of California and was incorporated on February 17, 1874 under the general laws of the state of California. The county's powers are exercised through an elected five-member Board of Supervisors (the Board), which, as the governing body is responsible for the legislative and executive control of the County. The County provides a broad range of services including: General Government (Administration), Public Ways and Facilities (Roads and Airports), Public Protection (Sheriff, Probation and County Jail), Health and Sanitation (Mental Health and Public Health), Public Assistance (CalWORKs and Social Services), Education (Library) and Recreation and Cultural Services (Museum).

As required by GAAP, these financial statements present the County of Modoc and its component units, entities for which the County is considered to be financially accountable. The County is considered to be financially accountable for an organization if the County appoints a voting majority of that organization's governing body and the County is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the County. The County is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e. it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the County). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the County are such that their exclusion would cause the County's financial statements to be misleading or incomplete. The County's component units are as follows:

The Adin Lighting, Bidwell Lighting, Canby Lighting, Cedarville Lighting, Eagleville Lighting and Air Pollution Control Districts and Hafer Hills CSA are special districts that are governed by the Board. As the Board is the governing body, these entities have been blended with the activities of the County.

The Modoc County Children and Families First Commission (Commission) was established in December 1998, under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq., of the Health and Safety Code. The Commission accounts for receipts and disbursements of California Children and Families First Trust Fund allocations and appropriations to the Commission.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

The Commission is a discretely presented component unit as the County Board appoints the members of the Commission's governing body and can remove appointed members at will. The Commission is presented as a discretely presented component unit in the financial statements.

**B. Government-Wide and Fund Financial Statements**

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements
- Required Supplementary Information

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. The government-wide financial statements include capital assets, long-term liabilities, depreciation and accumulated depreciation.

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements distinguish between the governmental and business-type activities of the County. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

The accounts of the County are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein the operations of each fund are accounted for in a separate set of self-balancing accounts that records resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The governmental fund financial statements are prepared under the modified accrual basis of accounting and the current financial resources measurement focus. The proprietary and fiduciary fund financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. They provide information about the County's funds, including fiduciary funds and component units. Separate statements for each fund category governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor governmental and nonmajor enterprise funds.

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented which explains the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenue; such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating expenses, including salaries and benefits, services and supplies, and depreciation, represent the costs of providing goods and services to customers. Nonoperating expenses are those expenses such as losses from disposal of capital assets and interest expense that do not result from the principal activity of the fund but from secondary or auxiliary activities.

Deferred outflows of resources are a consumption of net position that is applicable for a future reporting period. Deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period.

The following is a summary of the fund types utilized by the County:

Governmental Fund Types

1. The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital improvement costs which are not paid through other funds.
2. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative regulation to be accounted for in separate funds.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Governmental Fund Types (Continued)

3. Debt Service Funds are used to account for the accumulation of resources for and the payment of long-term debt principal and interest.
4. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Fund Types.

The County reports the following major governmental funds:

General Fund – To account for all of the general revenues of the County not specifically levied or collected for other County funds and for expenditures related to the rendering of general services by the County.

Roads – To account for revenues and expenditures restricted to the maintenance of the County's roads. This fund includes revenues collected from the highway user's tax.

Mental Health – This fund is used to account for financial resources restricted for the maintenance and well-being of the County's constituents. Financial resources include proceeds from the Mental Health Services Act.

Social Services – This fund is used to account for financial resources restricted for public assistance to families and individuals.

Public Health – This fund is used to account for revenues and expenditures related to the activities of assisting the public with health related issues.

ARPA Local Recovery – This fund is used to account for revenues and expenditures related to funds received by the County from the American Rescue Plan Act of 2021 (ARPA).

Other Public Safety – This fund is used to account for revenues and expenditures related to miscellaneous public safety activities.

Other Special Revenue – This fund is used to account for miscellaneous revenues and expenditures related to all functional activities.

Proprietary Fund Types

Enterprise Funds are used to account for operations that are financed and operated in a manner similar 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.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Proprietary Fund Types (Continued)

The County reports the following major enterprise funds:

Medical Center – In August of 2010 the County held a special election to create a new hospital district. During the 10/11 fiscal year the County and the new district (Last Frontier Hospital District) began the process of separating the assets and liabilities associated with hospital operations. The transition of assets and liabilities between the entities was not finalized until June 30, 2012. As represented in the 12/13 financial statements, this fund shows only the transactions associated with the fund remaining under the County's control and responsibility after the transfer of all assets and liabilities. The deficit balance remaining in the Modoc Medical Center fund is the responsibility of the County.

Waste Management – This fund is used to account for the revenues and expenses for the maintenance and operation of the County's landfills. This fund is also used to account for liabilities associated with the County's closure and post-closure care costs.

The County's Fund structure also includes the following fund types:

Investment Trust Fund – (a single cash pool managed by the Treasury) accounts for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school districts and special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Custodial Funds – are used to account for assets held by the County as an agent for the State of California and various local governments. These funds are used to account for situations where the role of the County is purely custodial, such as the receipt, temporary investment, or remittance of fiduciary resources. The custodial funds are most commonly used to account for taxes or fees collected from one government on behalf of other governments.

**C. Measurement Focus and Basis of Accounting**

Government – Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the County.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Government – Wide Financial Statements (Continued)

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting; revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions were recognized in accordance with the requirements of GASB Statement No. 33, as amended by GASB Statement No. 63 and GASB Statement No. 65.

Program revenues include charges for services, special assessments, and payments made by parties outside the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or organizations.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current position. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period. The County considers all revenues available if they are collected within 180 days after year-end except for property taxes, which are considered available if collected within 60 days. Significant revenues subject to accrual under the measurable and available criteria include property taxes, sales taxes and utility user taxes.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction takes place. Imposed non-exchange transactions are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current position) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent current assets. Recognition of governmental fund type revenue represented by non-current receivables is reported in the fund financial statements as "Deferred Inflows of Resources" until they become current receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current position, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

Governmental Funds (Continued)

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary Funds

The County's Enterprise Funds are proprietary funds. In the fund financial statements, proprietary funds and fiduciary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing goods and services related to the fund's ongoing operations. The principal operating revenue of the County's proprietary funds is charges for service. Operating expenses include the cost of services provided, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary funds financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the proprietary funds financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the proprietary funds are reported as a reduction of the related liability, rather than as an expenditure.

**D. Cash and Investments**

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts (if any) that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. The fair value of the investments is generally based on published market prices.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Cash and Investments (Continued)**

The County pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**E. Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents are defined as short term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the County.

**F. Fair Value Measurements**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles as defined by Governmental Accounting Standards Board (GASB) Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy is detailed as follows:

*Level 1 Inputs:* Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.

*Level 2 Inputs:* Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

*Level 3 Inputs:* Unobservable inputs for an asset or liability.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of net position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include various types of mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices or securities with similar characteristics or discounted cash flows. In certain cases, where Level 1 and Level 2 inputs are not available, securities are classified within Level 2 of the hierarchy.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Accounts Receivable**

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

**H. Inventories**

Inventories consist of expendable supplies valued at cost (principally on a first-in, first-out basis). The County uses the consumption method to record inventories as assets when purchased by governmental funds, and expenditures when used.

Significant supplies on hand at year-end are recorded as assets with a corresponding reservation of fund balances to indicate that such amounts are not available for appropriation.

**I. Capital Assets**

Acquisitions of capital assets (including infrastructure) are recorded at historical cost at the time of purchase or at estimated historical cost if actual historical cost is not available. Assets acquired from gift or donations are valued at their acquisition value on the date contributed. Capital assets components consist of land, furniture and fixtures, structures and improvements, machinery and equipment, vehicles, computers and components, and infrastructure. The County has two networks of infrastructure assets – roads (paved and unpaved) and bridges. The County defines capital assets as assets with an estimated useful life in excess of one year.

Acquisitions of capital assets are recorded as expenditures in the governmental funds statement. Capital assets are capitalized and depreciated on the government-wide and the proprietary funds statements. Land and construction in progress are not depreciated. The capitalization level and estimated useful lives are as follows:

Category	Capitalization Level	Useful Life
Furniture and Fixtures	\$ 5,000	7
Structures and Improvements	5,000	25-40
Machinery and Equipment	5,000	5-10
Vehicles	5,000	5-10
Computers and Components	5,000	3
Infrastructure	5,000	20-50

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Compensated Absences**

In accordance with GASB Statement No. 16, a liability is recorded for compensated absences (unpaid vacation, sick leave and compensatory time) since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

**K. Deferred Inflows / Outflows**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources related to pensions in its proprietary and government-wide statements; and OPEB for government-wide statements.

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 represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources related to unavailable revenue in the governmental funds, pensions in its proprietary and government-wide statements; and OPEB for government-wide statements.

**L. Property Taxes**

Under California law, property taxes are assessed and collected up to 1 percent of assessed value, plus other increases approved by the voters. Property is originally assessed at 100 percent of full cash or market value at the date of transfer or completion of construction pursuant to Article XIII (A) of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. Annual increases are limited to 2 percent of base year values.

The property tax levy to support general operations of various jurisdictions is limited to one percent of full cash value and is distributed in accordance with statutory formulas. Amounts levied each fiscal year to finance the annual requirements of voter approved debt are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Property Taxes (Continued)**

The County is divided into approximately 100 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. Property taxes are levied on both real and personal property. Secured property taxes are levied July 1 and payable in two equal installments: the first is generally due November 1 and delinquent with penalties after December 10; the second is generally due on February 1 and delinquent with penalties after April 10. Unsecured property taxes become delinquent with penalties after August 31. Secured property taxes become a lien on the property on January 1 or the date on which title to the property transfers or improvements to the property are completed.

The County changed its method of tax apportionments in fiscal year 10/11, ending the alternative property tax treatment (Teeter Plan). Beginning in fiscal year 10/11, participating agencies receive only the portion of taxes (including special assessments) collected within the fiscal year. The basic tax (1% Secured Roll) is allocated based on the percentage of the total collected, while special assessments are allocated at the collection amount. Delinquent taxes (Abstract Roll) collected that were billed in years prior to 10/11 are recorded in the Tax Fund, and not apportioned to other agencies (these amounts were already apportioned to the participating agencies under the Teeter Plan). Delinquent taxes (Abstract Roll) collected that were billed in 10/11 and subsequent years are apportioned based on the AB-8 factors used in the year they are collected. Delinquent Special Assessments are apportioned to the appropriate agency as collected.

