

**SINGLE AUDIT REPORTING PACKAGE
SUBMISSION**

COUNTY OF SUTTER, CALIFORNIA

FOR THE YEAR ENDED JUNE 30, 2025

COUNTY OF SUTTER, CALIFORNIA
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2025

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County of Sutter
State of California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025



Nathan M. Black, CPA
Auditor-Controller

Sheeny L. Santos, CPA
Assistant Auditor-Controller

Jing Wang, CPA
Accounting Manager

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Introductory Section

Introductory Section



County of Sutter

Nathan M. Black, CPA
Auditor-Controller

Sheeny L. Santos
Assistant Auditor-
Controller



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March 31, 2026

To the Citizens of Sutter County:

The Annual Comprehensive Financial Report (ACFR) of the County of Sutter (County) for the fiscal year ended June 30, 2025, is hereby submitted in compliance with Section 25250 and 25253 of the Government Code of the State California. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent auditors' report is located at the front of the financial section of this report. Lance, Soll & Lunghard, LLP, has issued an unmodified opinion on the County's financial statements for the year ended June 30, 2025. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of the five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets and appointing committees, the County Administrative Officer (CAO), and non-elected department directors. Supervisors are elected to four-year staggered terms with two supervisors elected in even-years and three supervisors elected in odd-years. The County has six elected department directors responsible for the offices of the Assessor, Auditor-Controller, Clerk-Recorder-Elections, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector. The following organization chart reflects the various functional categories reported in the governmentwide Statement of Activities as well as identifies principal officials.

Geography and Industry

The County, one of California's original 27 counties, is located in the heart of the Sacramento Valley approximately 45 miles north of the State Capitol. Sutter County encompasses approximately 600 square miles made up of nearly 90% prime agricultural land. The Feather and Sacramento rivers provide vast amounts of water for this agricultural community. The Sutter Buttes are a cluster of mountain peaks that rise in sharp relief to the surrounding valley floor. They are considered to be the "smallest mountain range in the world" having formed between 1.4 and 1.6 million years ago.

Two incorporated cities are within the County: Yuba City and Live Oak. The largest employment categories include government, trade, transportation and utilities, health services, and agriculture. The Mediterranean climate provides relatively mild winters while summers are generally hot and dry.

Policy & Executive



Jeff Roone
First District Supervisor



Dan Flores
Second District Supervisor



Mike Ziegenmeyer
Third District Supervisor



Karm Bains
Fourth District Supervisor



Jeff Stephens
Fifth District Supervisor

Steve Smith
County Administrative Officer (CAO)

William Vanasek
County Counsel

Public Protection

Brandon Barnes
Sheriff-Coroner

Jennifer Dupré
District Attorney

Nicole Ritner
Probation

Michael Sullinger
Public Defender

John Shalowitz
Fire

Natalie Dillon
Child Support

Health & Sanitation

Sarah Eberhardt-Rios
Health and Human Services

Leah Northrop
Public Health

Rick Bingham
Behavioral Health

Public Assistance

David Nagra
Social Services

General Government

Nathan M. Black
Auditor-Controller

Kathy Scriven
Assessor

Nicholas Valencia
Treasurer-Tax Collector

Ken Sra
General Services

Donna Johnston
Clerk-Recorder

Veronica Baumgardner
Human Resources

Public Ways & Facilities

Neal Hay
Development Services

Education, Recreation & Culture

Avla Elkins
Library

Molly Bloom
Museum

Lisa Herbert
Agriculture Commissioner

Component Units

The County, approximately 1320 full-time equivalent employees, provides a full range of services to its residents as the organization chart above depicts. Included in operations are various component units which provide specific services countywide or to distinct geographic areas within the County. They include: In-Home Supportive Services Public Authority, Children and Families Commission, Gilsizer County Drainage District, Sutter County Fish & Game, County Service Areas, and Lighting Districts.

While these entities are legally separate from the County, the County is financially accountable for them as their governing bodies are substantially the same as the County Board. Other entities, such as the Sutter County Resource Conservation District, various Levee Districts and Reclamation Districts, conduct their own day-to-day operations, answer to their own governing board, and thus are not included in the County's financial statements.

Budget

The County is required by state law to adopt a budget each year. This annual budget serves as the foundation for the County's financial planning and spending control. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The legal level of budgetary control is maintained at the fund, department, and object level with more stringent control over capital assets and fund balance categories, which are maintained at the line item level.

The Board must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must also be approved by

the Board. The Board has delegated authority to approve transfers of appropriations between object levels within the same department to the CAO.

Factors Affecting Economic Condition¹

The following highlights and graphs are evidence of the changing economy on a Countywide basis that includes both the unincorporated area and the two incorporated cities.

In Fiscal Year (FY) 2025, Sutter County experienced an economic downturn characterized by rising unemployment (9.0%), declining retail sales and median home values, and significant losses in agricultural production, despite a slight increase in per capita income and total property valuation..

Employment

- The County’s average unemployment rate during FY 2025 increased 0.4% from 8.6% to 9.0%.
- The June 2025 County unemployment rate of 9.0% was above the State unemployment rate of 5.5% and the national unemployment rate of 4.1%.

Income

- Per capita income for the Sutter County area for 2025 increased by 2.6% to \$50,390.