**M. Unearned Revenue**

Unearned revenue arises when resources are received by the County Office prior to the incurrence of qualifying expenditures. In subsequent periods, when the County Office has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

**N. Interfund Activity**

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Advances to Other Funds**

Noncurrent portions of long-term interfund loan receivables are reported in the fund financial statements as advances and are offset equally by nonspendable fund balance restriction which indicates that they are legally required to remain intact.

**P. Use of Restricted Resources**

When both restricted and unrestricted resources are available for spending, restricted funds will be considered spent first. When all classifications within the unrestricted category are available for spending, the order shall be: 1) committed, 2) assigned, 3) unassigned. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Q. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method is used by the County to report prepaid.

**R. Estimates**

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

**S. Fund Balance**

The following classifications describe the relative strength of the constraints placed on the purposes for which resources can be used:

*Nonspendable* – Amounts not in spendable form or legally or contractually required to remain intact. Non-spendable fund balances will be identified and designated at year end by the County Auditor.

*Restricted* – Amounts restricted to a specific use by 1) creditor, grantors, contributors or laws or regulations of other governments; or 2) constitutional provisions or enabling legislation. Restricted fund balances will be identified and designated at year end by the County Auditor.

*Committed* – Amounts committed to a specific use by formal action (resolution or ordinance) of the Board of Supervisors. Balances to be committed must be evidenced by a formal action taken by the Board prior to the end of the fiscal year; however, the amount to be committed may be identified in a subsequent period. Modification, redeployment or elimination of commitment must also be by formal action, reversing the action that created the original balance.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**S. Fund Balance (Continued)**

*Assigned* – Amounts assigned to a specific use based on the County’s intent that are neither restricted nor committed. The Board may authorize another County official (i.e. the CAO) to “assign” fund balances.

*Unassigned* – The unassigned classification is to be used when there are negative residual resources in excess of what can be properly classified as non-spendable, restricted, committed or assigned in funds outside of the General Fund. Within the General fund, the unassigned classification represents the residual amounts not classified in one of the four previous classifications.

**T. Current Governmental Accounting Standards Board (GASB) Pronouncements**

**GASB Statement No. 96** – Subscription-Based Information Technology Arrangements (SBITAs), is effective for periods beginning after June 15, 2022. The principal objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. The County adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

**NOTE 2 CASH AND INVESTMENTS**

The County has an Investment Pool that is managed by the County Treasurer for the purpose of earning interest through investment activities. The Investment Pool is not registered with the SEC but is subject to the County Treasury Investment Policy and Government Code. The respective funds’ shares of the total pool are included in the accompanying basic financial statements under the captions “Cash and investments” and “Restricted cash and investments.”

The Investment Pool is comprised of internal and external pool participants. The internal pool participants include the funds and component units of the reporting entity and are reported in the various County funds. The external pool participants include legally separate entities, which are not part of the sponsor’s reporting entity. The external investment component of the Investment Pool is reported in the accompanying financial statements as an investment trust fund within the fiduciary funds and uses the economic resources measurement focus and accrual basis of accounting.

The County has adopted an Investment Policy (Policy) which complies with the requirements of California Government Code and serves as the basis for the type of investments, maturity limit, credit rating, and diversification of securities comprising the

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

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

Investment Pool. The objectives of the Policy are safety of principal, maintenance of liquidity and earning a competitive rate of return.

The following is a summary of the County's cash and investments, and restricted cash and investments by fund as of June 30, 2023:

**Major Governmental Funds**

General Fund	\$ 528,235
Special Revenue Funds:	
Roads	6,562,299
Mental Health	7,419,424
Social Services/CalWORKs	5,811,471
Public Health	3,454,867
ARPA Local Recovery	1,640,787
Other Public Safety	3,171,782
Other Special Revenue	5,025,549
Total Major Governmental Funds	<u>\$ 33,614,414</u>

**Nonmajor Governmental Funds**

Special Revenue Funds:	
Alcohol and Drug	\$ 1,525,055
Family Support	92,755
OES Grants	64,701
Special Aviation	115,489
Capital Improvement Funding	97,082
Board Governed Districts	832,917
Library	346,188
Total Nonmajor Governmental Funds	<u>\$ 3,074,187</u>

**Major Proprietary Funds**

Modoc Medical Center	\$ -
Waste Management	1,691,110
Total Major Proprietary Funds	<u>\$ 1,691,110</u>

**Nonmajor Proprietary Funds**

Watermaster	\$ 671,032
Total Nonmajor Proprietary Funds	<u>\$ 671,032</u>

Total Governmental and Proprietary Funds (Primary Government)	<u>\$ 39,050,743</u>
--	----------------------

**Discretely Presented Component Unit**

Modoc County Children and Families Commission	<u>\$ 428,658</u>
---	-------------------

**Fiduciary Funds**

Investment Trust	\$ 24,391,410
Custodial	1,761,416
Total Fiduciary Funds	<u>\$ 26,152,826</u>

Total Cash and Investments	<u>\$ 65,632,227</u>
----------------------------	----------------------

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

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments Authorized by the California Government Code and the County's Investment Policy**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
US Treasury Obligations	5 years	100%	None
Federal Agency Securities	5 years	50%	None
Medium Term Corporate Notes	5 years	30%	10%
Negotiable Certificates of Deposit	5 years	20%	10%
Time Certificates of Deposit	5 years	40%	15%
Bankers Acceptances	180 days	40%	15%
Commercial Paper	270 days	40%	10%
Municipal Debt Issues	5 years	30%	5%
Repurchase Agreements:			
Less than 30 days	30 days	20%	30%
Greater than 30 days	365 days	10%	30%
Asset Backed Securities	5 years	20%	5%
Supranational	5 years	30%	10%
Local Agency Investment Fund	N/A	100%	100%
CalTrust - Shares of Beneficial Interest	N/A	50%	50%
CAMP - California Asset Management Program	N/A	50%	50%

Total cash and investments (including restricted cash and investments) at fair value as reported at June 30, 2023 are as follows:

Governmental Activities	\$ 36,688,601
Business-Type Activities	2,362,142
Total Primary Government	<u>39,050,743</u>
Discretely Presented Component Unit	428,658
Total Government-Wide	<u><u>\$ 39,479,401</u></u>
Fiduciary Funds:	
Investment Trust Fund	\$ 24,391,410
Custodial	1,761,416
Total Fiduciary Funds	<u><u>\$ 26,152,826</u></u>
 Total Cash and Investments	 <u><u>\$ 65,632,227</u></u>

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

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

Cash and investments at fair value for County funds, including those funds managed separately from the Treasury, at June 30, 2023 are summarized as follows:

Cash on Hand	\$ 2,000
Cash in Bank	<u>\$ 3,027,050</u>
Total Cash	<u><u>\$ 3,029,050</u></u>
Investments in Treasurer's Pool	
Money Market	
Investments	49,415,540
LAIF	609,604
CAMP	11,288,394
CalTrust	<u>1,289,639</u>
Total Investments	<u><u>\$ 62,603,177</u></u>
Total Cash and Investments	<u><u>\$ 65,632,227</u></u>

At year-end, the carrying amount of the County's cash deposits was \$3,027,050 and the bank balance was \$1,400,000. The difference between the bank balance and the carrying amount represents outstanding warrants and deposits in transit.

**Disclosures Relating to Credit Risk**

State law and the County's Investment Policy limit investments in medium-term notes to the rating of A and A-1/P-1 for Commercial Paper by Standard & Poor's and Moody's Investors Service. Presented below is the rating as of yearend for each investment type:

Investments in Investment Pool	Moody's	S&P	Amount
Asset Backed Security	AAA, NR, AAA-Fitch	AAA, AAA-Fitch	\$ 3,706,904
CD	Aaa, A2, A1, Aaa	AA+, A, A-, A+	19,789,932
Federal Agency	Aaa	AA+	8,067,841
Medium Term Corporate Notes	Aaa, A3, A2, A1, Aaa, Aa2, Aa3	AAA, 0, A-, AA+, AA, A+, A, AA-	13,891,500
Money Market	A1, A2	A	695,230
Supranationals	AAA	AAA	779,794
US Treasuries	AAA	AA+	2,316,364
Local Agency Investment Fund (LAIF)	Not rated	Not rated	609,604
CalTrust	Not rated	A+	1,289,639
Capital Asset Management Program (CAMP)	Not rated	Not rated	11,228,394
Commerical Paper	AAA	AAA	227,975
Total Investments			<u><u>\$ 62,603,177</u></u>

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

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. The County's policy limits the amount that may be invested in any one issuer based on investment type. The County had no investments in issuers that represented 5 percent or more of the County's total Investment pool at June 30, 2023.

**Disclosure Relating to Interest Rate Risk**

Investment Pool. As a means of limiting its exposure to interest rate risk, the County diversifies its investments by security type and institution, and limits holdings in any one type of investments with any one issuer. The County coordinates its investments maturities to match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Investment	Fair Value	Maturity	
		Less than 1 Year	1-5 Years
Federal Agency Securities	\$ 8,067,842	\$ 199,618	\$ 7,868,224
Certificate of Deposit	19,849,931	3,107,241	16,742,690
Medium Term Corporate Notes	13,891,500	4,248,200	9,643,300
Asset Backed Securities	3,706,904	1,077,049	2,629,855
Supranational	719,794	-	719,794
U.S. Treasury Notes	2,316,634	823,144	1,493,490
Commercial Paper	227,975	-	227,975
Money Market Fund	695,230	695,230	-
Local Agency Investment Funds - LAIF and CAMP	11,837,728	11,837,728	-
CalTrust (Investment Pool)	1,289,639	1,289,639	-
	<u>\$ 62,603,177</u>	<u>\$ 23,277,849</u>	<u>\$ 39,325,328</u>

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

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. The first \$250,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized. As of June 30, 2023 the County's deposits with financial institutions were \$1,400,000.

**Investment in Cal Trust**

The County is a voluntary participant in the CalTrust Medium Term money funds, which is a Joint Powers Authority investment that is regulated by the California Government Code. The funds are managed by a professional investment advisory firm (currently Gemini Fund Services LLC). The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's Net Asset Value of investment. The balance available for withdrawal is based on the accounting records maintained by CalTrust, which are recorded on Net Asset Value basis. CalTrust Medium Term Fund is not registered with the Securities and Exchange Commission and is rated A+ by S&P.