Retail Sales

- Countywide retail sales decreased -3.2% to \$2.242 billion for FY 2025.
- California retail sales decreased by \$1.4 billion, or -0.2% over FY 2024.

Real Estate

- The Countywide median home value decreased to approximately \$420,000.
- Total assessed property valuation for FY 2025 was \$13.74 billion, a 6.32% increase over the prior year of \$12.92 billion.

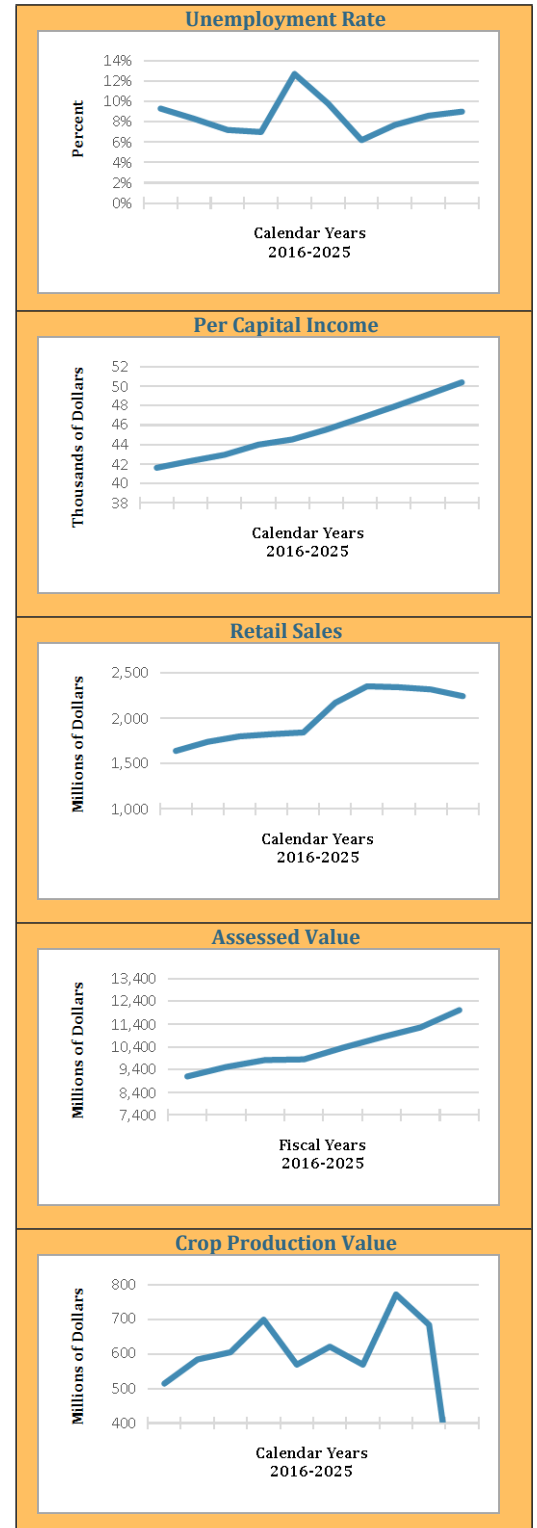
Agriculture

- Total acres harvested in 2024 decreased from 343,566 to 324,212, a -5.6% change.
- Total crop production value decreased from \$772 million to \$684 million.

Economic Indicators

According to the 2025-26 California Fiscal Outlook, the state’s budget is roughly balanced for the upcoming year, with a minor estimated deficit of \$2 billion. While current revenues are outperforming expectations due to high-income earnings and a surging stock market, the broader economy remains sluggish, characterized by a soft labor market and declining consumer spending. Although a recession is not explicitly forecasted, the outlook warns of double-digit operating deficits reaching \$20 billion to \$30 billion in subsequent years as atypically high spending growth is expected to outpace revenue.

Sutter County remains a primary agricultural hub where the local economy is heavily reliant on commodity prices and environmental conditions; however, the 2024 growing season saw a gross production value of \$683.5 million, an 11.4% decrease from the previous year. While rice remains the top-ranking crop, the county faced a 36% decline in



¹ General Note: Information about our local economy was derived from the California Employment Development Department and the Bureau of Labor Statistics as well from local sources such as the Sutter County Agricultural Commissioner.

processing tomatoes due to decreases in harvested acreage and yield. Conversely, walnuts saw a significant recovery with a 106% increase in total value due to improved pricing, and almond meats also rose sharply by 83%. This shift highlights a trend toward organic and regenerative farming, with 25 operations now spanning 17,000 acres to combat the high costs of synthetic inputs and improve soil health.

Major Initiatives

Fire Services in County Service Area – F (CSA-F)

The financial situation for fire and emergency response services within County Service Area – F (CSA-F) has reached a critical and unsustainable turning point. Although the district serves unincorporated areas and the City of Live Oak, its primary revenue sources—property taxes and a 1997 special fire tax—have not kept pace with costs for over a decade. The special tax lacks an inflationary escalator and largely excludes agricultural land, causing a steady erosion of buying power. To prevent service collapses, the County has heavily subsidized the district with over \$4.6 million in discretionary funds since 2020, including a \$2.1 million allocation for FY 2025-26. However, these one-time federal ARPA and COVID-related funds have expired, and recent attempts to secure permanent funding, such as the 2022 Measure A sales tax and a 2023 citizen initiative, were both unsuccessful. Absent a new, dedicated funding source, the Board of Supervisors will be forced to consider drastic measures to align services with available resources, including transitioning to a mix of professional and volunteer staffing, reducing station hours, or closing a fire station entirely.