**Investment in State Investment Pool (LAIF)**

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated.

**Investment in California Asset Management Program (CAMP)**

The County is a voluntary participant in the Local Agency fund CAMP that is regulated by the California Government Code under the oversight of PFM Asset Management LLC. The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's pro-rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The

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

balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis. CAMP is not rated.

**Treasury Investment Pool**

The Investment Pool does not issue financial statements separate from the County's basic financial statements. The following represents a condensed statement of net position and changes in net position for the pool (internal and external) as of June 30, 2023:

<b><u>Statement of Net Assets</u></b>	<u>Total</u>
Net Assets Held for Pool Participants	<u>\$ 65,632,227</u>
Equity of Internal Pool Participants	\$ 40,812,159
Equity of Discretely Presented Component Unit	428,658
Equity of External Pool Participants	<u>24,391,410</u>
Total Equity	<u>\$ 65,632,227</u>
Statement of Changes in Net Assets	
Net Assets at July 1, 2022	\$ 38,034,791
Increase in Investment by Pool Participants, Net	<u>27,597,436</u>
Net Assets at June 30, 2023	<u>\$ 65,632,227</u>

**Investment Valuation**

The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County does not have any investments that are measured using Level 3 inputs. Fair value measurements of the County's investments are as follows at June 30, 2023:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>
<b>Debt Securities:</b>			
Federal Agency Securities	\$ 8,067,842	\$0	\$ 8,067,842
Certificate of Deposit	19,849,931	-	19,849,931
Medium Term Corporate Notes	13,891,500	-	13,891,500
Asset Backed Securities	3,706,904	-	3,706,904
Supranational	719,794	-	719,794
U.S. Treasury Notes	2,316,634	-	2,316,634
Municipal Debt Issue	227,975	-	227,975
<b><u>Bank Accounts</u></b>			
Money Market Fund	\$ 695,230	\$ 695,230	-
<b>Amortized Cost:</b>			
<b><u>Investment Pools</u></b>			
LAIF	609,604		
CAMP	11,228,124		
CalTrust	1,289,639		
Total Investments	<u>\$ 62,603,177</u>		

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

**NOTE 3 INTERFUND RECEIVABLES AND PAYABLES**

Short Term Interfund receivables and payables consisted of the following at June 30, 2023:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Roads	\$ 39,890
General Fund	Mental Health	43,371
General Fund	Social Services/CalWorks	84,996
General Fund	Public Health	145,497
General Fund	Nonmajor Governmental Funds	695,719
Roads	Nonmajor Governmental Funds	16,872
Social Services/CalWorks	General Fund	54,496
Social Services/CalWorks	Nonmajor Governmental Funds	233,761
Public Health	Mental Health	48,262
Public Health	Social Services/CalWorks	15,473
Mental Health	Public Health	21,787
Mental Health	Nonmajor Governmental Funds	372,803
Nonmajor Governmental Funds	General Fund	34,499
Nonmajor Governmental Funds	Roads	45
Nonmajor Governmental Funds	Mental Health	30
Nonmajor Governmental Funds	Nonmajor Governmental Funds	250,434
		<u>\$ 2,057,935</u>
Total Due To / Due From Other Funds		

All of the amounts are for various interfund charges for services, or non-exchange funding allocations between departments.

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

**NOTE 3 INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

Long-term interfund receivables and payables at June 30, 2023 are as follows:

<u>Advances From</u>	<u>Advances To</u>	<u>Amount</u>
General Fund	Modoc Medical Center (Enterprise Fund)	\$ 2,116,970
Roads	Modoc Medical Center (Enterprise Fund)	347,249
Mental Health	Modoc Medical Center (Enterprise Fund)	393,747
Social Services	Modoc Medical Center (Enterprise Fund)	308,076
Public Health	Modoc Medical Center (Enterprise Fund)	181,689
Other Public Safety	Modoc Medical Center (Enterprise Fund)	136,952
Other SRF	Modoc Medical Center (Enterprise Fund)	342,591
Nonmajor Governmental Funds	Modoc Medical Center (Enterprise Fund)	163,303
Total Governmental		<u>\$ 3,990,577</u>
Waste Management	Modoc Medical Center (Enterprise Fund)	\$ 90,144
Watermaster	Modoc Medical Center (Enterprise Fund)	35,231
Total Proprietary Funds		<u>\$ 125,375</u>
Total Advances for Modoc Medical Center		<u>\$ 4,115,952</u>
Total Advances for All Funds		<u>\$ 4,115,952</u>

The amounts are advances to cover deficit cash balances at June 30, 2023, for \$4,115,952 in the Modoc Medical Center. The advances represent the interfund borrowing/dry period loans utilized to maintain cash flow.

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

**NOTE 4 INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2023 are as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
<u>Governmental Funds</u>		
General Fund	Social Services	\$ 54,496
	Public Health	70,462
	Modoc Medical Center	133,969
	Nonmajor Governmental Funds	70,539
		<u>329,466</u>
Roads	General	256,005
	Nonmajor Governmental Funds	135
		<u>256,140</u>
Mental Health	General Fund	135,823
	Social Services	5,000
	Public Health	146,542
	Nonmajor Governmental Funds	120
		<u>287,485</u>
Public Health	General	371,540
	Mental Health	133,651
	Nonmajor Governmental Funds	15
		<u>505,206</u>
Social Services	General	267,949
	Public Health	15,473
	Nonmajor Governmental Funds	120
		<u>283,542</u>
Other Public Safety	General	506,677
	Mental Health	56,671
	Nonmajor Government Fund	7,047
		<u>570,395</u>
Other SRF	General	421,998
	Roads	14,000
		<u>435,998</u>
Nonmajor Governmental Funds	General	76,366
	Roads	8,525
	Social Services	3,600
		<u>88,491</u>
Total Governmental Funds		<u>\$ 2,756,723</u>
<u>Enterprise Funds</u>		
Waste Management	General	\$ 14,226
		<u>14,226</u>
Nonmajor Enterprise Funds	General	12,208
	Nonmajor Enterprise Funds	15
		<u>12,223</u>
Total Enterprise Funds		<u>\$ 26,449</u>

All of the transfers were necessary for cash flow purposes.

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

**NOTE 5 CAPITAL ASSETS**

A summary of capital asset activity for the year ended June 30, 2023 follows:

<b>Governmental Activities</b>	(1) Restated Balance July 1, 2022	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2023
<b>Capital Assets, Nondepreciated</b>					
Land	\$ 861,837	\$ -	\$ -	\$ -	\$ 861,837
Construction in Progress	144,399	322,177	-	-	466,576
Total Nondepreciated	1,006,236	322,177	-	-	1,328,413
<b>Capital Assets, Being Depreciated</b>					
Equipment	14,544,740	726,932	(181,737)	(22,071)	15,067,864
Structures and Improvements	6,392,352	-	-	-	6,392,352
Land Improvements	2,909,388	-	-	-	2,909,388
Infrastructure	77,477,781	2,898,919	-	-	80,376,700
Total Assets, Depreciated	101,324,261	3,625,851	(181,737)	(22,071)	104,746,304
Equipment	(12,251,196)	(626,678)	168,530	(24,300)	(12,733,644)
Structures and Improvements	(4,651,368)	(115,452)	-	-	(4,766,820)
Land Improvements	(1,893,731)	(104,712)	-	-	(1,998,443)
Infrastructure	(46,513,244)	(3,253,445)	-	-	(49,766,689)
Total Accumulated Depreciation	(65,309,539)	(4,100,287)	168,530	(24,300)	(69,265,596)
Total Capital Assets, Depreciated, Net	36,014,722	(474,436)	(13,207)	(46,371)	35,480,708
<b>Right to Use Assets, Being Amortized</b>					
Equipment	217,781	124,024	(36,087)	7,961	313,679
Structures	282,404	167,320	(107,992)	-	341,732
Land Improvements	51,155	-	-	-	51,155
SBITA Asset	378,076	186,316	-	-	564,392
Total Assets, Amortized	929,416	477,660	(144,079)	7,961	1,270,958
<b>Less Accumulated Amortization for:</b>					
Equipment	(79,409)	(67,754)	36,087	(254)	(111,330)
Structures	(80,479)	(82,675)	107,992	-	(55,162)
Land Improvements	(8,526)	(8,526)	-	-	(17,052)
SBITA Asset	-	(207,455)	-	-	(207,455)
Total Accumulated Amortization	(168,414)	(366,410)	144,079	(254)	(390,999)
Total Right to Use Assets, Amortized, Net	761,002	111,250	-	7,707	879,959
Governmental Activities Capital Assets, Net	\$ 37,781,960	\$ (41,009)	\$ (13,207)	\$ (38,664)	\$ 37,689,080

Note to Schedule:

(1) The beginning balance was restated due to the implementation of GASB Statement No. 96.

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

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

<b>Enterprise Fund (Waste Management)</b>	Balance July 1, 2022	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2023
<b>Capital Assets, Nondepreciated:</b>					
Land	\$ 16,571	\$ -	\$ -	\$ -	\$ 16,571
Total Capital Assets, Nondepreciated	16,571	-	-	-	16,571
<b>Capital Assets, Being Depreciated</b>					
Equipment	139,821	-	-	-	139,821
Structures	338,830	-	-	-	338,830
Land Improvements	13,716	-	-	-	13,716
Total Capital Assets, Depreciated	492,367	-	-	-	492,367
<b>Less Accumulated Depreciation for:</b>					
Equipment	(139,821)	-	-	-	(139,821)
Structures	(238,641)	(8,471)	-	-	(247,112)
Land Improvements	(13,716)	-	-	-	(13,716)
Total Accumulated Depreciation	(392,178)	(8,471)	-	-	(400,649)
Total Capital Assets, Depreciated Net	100,189	(8,471)	-	-	91,718
Waste Management Capital Assets, Net	\$ 116,760	\$ (8,471)	\$ -	\$ -	\$ 108,289
<b>Enterprise Fund (Watermaster)</b>					
	Balance July 1, 2021	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2022
<b>Capital Assets, Non-depreciated:</b>					
Land	\$ 30,500	\$ -	\$ -	\$ -	\$ 30,500
Total Capital Assets, Nondepreciated	30,500	-	-	-	30,500
<b>Capital Assets, Being Depreciated</b>					
Equipment	69,504	-	-	-	69,504
Structures	84,500	-	-	-	84,500
Total Capital Assets, Depreciated	154,004	-	-	-	154,004
<b>Less Accumulated Depreciation for:</b>					
Equipment	(67,010)	(623)	-	-	(67,633)
Structures	(6,339)	(2,113)	-	-	(8,452)
Total Accumulated Depreciation	(73,349)	(2,736)	-	-	(76,085)
Total Capital Assets, Depreciated Net	80,655	(2,736)	-	-	77,919
Waste Management Capital Assets, Net	\$ 111,155	\$ (2,736)	\$ -	\$ -	\$ 108,419

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

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

<b>Depreciation by Function</b>	<b>Amount</b>
General Government	64,260
Public Protection	184,951
Public Ways and Facilities	3,635,211
Health and Sanitation	166,126
Education	9,612
Recreation and Cultural Services	40,127
Total Governmental Activities	\$ 4,100,287

<b>Amortization by Function</b>	<b>Amount</b>
General Government	169,441
Public Protection	34,361
Public Ways and Facilities	1,617
Health and Sanitation	85,957
Public Assistance	75,034
Total Governmental Activities	\$ 366,410

**NOTE 6 CHANGES IN LONG-TERM LIABILITIES**

	(1) Restated Beginning	Additions	Deletions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Compensated Absences	\$ 1,213,201	\$ 184,316	-	\$ 1,397,517	\$ 477,057
Financed Purchases	-	-	-	-	-
Lease Liability	385,460	291,345	190,601	486,204	144,022
SBITA Liability	378,076	186,316	264,552	299,840	216,316
Total Governmental Activities	\$ 1,976,737	\$ 661,977	\$ 455,153	\$ 2,183,561	\$ 837,395
<u>Business Type Activities</u>					
Compensated Absences	\$ -	\$ -	\$ -	\$ -	\$ -
Closure/Postclosure care costs	2,574,088	78,318	-	2,652,406	57,061
Total Business-type Activities	2,574,088	78,318	-	2,652,406	57,061
Total	\$ 4,550,825	\$ 740,295	\$ 455,153	\$ 4,835,967	\$ 894,456

Note to Schedule:

(1) The beginning balance was restated due to the implementation of GASB Statement No. 96.

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

**NOTE 7 LEASES**

The County leases equipment as well as real properties for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2036 and provide for renewal options ranging from two to five years.

Total future lease payments under lease agreements are as follows:

Year Ended June 30:	Governmental Activities		
	Principal	Interest	Total
2024	\$ 144,022	\$ 7,135	\$ 7,135
2025	92,803	5,626	5,626
2026	66,746	4,403	4,403
2027	58,439	3,339	3,339
2028	35,995	2,291	2,291
2029-2033	53,353	6,647	6,647
2034-2036	34,846	1,156	1,156
Total minimum lease payments	<u>\$ 486,204</u>	<u>\$ 30,597</u>	<u>\$ 30,597</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class:

	Governmental Activities
Equipment	\$ 313,679
Buildings	341,732
Land Improvements	51,155
Less: Accumulated Amortization	(183,544)
	<u>\$ 523,022</u>

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

**NOTE 8 DEFINED BENEFIT PENSION PLANS**

**A. General Information about the Pension Plans Description**

All qualified permanent and probationary employees are eligible to participate in the County's Safety (Sheriff and Jail) or Miscellaneous (all others) Plans. The County's Safety Plan is a cost-sharing multiple-employer defined benefit plan while the Miscellaneous Plan is an agent multiple-employer defined benefit pension plan. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (PERS), a public employee retirement system which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by State statute and County resolution. The County's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. The County selects optional benefit provisions by contract with CalPERS and adopts those benefits through County Ordinance. CalPERS issue a separate annual comprehensive financial report; however, separate reports for the County's Safety and Miscellaneous Plans are not available. Copies of CalPERS annual financial reports which include required supplementary information (RSI) for each plan may be obtained from CalPERS Executive Offices, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

Benefits Provided

All pension plans provide benefits, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing five years of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within a prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement.

Service related disability benefits are provided to safety members and are based on final compensation. Non-service related disability benefits are provided to both safety and miscellaneous members. The benefit is based on final compensation, multiplied by **service**, which is determined as follows:

- **Service** is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- **Service** is CalPERS credited service plus the additional number of years that member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service.

Death benefits are based upon a variety of factors including whether the participant was retired or not.

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

**NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. General Information about the Pension Plans Description (Continued)**

Benefits Provided (Continued)

Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans. COLAs are granted to retired members each May based upon the Bureau of Labor Statistics Average Consumer Price Index for All Urban Consumers for the previous calendar year and is subject to a maximum of 2% per annum.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>
	Prior To	After
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2% @ 55	2% @ 62
Benefits Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50-63	52-67
Monthly Benefits as % of Eligible Compensation	1.426% - 2.418%	1.00% - 2.50%
Required Employee Contribution Rates	7.00%	6.75%
Required Employer Contribution Rates	9.240%	9.240%
Status	Open	Open
	<u>Safety</u>	<u>Safety PEPRA</u>
	Prior To	After
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	3% @ 50	2.7% @ 57
Benefits Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	50
Monthly Benefits as % of Eligible Compensation	3.00%	2.00% - 2.70%
Required Employee Contribution Rates	9.00%	13.00%
Required Employer Contribution Rates	23.710%	13.130%
Status	Open	Open

Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms for the Miscellaneous Plan.

	<u>Miscellaneous</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	329
Inactive Employees Entitled to but not yet Receiving Benefits	404
Active Employees	194
Total	<u>927</u>

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

**NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. General Information about the Pension Plans Description (Continued)**

Benefits Provided (Continued)

The corresponding data is not available for employees included in the Safety Plan as the plan is a cost-sharing multiple employer plan.

Contributions

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

**B. Net Pension Liability**

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

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

	Miscellaneous	Safety
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.500%	2.500%
Payroll Growth	2.750%	2.750%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.00%	7.00%
Mortality	Derived using CalPERS Membership Data for All Funds	

The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

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

**NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Net Pension Liability (Continued)**

Asset Allocation

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges, and manages those asset class allocations within their policy ranges. CalPERS Investment Belief No. 6 recognizes that strategic asset allocation is the dominant determinant of portfolio risk and return. On February 19, 2014, the CalPERS Board of Administration adopted changes to the current asset allocation as shown in the Policy Target Allocation below expressed as percentage of total assets. The asset allocation has an expected long term blended rate of return of 7.15 percent.

The asset allocation and market value of assets shown below reflect the values of the Public Employees Retirement Fund (PERF) in its entirety as of June 30, 2022.

Asset Class	Current Target Allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	50.0%	4.8%	6.0%
Fixed Income	28.0%	1.0%	2.6%
Inflation Assets	0.0%	0.8%	1.8%
Private Equity	8.0%	6.3%	7.2%
Real Assets	13.0%	3.8%	4.9%
Liquidity	1.0%	0.0%	-0.9%

**C. Changes in the Net Pension Liability**

The changes in the Net Pension Liability for the County's Miscellaneous Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2022	\$ 83,784,393	\$ 72,660,222	\$ 11,124,171
Changes in the Year:			
Service Cost	1,439,410	-	1,439,410
Interest on Total Pension Liability	5,776,135	-	5,776,135
Changes of Assumptions	2,401,497		2,401,497
Differences Between Expected and Actual Experience	(545,503)	-	(545,503)
Contributions from the Employer	-	2,535,737	(2,535,737)
Contributions from Employees	-	576,495	(576,495)
Net Investment Income	-	(5,403,968)	5,403,968
Benefit Payments, Including Refunds of Employee Contributions	(5,241,769)	(5,241,769)	-
Administrative Expense	-	(45,248)	45,248
Change in Allocation	(27,103)	(23,504)	(3,599)
Net Changes	3,802,667	(7,602,257)	11,404,924
Balance at June 30, 2023	\$ 87,587,060	\$ 65,057,965	\$ 22,529,095

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

**NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**C. Changes in the Net Pension Liability (Continued)**

The Safety plans are part of a Risk Pool, which is part of the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. The County's net pension liability for the Safety Plan 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 plan participants, actuarially determined. The County's net pension liability and related Plan proportion for the Safety Plan is as follows:

Plan	Plan's Proportion to Total Pool at June 30, 2023	Plan's Proportion to Total Pool at June 30, 2022	Plan's Proportionate Share of Net Pension Liability
Safety	0.093360%	0.107860%	\$6,415,028

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

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

	Miscellaneous	Safety	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 33,297,412	\$ 10,034,685	\$ 43,332,097
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 22,529,095	\$ 6,415,028	\$ 28,944,123
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 13,596,100	\$ 3,456,778	\$ 17,052,878

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

For the year ended June 30, 2023, the County recognized total pension expense of \$1,193,345 (\$257,088 for its miscellaneous plan and \$936,257 for its safety plan).

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

**NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**C. Changes in the Net Pension Liability (Continued)**

Miscellaneous Plan

Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,357,368	\$ -
Differences between Expected and Actual Experiences		342,148
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,280,769	
County Contributions Subsequent to the Measurement Date	2,548,793	
Total	\$ 7,186,930	\$ 342,148

\$2,548,793 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported are deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ 1,305,088
2025	710,559
2026	212,310
2027	2,068,032
Total	\$ 4,295,989

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

**NOTE 8 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**C. Changes in the Net Pension Liability (Continued)**

Safety Plan

Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 646,829	\$ -
Differences between Expected and Actual Experience	265,495	69,662
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,013,023	
Change in Proportion	119,386	27,379
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions		283,867
County Contributions Subsequent to the Measurement Date	670,247	
Total	\$ 2,714,980	\$ 380,908

\$670,247 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported are deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	Deferred Outflows/(Inflows) of Resources
2024	\$ 438,615
2025	388,680
2026	218,573
2027	617,957
Total	\$ 1,663,825

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

**NOTE 9 LIUNA PENSION PLAN**

Plan Description - The County contributes to the Laborer's International Union of North America (LIUNA) Pension Fund. The Pension Fund is a trust administered by a joint labor-management Board of Trustees in accordance with the Agreement and Declaration of Trust establishing the Pension Fund. The Board of Trustees has exclusive and full authority to design, adopt, amend, implement, interpret and apply the Pension Plan, and to decide all questions regarding the Pension Plan and the Pension Fund.