Impact of Cuts at the Federal Level

Sutter County's government and local economy are heavily reliant on federal funding, which is now facing significant risk due to proposed national budget cuts. A major area of concern is the potential reduction in the Supplemental Nutrition Assistance Program (SNAP/CalFresh); these cuts would not only decrease direct food assistance to low-income families but also reduce the funding available for the local staff who determine eligibility. This shift would create a direct negative impact on local grocery stores and retailers who rely on these assistance programs to sustain their business.

More critically, proposed reductions in federal participation for Medi-Cal could leave the County in a severe financial bind. Since the expansion of the Affordable Care Act, the federal government has covered the vast majority of costs for indigent health care, which previously required significant local resources. If federal funding is rolled back, Sutter County would still be legally mandated by state law to provide health care for medically indigent adults, but without a dedicated funding stream to support it. Because prior realignment funds were already diverted by the state to other programs like CalWORKS, the County faces the prospect of an unfunded statutory obligation that could further strain an already tight General Fund. Ultimately, these cuts threaten the stability of the entire region, impacting landlords, farmers, and small businesses that form the backbone of the local economy.

Pension and Other Post-Employment Benefits (OPEB) Funding

Sutter County manages its retirement obligations through CalPERS, where costs are divided into stable "normal costs" and the Unfunded Accrued Liability (UAL), which is the amortized debt for past benefits. For FY 2025-26, the total UAL payment is \$17,681,663. To optimize its finances, the County plans to prepay this amount in a lump sum in July, a strategy expected to save approximately \$572,000 in interest.

The County's pension health is highly sensitive to market performance. While an extraordinary 21.3% gain in FY 2020-21 provided a long-term benefit, it also triggered a lower "discount rate" (from 7.0% to 6.8%), which paradoxically increased the total UAL because future investment earnings are now assumed to be lower. Following market losses in FY 2021-22, the County's funded ratio dropped to 70.4%, with a total unfunded balance of \$214 million. Although an 8.3% gain in FY 2023-24 is expected to improve this ratio, current market volatility—driven partly by federal tariffs—remains a concern for future costs.

To hedge against these liabilities, the County utilizes a Section 115 Pension Prefunding Account, which held \$9.13 million as of April 2025. If maintained, this account could allow the County to pay off its unfunded liability in just 15 years, significantly ahead of the current 2043 schedule. Additionally, the County is addressing its \$11.9 million unfunded OPEB liability through a separate prefunding account. Although contributions to both the pension and OPEB accounts were initially cut for the FY 2024-25 budget, they were restored in May 2025 to align with the County's long-term policy of fiscal stability.

Public Safety Fund – Increasing Costs and Future Revenue Concern

Funding public safety programs remains a critical challenge as escalating costs increasingly strain the County's General Fund. While Sutter County experienced a temporary surge in Prop 172 (public safety sales tax) revenue during the pandemic due to online retail shifts, that "anomaly" has ended. Since the FY 2022-23 peak of \$12.3 million, annual revenue has dropped by approximately \$1 million per year. Without new revenue, the

costs for core services like the Sheriff's Office, Jail, and District Attorney will continue to rise, forcing the Board to divert even more discretionary dollars from other vital County functions.

A significant contributor to this financial strain is the "Beat 7" area, which was annexed into Yuba City 25 years ago. Under an outdated 2000 tax-sharing agreement, the Sheriff still provides law enforcement for this region—the most active area after Live Oak, with over 5,000 annual calls. However, the revenue provided by the City (\$503,108 in FY 2024-25) covers less than a third of the estimated \$1.8 million annual operating cost. This \$1.3 million shortfall effectively subsidizes city services at the expense of other County needs. While the City of Yuba City is open to renegotiating the agreement, any resolution depends on finding new revenues to support the transition.

Impact of State Budget Challenges at the Local Level

For decades, it has been a common practice for the State of California to find ways to leverage local resources when it is in trouble financially. From 1991 "realignment" of certain health and human services programs to the Education Revenue Augment Fund (ERAF) shift in 1992 to the "triple flip" in 2004, to 2011 Criminal Justice Realignment that created "local prisons," the state has looked to local government, and especially to Counties, to solve many of its budget problems. While Proposition 1A in 2004 established constitutional protections for county funds, the state continues to impact local operations by imposing fines, diverting Mental Health Services Act (MHSA) funds to statewide initiatives, and expanding local conservation responsibilities without providing adequate resources.

With an estimated \$12 billion state budget deficit for FY 2025-26, Sutter County anticipates increased pressure on its local programs. The Board has adopted a budget policy of not backfill cuts in state programs with local, discretionary funds, but that will become more and more difficult as the state takes away local autonomy and governments are left without resources to address local issues, including homelessness.

Individual departments' budgets have been built with information as of the beginning of May, but department heads must closely monitor state funding allocations and propose adjustments to appropriations should revenues not materialize as planned. There is no room for the General Fund to absorb losses in state funding.

Failing Services Districts

Two South County service districts—Waterworks District 1 (Robbins) and Rio Ramaza—are facing critical wastewater system failures that have outpaced their fee revenue for years. Both districts are nearing total financial exhaustion, forcing the County to consider drastic measures for their survival or dissolution.

For Rio Ramaza, which now serves only nine connections, the FY 2025-26 Recommended Budget allocates \$100,000 in General Fund dollars to begin the legal process of dissolving the district. Because dissolution would leave these homeowners without service, the County must identify alternative solutions, such as individual septic systems. However, for the community of Robbins, septic systems are not a viable option due to high water table issues. The County has applied for federal USDA funding to rebuild the Robbins wastewater infrastructure; if this grant is not secured, the County will be forced to consider significant fee increases or other costly alternatives to maintain essential services.

Economic Development in South County and Beyond

The Sutter Pointe Development represents the County's most significant opportunity for long-term revenue growth. This 7,500-acre project is designed to be entirely self-sustaining, ensuring no net costs to taxpayers outside the plan area. The initial phase, Lakeside at Sutter Pointe, is nearing a major milestone with wastewater infrastructure almost complete, and the County anticipates issuing the first building permits in FY 2025-26. At full build-out, the project is expected to support 17,500 housing units and 50,000 residents, potentially transforming the local economy through new jobs and increased sales and property tax revenues from commercial distribution centers.

However, the County faces substantial geographical hurdles. Approximately 68% of unincorporated land is located within federal or state flood zones, severely limiting commercial development opportunities outside of the South County region. Furthermore, the complete realization of Sutter Pointe is decades away, as the "Sankey Gap" levee currently lacks the necessary flood protection for certain areas of the plan. To navigate these complexities, the County continues to utilize a specialized economic development firm to oversee infrastructure assessments, developer outreach, and environmental compliance, focusing on attracting the industrial and commercial investments essential for future fiscal stability.

Relevant Financial Policies

Annual Financial Forecasting

Following mid-year budget reviews, that aid in current year decisions and forecasting year-end results from operations.

Mid-Year Budget Review

The County performs mid-year budget reviews that aid in current year decisions and forecasting year-end results from operations.

Contingency Planning

The County does not maintain a formal contingency policy, however, approximately 1% of the General Fund is budgeted annually as a contingency against unforeseen adverse developments in county operations.

Nonrecurring Revenue

The County performs mid-year budget reviews that aid in current year decisions and forecasting year-end results from operations.

Debt Affordability

The County established a Debt Advisory Committee (DAC) made up of the County Administrator, Auditor-Controller, and Treasurer/Tax Collector. The purpose of the Committee is to provide advice to the Board of Supervisors on debt issuance and management. The DAC reviews all potential debt issuances and provides a report to the Board of Supervisors.

Capital and Maintenance Funding

The County has an informal pay-as-you-go policy for funding capital. However, the County has recently begun procurement of a facilities master plan that will aid in capital funding and address the aging and disparate facilities.

Financial Reporting Awards

This report is the County's fourth CAFR. We may seek consideration for financial reporting awards in the future.





INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors and Grand Jury
County of Sutter, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sutter, California, (hereafter, the County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



To the Board of Supervisors and Grand Jury
County of Sutter, California

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other post-employment benefits schedules as listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Board of Supervisors and Grand Jury
County of Sutter, California

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

LSL, LLP

Sacramento, California
March 31, 2026

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Financial Highlights

The information in this section is not covered by the Independent Auditors' Report but is presented as required supplementary information for the benefit of the readers of the ACFR.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's Basic Financial Statements, which immediately follow this section. All dollar amounts are expressed in thousands.

Government-wide Financial Analysis

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$165,578 (See Statement of Net Position beginning on page 27):

- \$109,686 represents the County's investment in capital assets, less (1) accumulated depreciation, (2) related outstanding debt used to acquire those assets, and (3) related deferred inflows of resources,
- \$160,510 is available for the County's ongoing obligations related to programs with external restrictions, and;
- \$(104,618) in unrestricted net position is primarily the result of the County's unfunded pension and Other Postemployment Benefits (OPEB) liabilities.

The County's total net position increased by \$29,414 over the prior year:

- The \$106 increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt and deferred inflows of resources,
- The \$25,090 increase in restricted net position represents the change in resources that are subject to external restrictions on their use, and;
- The \$4,218 increase in unrestricted net position is the change available to fund County programs to citizens and debt obligations to creditors.

Financial Analysis of the County's Funds

The County's governmental funds' combined ending fund balance of \$179,905, was an increase of \$23,250 from the prior year ending fund balance of \$156,655. Amounts available for spending include Restricted, Committed, Assigned and Unassigned Fund Balances; these totaled \$176,808 or 98% of ending fund balance. Of this amount:

- \$136,389 is restricted by law or externally imposed requirements,
- \$25,286 is committed for specific purposes,
- \$238 is assigned fund balance, and;
- \$14,895 is unassigned fund balance.

Spendable fund balance for the General Fund increased \$10,804 to \$49,975, which equates to 1.53 of total General Fund expenditures for the year.

Description of the Basic Financial Statements

Management's Discussion and Analysis introduces the County's Basic Financial Statements. The County's Basic Financial Statements include three components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

Government-wide Financial Statements

The Government-wide Financial Statements provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the County's Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources with the difference reported as Net Position.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

Over time, increases or decreases in Net Position are a useful indicator of an improving or deteriorating County financial condition.

The Statement of Activities presents the most recent fiscal year changes in the County's net position. 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 (Accrual Basis of Accounting). The statement reports items resulting from cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave) as revenues and expenses.