LIUNA provides regular pension, early retirement, deferred and disability benefits. In general, County employees are eligible for regular pension benefits from LIUNA upon having attained age 62, earned at least five years of pension credit, and earned at least one year of pension credit during the period that his or her employer is contributing to the LIUNA Pension Fund. The benefits paid to eligible members are determined by the highest contribution rate at which he or she earned pension credit and the years of Pension Credits he or she has earned.

Requests for additional plan provisions and financial reports may be obtained from Laborer's International Union of North America (LIUNA) Pension Fund located at 905 16<sup>th</sup> Street N.W., Washington DC 20006-1765.

Funding Policy - The County contributed \$136.00 for each General employee during the fiscal year.

In 2010, LIUNA adopted a Funding Rehabilitation Plan (FRP) in compliance with the Pension Protection Act (PPA) of 2006. The FRP modified the Plan's contribution rate and benefit level schedule.

In 2013 the Plan was determined to be in "critical status" under the funding standards added to ERISA by the PPA. The Plan is expected to improve its funding status and emerge from "critical status" in the 2023 plan year.

As of September 2012, the Safety unit terminated their affiliation with LIUNA. On April 15, 2013, the County was notified that the Pension Fund's actuaries had determined that the County's partial withdrawal liability amount was \$293,558. On June 5, 2014, the County was notified that the Pension Fund's actuary had recalculated the partial employer withdrawal liability to be \$328,223. The County began making quarterly payments of \$15,738 in July 2013. In August 2014, the quarterly payment amount was revised to \$17,596, and quarterly payments continued until August 31, 2018.

The County's annual pension cost was equal to the County's contractually required contributions.

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

**NOTE 9 LIUNA PENSION PLAN (CONTINUED)**

**Trend Information**

Three years of trend information regarding annual pension costs, excluding Safety buyout, is summarized as follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>
6/30/2021	\$ 101,083	100%
6/30/2022	\$ 78,883	100%
6/30/2023	\$ 80,512	100%

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description**

The County administers a single-employer defined-benefit post-employment healthcare plan. Benefits vary by hire date. Benefits continue to dependents, including surviving spouses. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

**Benefits Provided**

Retirees are eligible for medical benefits if they retire within 120 days from separating from the County and have at least 5 years of service in the CalPERS system.

The County provides the PEMHCA minimum for each subscriber, regardless of elected coverage tier. The County pays benefits as they come due.

**Employees Covered by Benefit Terms**

At June 30, 2023 (the census date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Inactive Employees, Spouses, or Beneficiaries	
Currently Receiving Benefit Payments	18
Active Employees Electing Coverage	175

**Total OPEB Liability**

The County's total OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

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

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Assumptions**

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

Inflation: 3.69%

Salary increases: Based on assumptions for Public Agency Miscellaneous and Police members published in the December 2017 CalPERS Experience Study. Rates are based on a wage growth rate of 2.75% per year plus merit and promotion increases.

Investment rate of return: N/A; OPEB Plan is unfunded

Healthcare cost trend rates: 7.00% in the first year, trending down to 3.73% over 54 years.

Mortality rates were based on CalPERS tables.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.86%. the County's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
<b>Balances as of June 30, 2022</b>	\$ 4,765,723
Changes for the Year:	
Service Cost	322,904
Interest	185,980
Change of Assumptions	(302,406)
Differences Between Expected and Actual Experience	(1,362,745)
Changes of benefit terms	(748,800)
Employer Contributions	(97,910)
Net Changes	(2,002,977)
<b>Balances as of June 30, 2023</b>	\$ 2,762,746

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

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 one percentage point lower (2.69%) or one percentage point higher (4.69%) follows:

	1% Decrease 2.86%	Discount Rate 3.86%	1% Increase 4.86%
Total OPEB Liability	\$ 3,177,881	\$ 2,762,746	\$ 2,423,559

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

**NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. 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 one percentage point lower (6.00% decreasing to 2.73%) or one percentage point higher (8.00% decreasing to 4.73%) than current healthcare cost trend rates follows:

	1% Decrease 6.00% Decreasing to 2.73%	Trend Rate 7.00% Decreasing to 3.73%	1% Increase 8.00% Decreasing to 4.73%
Total OPEB Liability	\$ 2,318,478	\$ 2,762,746	\$ 3,337,167

**Summary of Deferred Outflows/Inflows**

	Outflows	Inflows
Differences between Expected and Actual Experience	\$ 894,384	\$ (1,952,995)
Changes of Assumptions	617,523	(1,426,865)
Total	\$ 1,511,907	\$ (3,379,860)

<u>Year Ending June 30,</u>	<u>Future Recognition</u>
2024	\$ (223,523)
2025	(223,523)
2026	(223,523)
2027	(223,523)
2028	(223,523)
Thereafter	(750,338)
Total	\$ (1,867,953)

For the year ended June 30, 2023, the County recognized an OPEB expense of \$460,408.

**NOTE 11 CONTINGENT LIABILITIES**

**Deficit Cash and Investment Positions**

The County has allowed cash and investments in several County funds to be spent into a deficit position. This has resulted in the County utilizing available cash from other funds, restricted and unrestricted fund balance to cover warrants issued for the County's ongoing operations. The use of funds from restricted funds has resulted in the County advancing cash in the amount of \$9,115,953. The Board of Supervisors approved an interfund borrowing resolution for FY 22/23 allowing the dry period financing within County Funds.

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

**NOTE 11 CONTINGENT LIABILITIES (CONTINUED)**

**Deficit Cash and Investment Positions (Continued)**

The Board of Supervisors approved a repayment plan in 2012 in which the General Fund budgets a transfer of \$550,000-800,000 annually to the hospital enterprise fund. Cash flow projections are used to ensure the necessary funds are available to restricted-funded programs in order to meet funding requirements. During FY 21/22, in addition to payments to cover the interest costs, the County also made an approximately \$121,800 in additional payments.

**Federal Grants**

The County participates in several federal and state grant programs. These programs have been audited in accordance with the provisions of the Uniform Guidance and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

**Medi-Cal Programs**

Under Medi-Cal programs, final settlements for cost reports filed by the County Department of Mental Health is dependent upon a review by the Department of Health Care Services (DHCS). Preliminary estimates of the amounts to be received from third-parties are included in the financial statements. Final determination of amounts due for services to program patients is made when the cost reports are settled, and any adjustments are made in the period such amounts are fully determined.

**NOTE 12 CLOSURE AND POSTCLOSURE CARE COST**

The County has closure and postclosure care responsibilities for the following landfill sites:

<u>Facility Name (City)</u>	<u>Status</u>	<u>Capacity Used as of June 30, 2023 (%)</u>	<u>Estimated Remaining Years</u>
Alturas	Active	49.34%	12
Lake City	Closed	100%	-
Eagleville	Closed	100%	-
Cedarville	Closed	100%	-
Bidwell	Closed	100%	-

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

**NOTE 12 CLOSURE AND POSTCLOSURE CARE COST (CONTINUED)**

The state of California and federal laws and regulations require that the County of Modoc place a final cover on its landfill sites when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount the landfill used during the year. The estimated liability of Landfill closure and postclosure care costs as of June 30, 2023 was \$2,652,406 based on the capacity of the landfills used to date (amount of landfill used). It is estimated that an additional \$2,509,952 will be recognized as closure and postclosure care expense between the date of the balance sheet and the date the Alturas landfill is expected to be filled to capacity (2034). The estimated total current cost of landfill closure and postclosure care, \$5,162,358, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired at June 30, 2023. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County is required by the State of California and Federal laws and regulations to make annual contributions to finance closure and postclosure care to an independent custodian or to the County Treasurer as that custodian. It is anticipated that future inflation costs (including earnings on investments, if any) and additional cost that arise from changes in postclosure requirements (due to changes in technology, estimates or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers or both.

As of June 30, 2023, the Alturas landfill had an estimate for closure costs in the amount of \$972,893 with contributions to finance closure costs in the amount of \$866,847.

For postclosure care costs the County has established pledge of revenue agreements for the closed landfills with the California Integrated Waste Management Board.

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

**NOTE 13 FUND BALANCES**

The details of the fund balances as of June 30, 2023 are presented below:

Fund Balances	General Fund	Roads	Mental Health	Social Services	Public Health	ARPA Local Recovery	Other Public Safety	Other SRF	Nonmajor Governmental
<b>Nonspendable:</b>									
Inventory and Prepaid	\$ 13,879	\$ 1,216,097	\$ -	\$ 7,823	\$ 950	\$ -	\$ -	\$ -	\$ -
Advances	2,116,970	-	-	-	-	-	-	-	-
Total Nonspendable	<u>\$ 2,130,849</u>	<u>\$ 1,216,097</u>	<u>\$ -</u>	<u>\$ 7,823</u>	<u>\$ 950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Restricted For:</b>									
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,662,053	
Public Ways and Facilities	-	7,568,419	-	-	-	6,493	-	-	984,291
Health and Sanitation	-	-	8,764,081	-	4,590,215	-	-	4,000	1,842,245
Public Assistance	-	-	-	6,628,115	-	-	-	34,496	
Public Protection	-	-	-	-	-	-	2,311,920	296,488	176,132
Education	-	-	-	-	-	-	-	38,244	358,497
Recreation	-	-	-	-	-	-	-	40,665	
Capital Projects	-	-	-	-	-	-	-	-	102,246
Total Restricted	<u>\$ -</u>	<u>\$ 7,568,419</u>	<u>\$ 8,764,081</u>	<u>\$ 6,628,115</u>	<u>\$ 4,590,215</u>	<u>\$ 6,493</u>	<u>\$ 2,311,920</u>	<u>\$ 5,075,946</u>	<u>\$ 3,463,411</u>
Committed:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 573,181</u>	<u>\$ -</u>	<u>\$ -</u>
Unassigned:	<u>\$ 6,535,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Overall Total:	<u>\$ 8,666,830</u>	<u>\$ 8,784,516</u>	<u>\$ 8,764,081</u>	<u>\$ 6,635,938</u>	<u>\$ 4,591,165</u>	<u>\$ 6,493</u>	<u>\$ 2,885,101</u>	<u>\$ 5,075,946</u>	<u>\$ 3,463,411</u>

As of June 30, 2023, the County had deficit fund balance/net position in the following reporting units:

	Deficit Fund Balance/Net Position
<b>Business-Type Activities</b>	
Enterprise Funds:	
Modoc Medical Center (Hospital Enterprise Fund)	\$ (4,115,952)
Waste Management	(872,969)
Total Business Type Activities	<u>\$ (4,988,921)</u>

The deficit in the Business-type activities reporting unit is attributed to the deficits in the Modoc Medical Center and Waste Management as disclosed in the Enterprise Funds section above.