The Government-wide Financial Statements distinguish functions of the County principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities grouped by function of the County include General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Recreation and Culture. The business-type activities of the County include Waterworks District #1.

Component Units are included in the financial statements and are legally separate entities for which the County is financially accountable. If a component unit's total debt is expected to be repaid entirely by the County, if the component unit provides services entirely to the County, or if the component unit has substantially the same governing board as the County and there is a financial benefit or burden relationship or County management has operational responsibility for a component unit, then the component will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements it will be presented as a discrete component unit. The following is a list of the County's blended component units:

1. In-Home Supportive Services Public Authority
2. Gilsizer County Drainage District
3. Sutter County Fish & Game Commission
4. County Service Areas
5. Lighting Districts
6. Children and Families' Commission

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources 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.

The County's funds are divided into three types:

- Governmental funds
- Proprietary funds
- Fiduciary funds

Governmental Funds

Governmental funds 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 (Modified Accrual Basis of Accounting). Such information may be useful in evaluating the County's near-term financing requirements. To understand the long-term impact of the County's near-term financing decisions, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains approximately 40 individual governmental funds combined into 21 funds for financial reporting purposes. The County segregates from the General Fund a number of significant functions in 4 major 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, Bi-County Behavioral Health, Welfare, Public Safety/Trial Courts, and Public Safety Realignment, all considered major funds. Data for the other 16 governmental funds are provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all of its operating funds. The budget and actual comparison schedules provided for the General Fund and major special revenue funds demonstrate performance against this budget.

Pages 31 - 37 of this report display the Governmental Funds Financial Statements.

Proprietary Funds

The County maintains two types of proprietary funds: enterprise funds and internal service funds. The County has one enterprise fund which does not qualify as a major fund.

Enterprise Funds report the same functions presented as business-type activities in the Government-wide Financial Statements. The County uses an enterprise fund to account for Waterworks District #1.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County's internal service funds account for information technology services, fleet maintenance, employee wellness, and self-insurance programs. Since these services predominately benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Government-wide Financial Statements.

Proprietary funds provide the same type of information as the Government-wide Financial Statements, but in more detail. The proprietary funds financial statements provide separate information for the enterprise fund and the internal service funds. Data for the five internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

Page 38 - 40 of this report display the Proprietary Funds Financial Statements.

Fiduciary Funds

Fiduciary funds account for resources held for the benefit of parties outside the County. 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. Fiduciary fund accounting is similar to proprietary fund accounting. Fiduciary funds report the external portions of the Treasurer's investment pool, a private-purpose trust fund, and custodial funds.

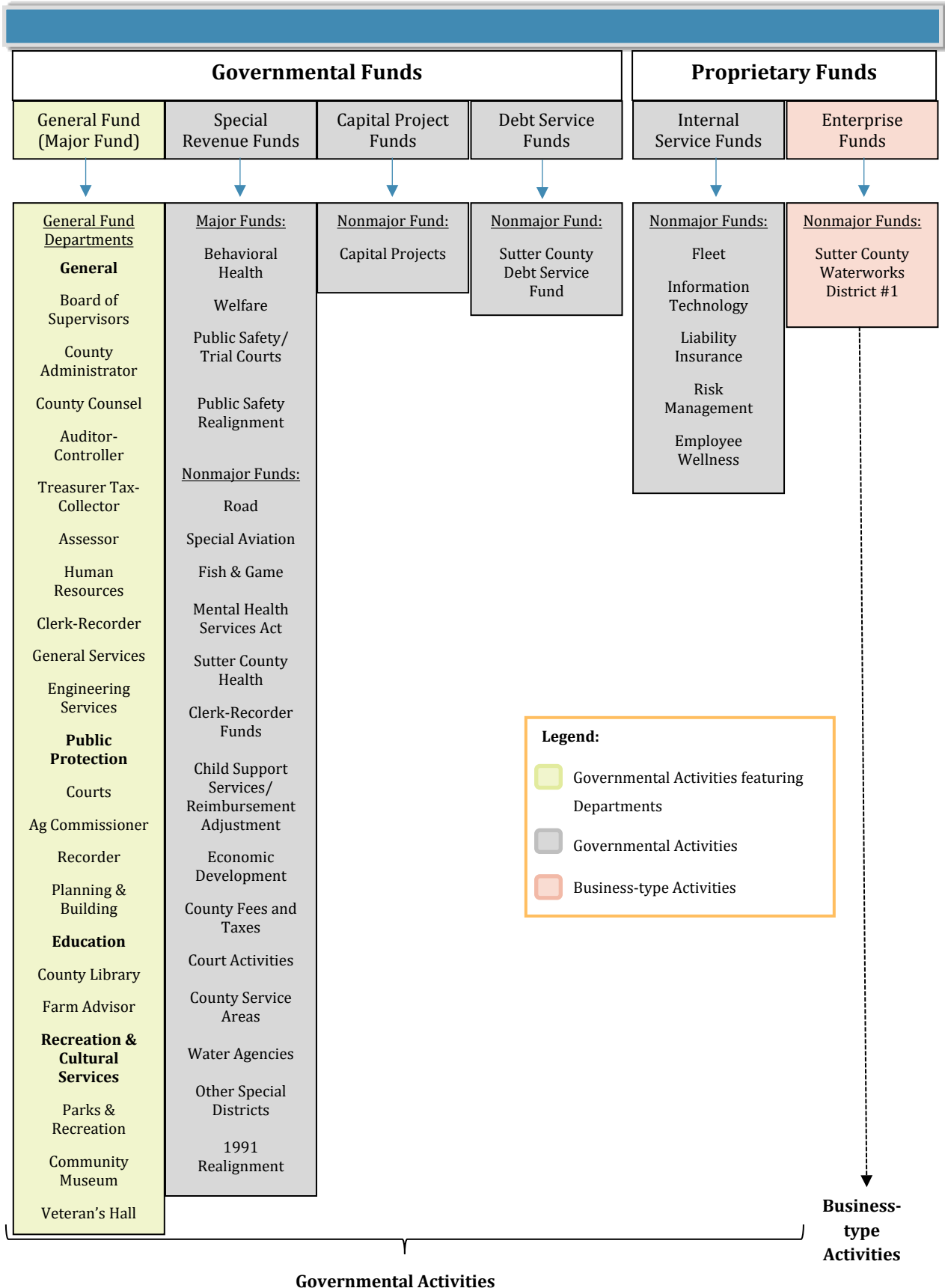
Pages 42 - 43 of this report display the Fiduciary Funds Financial Statements.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. Information in the Notes to the Financial Statements is described as follows:

- Note 1 provides a general description of the County's Significant Accounting Policies.
- Notes 2 to 13 provide detailed information on cash and investments, loans receivable, capital assets, lease and subscription commitments, long-term liabilities, deferred outflows of resources, interfund transactions, risk management, deferred inflows of resources, and fund balance classifications.
- Notes 14 and 15 provide detailed information on pension plans and other post employment benefits.
- Note 16 provides detailed information on the County's compensated absences liability.
- Note 17 provides other information such as construction commitments and contingent liabilities.
- Note 18 provides essential information about risks related to the County's vulnerabilities due to certain concentrations or constraints.
- Note 19 provides detailed information on prior period adjustments.

Notes to the Financial Statements start on Page 46 of this report.



Government-wide Financial Analysis

Condensed Statement of Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	Restated		Restated		Restated		Dollar Change	% Change
	2025	2024	2025	2024	2025	2024	2024 to 2025	2024 to 2025
Current and other assets	\$ 243,453	\$ 222,529	\$ 86	\$ 187	\$ 243,539	\$ 222,716	\$ 20,824	9%
Capital assets	122,618	126,730	788	918	123,406	127,648	(4,242)	(3%)
Total Assets	366,071	349,259	874	1,104	366,945	350,363	16,582	5%
Deferred outflows of resources								
Deferred OPEB	2,557	2,487	-	-	2,557	2,487	71	3%
Deferred pension	47,208	57,796	-	-	47,208	57,796	(10,588)	(18%)
Total deferred outflows of resources	49,765	60,282	-	-	49,765	60,282	(10,517)	(17%)
Current and other liabilities	33,265	39,703	56	91	33,321	39,793	(6,473)	(16%)
Long term liabilities	213,081	227,355	59	77	213,141	227,431	(14,291)	(6%)
Total Liabilities	246,346	267,058	115	167	246,461	267,225	(20,763)	(8%)
Deferred inflows of resources								
Leases	184	278			184	278	(94)	(34%)
Deferred OPEB	4,335	5,158	-	-	4,335	5,158	(824)	(16%)
Deferred pension	152	1,821	-	-	152	1,821	(1,668)	(92%)
Total deferred inflows of resources	4,671	7,257	-	-	4,671	7,257	(2,492)	(34%)
Net investment in capital assets	108,975	108,754	711	826	109,686	109,580	106	0%
Restricted	160,510	135,420	-	-	160,510	135,420	25,090	19%
Unrestricted	(104,665)	(108,947)	47	111	(104,618)	(108,836)	4,218	(4%)
Total Net Position	\$ 164,819	\$ 135,227	\$ 759	\$ 937	\$ 165,578	\$ 136,164	\$ 29,414	22%

As noted earlier, over time, net position may serve as a useful indicator of a government’s financial condition. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$165,578 at the close of the current fiscal year.

Analysis of Net Position

The County’s total net position increased by \$29,414, or 22%, during the fiscal year. As described below, the County experienced a net increase mainly due to operating grants and property tax. Additionally, miscellaneous revenues increased due to cost report settlement payment within Behavioral Health.

Restricted net position

Restricted net position of \$160,510 represents resources that subject to external restrictions on their use or by enabling legislation. Due to the unique nature of funding sources and the unrestricted impact of the net pension and OPEB liabilities, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- \$63,057 (39.3%) for health and sanitation.
- \$38,749 (24.1%) for public protection.
- \$26,355 (16.4%) for public ways and facilities.
- \$2,520 (1.6%) for public assistance
- \$7,590 (4.7%) for taxes and fees.
- \$15,376 (9.6%) for other restrictions.
- \$6,863 (4.3%) for general government.

Restricted net position increased \$25,090, or 19%.

Net investment in capital assets

A significant portion of the County’s net position is invested in capital assets (e.g. land, buildings, roads, bridges, flood control channels, machinery, equipment, and intangible assets), less the related and outstanding debt used to acquire those assets and related deferred inflows of resources. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County’s investment in capital assets is reported net of related debt, 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.