The General Fund is the primary operating fund of the County of Modoc. As the primary fund of discretionary revenues, this fund has the main responsibility to cover deficits incurred in other governmental funds and enterprise funds. The deficit balance in the Modoc Medical Center (Hospital Enterprise Fund) is expected to be eliminated through transfers from the General Fund over time. The deficit in the Waste Management Fund is expected to be eliminated through cost savings and fee increases over time.

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

**NOTE 13 FUND BALANCES (CONTINUED)**

As stated in Note 11 above, the Board of Supervisors approved a repayment plan for the deficit balance in the Modoc Medical Center (Hospital Fund) in April 2012. Since June 30, 2011, a total of \$5,584,758 has been transferred from the General Fund to the Hospital Fund, reducing the deficit.

**NOTE 14 RISK MANAGEMENT/LITIGATION**

**Litigation**

The County is exposed to various risks of loss related to torts; theft or, 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 Authority (JPA), to provide coverage for workers' compensation and general liability exposure and to pay for the administration of the program. Primary and excess workers' compensation insurance, as well as excess to property and general liability insurance are reinsured through a commercial company. There is a self-insured retention of \$100,000 for general liability, \$25,000 for property, and \$300,000 for workers' compensation. Above the self-insured retention, various limits are applied to excess insurance programs. Trindel Insurance Fund is classified as a claims-servicing or account pool, wherein the County retains the risk of loss and is considered self-insured with regard to liability and workers' compensation. The County currently reports all of its risk management activities in the General Fund. Premiums due to Trindel are reported when incurred. The liability for outstanding claims was determined based on historical trends and actual activity.

The JPA acts as a banking arrangement with its members wherein, over time, each member is fiscally responsible for their own losses and costs. Administration expenses are shared equitably among the members pursuant to formulas established by resolutions of Trindel Insurance Fund. Should a member incur several large losses in any given year or time period, the risk pooled cash will pay the claims bills and the member will, over time, repay Trindel Insurance Fund. Ten (10) percent of the deficit is added to the next year's premium until the amount is paid back.

The County holds a deposit with Trindel Insurance Fund from which claims are paid. At June 30, 2023, the balance of the deposit was \$4,354,570. Each member of Trindel pays an annual premium to the insurance system that is evaluated each year based on the number of personnel, estimated payroll and experience factor.

The County also belongs to another larger JPA called the County Supervisors Association of California Excess Insurance Authority (CSAC-EIA). CSAC-EIA, along with other commercial carriers, increases the coverage for general liability to \$25 million. Also, CSAC-EIA, 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.

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

**NOTE 14 RISK MANAGEMENT/LITIGATION (CONTINUED)**

The County also participates in the pollution legal liability and remediation legal liability insurance, which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the County. Coverage is on a claims-made basis. There is a \$100,000 deductible. The Authority has a limit of \$50,000,000. Each member of the Authority has a \$10,000,000 limit during the 32-year term of the policy.

The County also purchases real property, crime, medical malpractice, aviation, cyber, and watercraft coverage with deductibles between \$1,000 and \$25,000 and with excess coverage between \$1,000,000 and \$60,000,000. The coverage is provided through the Authority and CSAC EIA.

Changes in the County's claims liability for the fiscal years ending June 30, 2023, 2022, and 2021 were as follows:

Fiscal Year Ended	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payment	Balance at End of Fiscal Year
2021	1,745,541	263,851	(414,301)	1,595,091
2022	1,595,091	335,743	(137,502)	1,793,332
2023	1,793,332	488,131	(193,976)	2,087,487

The County is also a defendant in several lawsuits arising in the normal course of business. In the aggregate, these claims seek monetary damages in significant amounts. To the extent, the outcome of such litigation has been determined to result in probable loss to the County; such loss has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued; however, County management and Counsel estimate such loss to total \$58,000. The outcome of the remaining claims cannot be determined at this time.

For each of the past three fiscal (claim) years, no claims have had settlements or judgements that exceeded the insured coverage for either workers' compensation or general liability.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COUNTY OF MODOC**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM – MISCELLANEOUS PLAN**  
**(LAST TEN YEARS)\***  
**FOR THE MEASUREMENT PERIODS ENDED JUNE 30**

Reporting Fiscal Year (Measurement Date)	June 30, 2023 June 30, 2022	June 30, 2022 June 30, 2021	June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019	June 30, 2019 June 30, 2018	June 30, 2018 June 30, 2017 (Restated)	June 30, 2017 June 30, 2016	June 30, 2016 June 30, 2015
<b>TOTAL PENSION LIABILITY:</b>								
Service Cost	\$ 1,439,410	\$ 1,373,037	\$ 1,367,293	\$ 1,305,532	\$ 1,365,011	\$ 1,434,662	\$ 1,211,177	\$ 1,176,984
Interest on Total Pension Liability	5,776,135	5,705,032	5,583,018	5,378,772	5,250,537	5,407,724	5,439,305	5,278,792
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Changes of Assumptions	2,401,497	-	-	-	(390,249)	4,138,155	-	(1,167,427)
Difference between Expected and Actual Experience	(545,503)	(259,367)	580,480	(229,918)	529,719	(2,185,528)	(224,217)	(505,673)
Benefit Payments, Including Refunds of Employee Contributions	(5,241,769)	(4,795,660)	(4,518,271)	(4,323,003)	(4,117,545)	(4,204,695)	(4,164,031)	(4,136,863)
Change in Allocation	(27,103)	(330,343)	(18,433)	(342,126)	389,305	(5,373,645)	-	-
Net Change in Total Pension Liability	\$ 3,802,667	\$ 1,692,699	\$ 2,994,087	\$ 1,789,257	\$ 3,026,778	\$ (783,327)	\$ 2,262,234	\$ 645,813
Total Pension Liability - Beginning	83,784,393	82,091,694	79,097,607	77,308,350	74,281,572	75,064,899	72,802,665	72,156,852
Total Pension Liability - Ending (a)	<u>\$ 87,587,060</u>	<u>\$ 83,784,393</u>	<u>\$ 82,091,694</u>	<u>\$ 79,097,607</u>	<u>\$ 77,308,350</u>	<u>\$ 74,281,572</u>	<u>\$ 75,064,899</u>	<u>\$ 72,802,665</u>
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions - Employer	\$ 2,535,737	\$ 2,369,032	\$ 2,186,047	\$ 1,820,422	\$ 1,573,100	\$ 1,467,940	\$ 1,371,791	\$ 1,138,579
Contributions - Employee	576,495	592,933	608,813	558,134	588,846	590,356	581,868	539,851
Net Investment Income	(5,403,968)	13,572,766	2,943,388	3,776,416	4,703,561	6,190,687	283,001	1,313,686
Benefit Payments, Including Refunds of Employee Contributions	(5,241,769)	(4,795,660)	(4,518,271)	(4,323,003)	(4,117,545)	(4,204,695)	(4,164,031)	(4,136,863)
Net Plan to Plan Resource Movement	-	-	-	-	(136)	-	-	-
Administrative Expense	(45,248)	(60,918)	(84,716)	(41,616)	(87,391)	(82,478)	(35,242)	(65,083)
Other Miscellaneous Income	-	-	-	135	(165,955)	-	-	-
Change in Allocation	(23,504)	(246,389)	(14,007)	(259,227)	292,387	(4,035,869)	-	-
Net Change in Fiduciary Net Position	\$ (7,602,257)	\$ 11,431,764	\$ 1,121,254	\$ 1,531,261	\$ 2,786,867	\$ (74,059)	\$ (1,962,613)	\$ (1,209,830)
Plan Fiduciary Net Position - Beginning	72,660,222	61,228,458	60,107,204	58,575,943	55,789,076	55,863,135	57,825,748	59,035,578
Plan Fiduciary Net Position - Ending (b)	<u>\$ 65,057,965</u>	<u>\$ 72,660,222</u>	<u>\$ 61,228,458</u>	<u>\$ 60,107,204</u>	<u>\$ 58,575,943</u>	<u>\$ 55,789,076</u>	<u>\$ 55,863,135</u>	<u>\$ 57,825,748</u>
<b>Plan Net Pension Liability / (Asset) - (a)-(b)</b>	<u>\$ 22,529,095</u>	<u>\$ 11,124,171</u>	<u>\$ 20,863,236</u>	<u>\$ 18,990,403</u>	<u>\$ 18,732,407</u>	<u>\$ 18,492,496</u>	<u>\$ 19,201,764</u>	<u>\$ 14,976,917</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	74.28%	86.72%	74.59%	75.99%	75.77%	75.10%	74.42%	79.43%
Covered Payroll	\$ 9,464,941	\$ 9,713,922	\$ 9,454,101	\$ 8,948,747	\$ 9,231,767	\$ 9,124,610	\$ 8,574,094	\$ 8,261,282
<b>Plan Net Pension Liability / (Asset) as a Percentage of Covered Payroll</b>	238.03%	114.52%	220.68%	212.21%	202.91%	202.67%	223.95%	181.29%

- These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, these schedules provide the information only for those years for which information is available.

**COUNTY OF MODOC**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM – SAFETY PLAN**  
**(LAST TEN YEARS)\***  
**FOR THE MEASUREMENT PERIODS ENDED JUNE 30**

Reporting Fiscal Year (Measurement Date)	June 30, 2023 June 30, 2022	June 30, 2022 June 30, 2021	June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019	June 30, 2019 June 30, 2018	June 30, 2018 June 30, 2017	June 30, 2017 June 30, 2016	June 30, 2016 June 30, 2015
Proportionate Share of the Net Pension Liability	0.093360%	0.107860%	0.084320%	0.086740%	0.089630%	0.090280%	0.004900%	0.085133%
Proportion of the Net Pension Liability	\$ 6,415,028	\$ 3,785,422	\$ 5,617,648	\$ 5,414,974	\$ 5,259,201	\$ 5,394,301	\$ 4,932,637	\$ 4,194,576
Covered Payroll	\$ 1,204,631	\$ 1,107,628	\$ 951,363	\$ 787,049	\$ 841,163	\$ 903,160	\$ 888,976	\$ 822,709
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	532.53%	341.76%	590.48%	688.01%	625.23%	597.27%	554.87%	509.85%
Plan's Fiduciary Net Position as a Percentage the Total Pension Liability	75.53%	86.61%	73.12%	73.37%	69.65%	68.21%	68.35%	72.68%

- These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, these schedules provide the information only for those years for which information is available.

**COUNTY OF MODOC  
SCHEDULE OF PLAN CONTRIBUTIONS  
FOR THE FISCAL YEARS ENDED JUNE 30,  
(LAST TEN YEARS)\*  
JUNE 30, 2023**

**California Public Employee Retirement System – Miscellaneous**

Employer Fiscal Year End	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 2,548,793	\$ 2,543,133	\$ 2,549,250	\$ 2,342,879	\$ 1,950,569	\$ 1,678,106	\$ 1,467,940
Contributions in Relation to the Actuarially Determined Contribution	<u>(2,548,793)</u>	<u>(2,543,133)</u>	<u>(2,549,250)</u>	<u>(2,342,879)</u>	<u>(1,950,569)</u>	<u>(1,678,106)</u>	<u>(1,467,940)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,464,941	\$ 9,464,941	\$ 9,713,922	\$ 9,454,101	\$ 8,948,747	\$ 9,231,767	\$ 9,124,610
Contributions as a Percentage of Covered Payroll	26.93%	26.87%	26.24%	24.78%	21.80%	18.18%	16.09%

**California Public Employee Retirement System – Safety**

Employer Fiscal Year End	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 670,247	\$ 672,340	\$ 597,855	\$ 511,131	\$ 654,972	\$ 582,646	\$ 399,433
Contributions in Relation to the Actuarially Determined Contribution	<u>(670,247)</u>	<u>(672,340)</u>	<u>(597,855)</u>	<u>(511,131)</u>	<u>(654,972)</u>	<u>(582,646)</u>	<u>(399,433)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,204,631	\$ 1,204,631	\$ 1,107,628	\$ 951,363	\$ 787,049	\$ 841,163	\$ 903,160
Contributions as a Percentage of Covered Payroll	55.64%	55.81%	53.98%	53.73%	83.22%	69.27%	44.23%

- These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, these schedules provide the information only for those years for which information is available.

**COUNTY OF MODOC**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEARS ENDED JUNE 30,**  
**(LAST TEN YEARS)\***  
**JUNE 30, 2023**

**Total OPEB Liability**

	<u>2022/2023</u>	<u>2021/2022</u>	<u>2020/2021</u>
Service Cost	\$ 322,904	\$ 399,422	\$ 334,492
Interest	185,980	117,993	102,032
Changes of Benefit terms	(748,800)	-	-
Differences Between Expected and Actual Experience	(1,362,745)	(15,427)	1,264,473
Changes of Assumptions or Other Inputs	(302,406)	(1,443,374)	291,420
Employer Contributions	(97,910)	(77,511)	(75,717)
Implicit Rate Subsidy Fulfilled	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Net OPEB Liability	(2,002,977)	(1,018,897)	1,916,700
Net OPEB Liability - Beginning	<u>4,765,723</u>	<u>5,784,620</u>	<u>3,867,920</u>
Net OPEB Liability - Ending	<u>\$ 2,762,746</u>	<u>\$ 4,765,723</u>	<u>\$ 5,784,620</u>
Covered-Employee Payroll	\$ 9,446,272	\$ 10,481,338	\$ 11,050,043
Net OPEB Liability as a Percentage of Covered-Employee Payroll	29.25%	45.47%	52.35%

- The County implemented GASB 75 for the fiscal year June 30, 2018, therefore only three years are shown above.
- No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

**COUNTY OF MODOC**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

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 October 2<sup>nd</sup>. 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.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the major object level within budget units for the County. The budget unit is the level at which expenditures may not legally exceed appropriations. Supplementary appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Budgets are prepared in accordance with Generally Accepted Accounting Principles. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and amended during the fiscal year by four-fifths vote of the Board of Supervisors.

The budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other governmental funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the governmental funds may include an object level known as "interfund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same government.

**COUNTY OF MODOC  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2023**

	Original	Final	Variance	Actual	Variance with Final Budget
<b>Budgetary Fund Balances, July 1*</b>	\$ 2,315,918	\$ 2,200,041	\$ (115,877)	\$ 7,734,586	\$ 5,534,545
<b>Resources (Inflows):</b>					
Taxes	5,643,548.00	6,004,138.00	\$ 360,590	\$ 6,346,198	\$ 342,060
Licenses and Permits	127,425.00	109,925.00	(17,500)	131,684	21,759
Fines, Forfeitures, and Penalties	255,200.00	232,570.00	(22,630)	556,953	324,383
Use of Money and Property	33,890.00	33,890.00	-	90,632	56,742
Intergovernmental	3,116,600.00	2,801,069.00	(315,531)	3,391,374	590,305
Charges for Services	413,327.00	448,754.00	35,427	602,945	154,191
Other Revenues	513,960.00	245,263.00	(268,697)	175,209	(70,054)
Other Financing Sources	1,942,954.00	2,325,276.00	382,322	2,062,792	(262,484)
Sale of Capital Assets	10,000.00	10,000.00	-	56,046	46,046
Amounts Available for Appropriation	<u>\$ 12,056,904</u>	<u>\$ 12,210,885</u>	<u>\$ 153,981</u>	<u>\$ 13,413,833</u>	<u>\$ 1,202,948</u>
<b>Charges to Appropriations (Outflows):</b>					
General Government	4,671,731.00	4,602,530.00	\$ (69,201)	\$ 3,331,696	\$ 1,270,834
Public Protection	6,915,269.00	7,555,105.00	639,836	7,947,393	(392,288)
Public Ways and Facilities	15,391.00	14,435.00	(956)	14,434	1
Public Assistance	378,113.00	675,041.00	296,928	699,962	(24,921)
Recreation and Culture	361,530.00	436,050.00	74,520	158,638	277,412
Capital Outlay	458,735.00	458,735.00	-	458,735	-
Other Financing Uses	317,021.00	537,815.00	220,794	(129,269)	667,084
Total Charges to Appropriation	<u>\$ 13,117,790</u>	<u>\$ 14,279,711</u>	<u>\$ 1,161,921</u>	<u>\$ 12,481,589</u>	<u>\$ 1,798,122</u>
<b>Budgetary Fund Balances, June 30</b>	<u>\$ 1,255,032</u>	<u>\$ 131,215</u>	<u>\$ (1,123,817)</u>	<u>\$ 8,666,830</u>	<u>\$ 8,535,615</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement \$ 13,413,833

Differences - Budget to GAAP:

    Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (2,118,838)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 11,294,995

Uses/Outflows of Resources

Actual amounts (budgetary basis) :total charges to appropriations" from the budgetary comparison statement \$ 12,481,589

Differences - Budget to GAAP:

    Transfers to other funds are outflows of budgetary resources but are not expenditures for budgetary purposes 129,269

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 12,610,858

**COUNTY OF MODOC  
BUDGETARY COMPARISON SCHEDULE  
ROADS  
FISCAL YEAR ENDED JUNE 30, 2023**

	Original	Final	Variance	Actual	Variance with Final Budget
<b>Budgetary Fund Balances, July 1*</b>	\$ (117,998)	\$ 82,002	\$ 200,000	\$ 7,935,361	\$ 7,853,359
<b>Resources (Inflows):</b>					
Licenses and Permits	\$ 5,000	7,000.00	\$ 2,000	\$ 5,507	\$ (1,493)
Fines, Forfeitures, and Penalties	-	-	-	-	-
Use of Money and Property	75,000.00	50,000.00	(25,000)	58,047	8,047
Intergovernmental	6,387,166.00	8,031,042.00	1,643,876	7,140,450	(890,592)
Charges for Services	5,200.00	150.00	-	25,330	25,180
Other Revenues	500.00	1,000.00	500	210	(790)
Other Financing Sources	34,000.00	20,000.00	(14,000)	22,525	2,525
Amounts Available for Appropriation	<u>\$ 6,506,866</u>	<u>\$ 8,109,192</u>	<u>\$ 1,607,376</u>	<u>\$ 7,252,069</u>	<u>\$ (857,123)</u>
<b>Charges to Appropriations (Outflows):</b>					
Public Ways and Facilities	13,228,374.00	14,594,562.00	\$ 1,366,188	\$ 6,146,774	\$ 8,447,788
Other Financing Uses	367,969.00	265,781.00	(102,188)	256,140	9,641
Total Charges to Appropriation	<u>\$ 13,596,343</u>	<u>\$ 14,860,343</u>	<u>\$ 1,264,000</u>	<u>\$ 6,402,914</u>	<u>\$ 8,457,429</u>
<b>Budgetary Fund Balances, June 30</b>	<u>\$ (7,207,475)</u>	<u>\$ (6,669,149)</u>	<u>\$ 538,326</u>	<u>\$ 8,784,516</u>	<u>\$ 15,453,665</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement \$ 7,252,069

Differences - Budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (22,525)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 7,229,544

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 6,402,914

Differences - Budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for budgetary purposes (256,140)