Capital Assets (in thousands)				
	2025	Restated 2024	Variance Amount	Percentage Change
Governmental Activities				
Investment in capital assets (net of accumulated depreciation and amortization)	\$ 122,618	\$ 126,730	\$ (4,112)	(3%)
Less: Related Debt	(13,643)	(17,976)	4,333	(24%)
Net Investment in Capital Assets - Governmental	\$ 108,975	\$ 108,754	\$ 221	
Business-Type Activities				
Investment in capital assets (net of accumulated depreciation and amortization)	\$ 788	\$ 918	\$ (130)	(14%)
Less: Related Debt	(76)	(92)	16	(17%)
Net Investment in Capital Assets - Business-Type	\$ 711	\$ 826	\$ (115)	
Grand Total	\$ 109,686	\$ 109,580	\$ 106	

The \$106, or 0.1% increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation/amortization, and the addition and/or retirement of related long-term debt and deferred inflows of resources. The County recorded depreciation and amortization expense of \$8,347. Significant additions related to capital assets and associated debts are presented in the following pages.

Unrestricted net position

The negative unrestricted net position of \$(104,618) increased over by \$4,218, or 3.9% from the prior year. The majority of negative unrestricted net position is primarily the result of the County’s unfunded pension and OPEB liabilities offset by positive unrestricted net position predominately in the County’s General Fund.

A summary of the changes in net position from 2024 to 2025 is presented below.

	Changes in Net Position (in thousands)						Total	
	Governmental Activities		Business-Type Activities		Total		Dollar Change	% Change
	2025	2024	2025	2024	2025	2024	2024 to 2025	2024 to 2025
Program revenues:								
Fees, fines & charges for services	\$ 33,069	\$ 32,779	\$ 144	\$ 148	\$ 33,213	\$ 32,927	\$ 286	1%
Operating grants	198,201	175,647	-	-	198,201	175,647	22,554	13%

	Governmental Activities		Business-Type Activities		Total		Total	
	2025	2024	2025	2024	2025	2024	Dollar Change	% Change
							2024 to 2025	2024 to 2025
Total program revenues	231,270	208,426	144	148	231,414	208,574	22,839	11%
General revenues:								
Property taxes	43,406	40,090	-	-	43,406	40,090	3,317	8%
Sales and use taxes	5,814	5,749	-	-	5,814	5,749	65	1%
Transportation taxes	1,615	2,377	-	-	1,615	2,377	(762)	-32%
Transfer taxes	375	604	-	-	375	604	(229)	-38%
Other	576	517	-	-	576	517	59	12%
Franchise fees	2,143	2,267	-	-	2,143	2,267	(124)	-5%
Special Assessments	219	209	-	-	219	209	10	5%
Unrestricted interest and investment earnings	9,413	8,569	6	14	9,419	8,583	836	10%
Tobacco settlement	822	867	-	-	822	867	(45)	-5%
Miscellaneous	8,225	735	-	-	8,225	735	7,490	1019%
Total general revenues	72,609	61,984	6	14	72,615	61,998	10,617	17%
Total revenues	303,879	270,410	150	162	304,029	270,572	33,457	12%
Expenses:								
General government	36,921	36,415	-	-	36,921	36,415	507	1%
Public protection	68,335	65,705	-	-	68,335	65,705	2,630	4%
Public ways and facilities	10,678	6,709	-	-	10,678	6,709	3,969	59%
Health and sanitation	83,928	77,222	-	-	83,928	77,222	6,707	9%
Public assistance	70,865	66,200	-	-	70,865	66,200	4,665	7%
Education	2,323	2,355	-	-	2,323	2,355	(32)	-1%
Recreation and culture	871	845	-	-	871	845	26	3%
Community development	-	-	-	-	-	-	-	0%
Interest and fiscal charges	364	202	-	-	364	202	161	80%
Water Works District No. 1	-	-	328	390	328	390	(62)	-16%
Total expenses	274,286	255,652	328	390	274,615	256,042	18,573	7%
Excess (deficiency) of revenues over (under) expenses	29,592	14,758	(178)	(228)	29,414	14,530	14,884	102%
Transfers	-	-	-	-	-	-	-	0%
Change in Net Position	29,592	14,758	(178)	(228)	29,414	14,530	14,884	102%
Net position - Beg. of Year, as previously reported	141,002	126,184	937	1,165	141,940	127,348	14,592	11%
Restatement for change in accounting estimates	(5,057)	--	--	--	(5,057)	--	(5,057)	
Restatement for error correction	(718)	61	--	--	(718)	61	(779)	
Net Position, beginning, restated	135,227	126,245	937	1,165	136,164	127,410	8,756	7%
Net Position, ending	<u>\$ 164,819</u>	<u>\$ 141,002</u>	<u>\$ 759</u>	<u>\$ 937</u>	<u>\$ 165,578</u>	<u>\$ 141,940</u>	<u>\$ 23,638</u>	<u>17%</u>

Analysis of Governmental Activities

Governmental activities increased the County’s net position by \$29,592 to \$164,819, which is more than the \$14,757 increase in the prior year.

Revenues

Total revenues for the County’s Governmental Activities had an overall increase from the prior year of \$33,469, or 12.4%, to \$303,879. Revenues are divided into two categories: Program Revenues and General Revenues.