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 6,146,774

**COUNTY OF MODOC  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC HEALTH  
FISCAL YEAR ENDED JUNE 30, 2023**

	Original	Final	Variance	Actual	Variance with Final Budget
<b>Budgetary Fund Balances, July 1*</b>	<b>\$ 3,877,574</b>	<b>\$ 3,877,574</b>	<b>\$ -</b>	<b>\$ 3,662,522</b>	<b>\$ (215,052)</b>
<b>Resources (Inflows):</b>					
Licenses and Permits	9,000.00	9,000.00	\$ -	\$ 13,993	\$ 4,993
Fines, Forfeitures, and Penalties	281.00	210.00	(71)	34	(176)
Use of Money and Property	31,305.00	25,830.00	(5,475)	31,136	5,306
Intergovernmental	5,951,565.00	5,405,516.00	(546,049)	4,791,315	(614,201)
Charges for Services	12,000.00	12,000.00	-	15,204	3,204
Other Revenues	0.00	0.00	-	7,717	7,717
Other Financing Sources	1,657,003.00	1,685,665.00	28,662	232,477	(1,453,188)
Amounts Available for Appropriation	<b>\$ 7,661,154</b>	<b>\$ 7,138,221</b>	<b>\$ (522,933)</b>	<b>\$ 5,091,876</b>	<b>\$ (2,046,345)</b>
<b>Charges to Appropriations (Outflows):</b>					
Health and Sanitation	5,752,415.00	5,363,490.00	\$ (388,925)	\$ 3,658,027	\$ 1,705,463
Other Financing Uses	2,054,133.00	2,124,152.00	70,019	505,206	1,618,946
Total Charges to Appropriation	<b>\$ 7,806,548</b>	<b>\$ 7,487,642</b>	<b>\$ (318,906)</b>	<b>\$ 4,163,233</b>	<b>\$ 3,324,409</b>
<b>Budgetary Fund Balances, June 30</b>	<b>\$ 3,732,180</b>	<b>\$ 3,528,153</b>	<b>\$ (204,027)</b>	<b>\$ 4,591,165</b>	<b>\$ 1,063,012</b>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement \$ 5,091,876

Differences - Budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (232,477)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 4,859,399

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 4,163,233

Differences - Budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for budgetary purposes (505,206)

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 3,658,027

**COUNTY OF MODOC  
BUDGETARY COMPARISON SCHEDULE  
MENTAL HEALTH  
FISCAL YEAR ENDED JUNE 30, 2023**

	Original	Final	Variance	Actual	Variance with Final Budget
<b>Budgetary Fund Balances, July 1*</b>	\$ 7,280,244	\$ 6,756,340	\$ 523,904	\$ 7,937,362	\$ 1,181,022
<b>Resources (Inflows):</b>					
Use of Money and Property	68,232.00	64,184.00	\$ (4,048)	\$ 91,973	\$ 27,789
Intergovernmental	4,679,325.00	4,903,563.00	224,238	5,171,482	267,919
Charges for Services	196,180.00	212,444.00	16,264	149,164	(63,280)
Other Revenues	20,920	20,920	-	39,984	19,064
Other Financing Sources	2,334,386.00	2,413,998.00	79,612	190,322	(2,223,676)
Amounts Available for Appropriation	<u>\$ 7,299,043</u>	<u>\$ 7,615,109</u>	<u>\$ 316,066</u>	<u>\$ 5,642,925</u>	<u>\$ (1,972,184)</u>
<b>Charges to Appropriations (Outflows):</b>					
Health and Sanitation	\$ 4,547,085	4,814,027.00	\$ 266,942	\$ 4,528,721	\$ 285,306
Other Financing Uses	2,182,832.00	2,709,498.00	526,666	287,485	2,422,013
Total Charges to Appropriation	<u>\$ 6,729,917</u>	<u>\$ 7,523,525</u>	<u>\$ 793,608</u>	<u>\$ 4,816,206</u>	<u>\$ 2,707,319</u>
<b>Budgetary Fund Balances, June 30</b>	<u>\$ 7,849,370</u>	<u>\$ 6,847,924</u>	<u>\$ (1,001,446)</u>	<u>\$ 8,764,081</u>	<u>\$ 1,916,157</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement \$ 5,642,925

Differences - Budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (190,322)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 5,452,603

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 4,816,206

Differences - Budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for budgetary purposes (287,485)

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 4,528,721

**COUNTY OF MODOC  
BUDGETARY COMPARISON SCHEDULE  
SOCIAL SERVICES  
FISCAL YEAR ENDED JUNE 30, 2023**

	Original	Final	Variance	Actual	Variance with Final Budget
<b>Budgetary Fund Balances, July 1*</b>	\$ 4,612,177	\$ 4,610,177	\$ (2,000)	\$ 5,856,982	\$ 1,246,805
<b>Resources (Inflows):</b>					
Use of Money and Property	65,100	64,500	\$ (600)	\$ 61,993	\$ (2,507)
Intergovernmental	9,818,958	9,069,722	(749,236)	8,074,444	(995,278)
Charges for Services	53,913	53,913	-	40,309	(13,604)
Other Revenues	400	400	-	8,181	7,781
Other Financing Sources	100,303	100,303	-	63,096	(37,207)
Amounts Available for Appropriation	\$ 10,038,674	\$ 9,288,838	\$ (749,836)	\$ 8,248,023	\$ (1,040,815)
<b>Charges to Appropriations (Outflows):</b>					
Public Assistance	\$ 9,523,000	\$ 9,523,000	\$ -	\$ 7,185,525	\$ 2,337,475
Other Financing Uses	517,229	517,229	-	283,542	233,687
Total Charges to Appropriation	\$ 10,040,229	\$ 10,040,229	\$ -	\$ 7,469,067	\$ 2,571,162
<b>Budgetary Fund Balances, June 30</b>	\$ 4,610,622	\$ 3,858,786	\$ (751,836)	\$ 6,635,938	\$ 2,777,152

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement \$ 8,248,023

Differences - Budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (63,096)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 8,184,927

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 7,469,067

Differences - Budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for budgetary purposes (283,542)

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 7,204,451

**COUNTY OF MODOC  
BUDGETARY COMPARISON SCHEDULE  
ARPA LOCAL RECOVERY  
FISCAL YEAR ENDED JUNE 30, 2023**

	Original	Final	Variance	Actual	Variance with Final Budget
<b>Budgetary Fund Balances, July 1*</b>	\$ (43,000)	\$ (43,000)	\$ -	\$ 6,493	\$ 49,493
<b>Resources (Inflows):</b>					
Use of Money and Property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Amounts Available for Appropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Charges to Appropriations (Outflows):</b>					
Public Assistance	\$ -	\$ -	\$ -	\$ -	\$ -
Education	-	-	-	-	-
Recreation and Culture	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Total Charges to Appropriation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Budgetary Fund Balances, June 30</b>	<u>\$ (43,000)</u>	<u>\$ (43,000)</u>	<u>\$ -</u>	<u>\$ 6,493</u>	<u>\$ 49,493</u>

**COUNTY OF MODOC  
BUDGETARY COMPARISON SCHEDULE  
OTHER PUBLIC SAFETY  
FISCAL YEAR ENDED JUNE 30, 2023**

	Original	Final	Variance	Actual	Variance with Final Budget
<b>Budgetary Fund Balances, July 1*</b>	\$ -	\$ -	\$ -	\$ 2,546,462	\$ 2,546,462
<b>Resources (Inflows):</b>					
Fines, Forfeitures, and Penalties	\$ 15,768	\$ 14,700	\$ (1,068)	\$ 14,474	\$ (226)
Use of Money and Property	19,877	17,525	(2,352)	26,820	9,295
Intergovernmental	628,454	813,438	184,984	949,054	135,616
Charges for Services	15,000	10,000	(5,000)	6,596	(3,404)
Other Revenues	4,000	0	(4,000)	1,721	1,721
Other Financing Sources	100,303	100,303	-	983	(99,320)
Amounts Available for Appropriation	<u>\$ 783,402</u>	<u>\$ 955,966</u>	<u>\$ 172,564</u>	<u>\$ 999,648</u>	<u>\$ 43,682</u>
<b>Charges to Appropriations (Outflows):</b>					
Public Protection	\$ -	\$ -	\$ -	\$ 90,614	\$ (90,614)
Other Financing Uses	628,931.00	772,990	144,059	570,395	202,595
Total Charges to Appropriation	<u>\$ 628,931</u>	<u>\$ 772,990</u>	<u>\$ 144,059</u>	<u>\$ 661,009</u>	<u>\$ 111,981</u>
<b>Budgetary Fund Balances, June 30</b>	<u>\$ 154,471</u>	<u>\$ 182,976</u>	<u>\$ 28,505</u>	<u>\$ 2,885,101</u>	<u>\$ 2,702,125</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement \$ 999,648

Differences - Budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (983)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 998,665

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 661,009

Differences - Budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for budgetary purposes (570,395)

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 90,614

**COUNTY OF MODOC  
BUDGETARY COMPARISON SCHEDULE  
OTHER SPECIAL REVENUE FUND  
FISCAL YEAR ENDED JUNE 30, 2023**

	Original	Final	Variance	Actual	Variance with Final Budget
<b>Budgetary Fund Balances, July 1*</b>	\$ -	\$ -	\$ -	\$ 1,927,440	\$ 1,927,440
<b>Resources (Inflows):</b>					
Taxes	\$ -	\$ -	\$ -	\$ 57,805	\$ 57,805
Licenses and Permits	400.00	1,700.00	1,300	1,592	(108)
Fines, Forfeitures, and Penalties	26,100.00	24,350.00	(1,750)	22,530	(1,820)
Use of Money and Property	147,220	151,857	4,637	204,611	52,754
Intergovernmental	1,507,332	1,954,990	447,658	4,152,608	2,197,618
Charges for Services	29,300	33,290	3,990	38,799	5,509
Other Revenues	6,000	9,400	3,400	13,451	4,051
Other Financing Sources	100,303	100,303	-	34,665	(65,638)
Amounts Available for Appropriation	<u>\$ 1,816,655</u>	<u>\$ 2,275,890</u>	<u>\$ 459,235</u>	<u>\$ 4,526,061</u>	<u>\$ 2,250,171</u>
<b>Charges to Appropriations (Outflows):</b>					
General Government	\$ -	\$ -	\$ -	\$ 673,587	\$ (673,587)
Public Protection	-	-	-	60,740	(60,740)
Public Assistance	-	-	-	206,580	(206,580)
Recreation and Culture	-	-	-	650	(650)
Other Financing Uses	270,812.00	509,388	238,576	435,998	73,390
Total Charges to Appropriation	<u>\$ 270,812</u>	<u>\$ 509,388</u>	<u>\$ 238,576</u>	<u>\$ 1,377,555</u>	<u>\$ (868,167)</u>
<b>Budgetary Fund Balances, June 30</b>	<u>\$ 1,545,843</u>	<u>\$ 1,766,502</u>	<u>\$ 220,659</u>	<u>\$ 5,075,946</u>	<u>\$ 3,309,444</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison statement \$ 4,526,061

Differences - Budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes (34,665)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 4,491,396

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement \$ 1,377,555

Differences - Budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for budgetary purposes (435,998)

Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 941,557



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.