Program Revenues had an overall increase of \$22,843, or 11%, to \$231,270, from the prior year. As an arm of the State government, a significant portion of the charges for services and operating grants and contributions are tied to mandated programs such as welfare, health and behavioral health services. Total program revenues represent 76% of the County’s funding for governmental activities.

- *Fees, fines and charges for services* increased \$286, or 0.87%, to \$33,213.
- *Operating grants* (intergovernmental revenues) increased \$22,554, or 13%, to \$198,201.

General Revenues had an overall increase of \$10,626, or 17%, to \$72,609, from the prior year. These revenues included general taxes which provided the Board of Supervisors with the most discretionary spending ability. Since the formation of California County government in the 1850’s, basic public safety services such as sheriff, fire, probation, and

district attorney consume most of these resources. The increase in general revenues is due primarily to:

- *Sales and use tax* grew \$65, or 1%, to \$5,814.
- *Property taxes* increase \$3,317, or 8%, to \$43,406.
- *Franchise fees* decrease \$(124), or 5%, to \$2,143.
- *Special assessments* increase \$10, or 5%, to \$219.

Expenses had an overall increase for all activities of \$18,573, or 7%, to \$274,615 from the prior year.

Analysis of Business-type Activities

The net position of business-type activities decreased by \$(178), or 19%, to \$759. In June 2021, the California Public Utilities Commission approved the transfer of the water system to Golden State Water Company (GSWC). GSWC is responsible for the operation, maintenance, and compliance of the system as of May 1, 2022. The district is a separate but dependent district, and the Sutter County Board of Supervisors sits as its Board of Directors. The Sutter County Water Works District No. 1 (District) is responsible for providing only wastewater service to the community of Robbins. For additional information on wastewater service operations, please refer to Note 18 – Certain Risk Disclosure.

Financial Analysis of the County’s Fund Balance

Fund Balances (in thousands)

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total		Total	
						2025	Restated 2024	Dollar Change	% Change
								2024 to 2025	2024 to 2025
General Fund	\$ 1,284	\$ 11,495	\$ 23,517	\$ 69	\$ 14,895	\$ 51,259	\$ 40,391	\$ 10,868	26.9%
Major Funds									
Bi-County Behavioral Health	680	7,200	-	-	-	7,879	6,205	1,674	27.0%
Welfare	96	318	-	95	-	509	210	298	141.7%
Public Safety/Trial Courts	132	7,131	26	67	-	7,356	5,808	1,548	26.7%
Public Safety Realignment	-	30,732	-	-	-	30,732	29,788	945	3.2%
Other Governmental Funds	906	79,514	1,744	6	-	82,170	74,254	7,916	10.7%
Total Fund Balances	<u>\$ 3,098</u>	<u>\$ 136,389</u>	<u>\$ 25,286</u>	<u>\$ 238</u>	<u>\$ 14,895</u>	<u>\$ 179,905</u>	<u>\$ 156,655</u>	<u>\$ 23,250</u>	<u>14.8%</u>

Governmental Funds

The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources (modified accrual basis of accounting). Such information is useful in assessing the County’s financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of a government’s resources available for spending at the end of the fiscal year.

At June 30, 2025, the County’s Governmental Funds reported total fund balance of \$179,905, a \$23,250 increase in comparison with the prior year’s total ending fund balances. The components of total fund balance are as follows (for more information see Note 12 – Fund Balance Classifications):

- *Nonspendable Fund Balance*, \$3,098, are amounts that are not spendable in form, or are legally or contractually required to be maintained intact and are made up of (1) long-term receivables of \$1,182 and (2) prepaid expenses of \$996.
- *Restricted Fund Balance*, \$136,389, consists of amounts with constraints put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (i.e. flood control), (2) grants for capital outlay, and (3) legislated amounts reserved for healthcare.
- *Committed Fund Balance*, \$25,286, consists of amounts for specific purposes determined by the Board, which includes capital projects.
- *Unassigned Fund Balance*, \$14,895, represents the residual balance for the County's Governmental Funds.

Approximately 98%, or \$176,808 of the total fund balance is spendable which means it is available to meet the County's current and future needs provided that any external restrictions are met. With the approval of the Board, County management can earmark a portion of fund balance to a particular function, project or activity, and can also earmark it for purposes beyond the current year, within the constraints applied to the various categories of fund balance. With the exception of the nonspendable portion, fund balances are available for appropriation at any time.

General Fund

The General Fund is the main operating fund of the County. The General Fund's total fund balance increased by \$10,868, or 26.9%, to \$51,259 at June 30, 2025.

The spendable portion of fund balance decreased \$49,975. The nonspendable portion of fund balance increased \$1,284, to 5.3%.

As a measure of the General Fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. Total fund balance equates to 1.57 of total General Fund expenditures while spendable fund balance equates to 1.53 of total General Fund expenditures. Of the General Fund spendable fund balance, \$11,495, or 23.0%, is restricted, \$23,517 or 47% is committed, and \$14,895, or 30% is unassigned.

Major Funds

The County has four other major governmental funds. The Bi-County Behavioral Health fund has a total fund balance of \$7,879, the Welfare fund of \$509, the Public Safety/Trial Courts fund of \$7,356, and Public Safety Realignment fund of \$30,732 at the end of the year. The other governmental funds' fund balances increased \$7,916, or 11%, to \$82,170. The four other major funds had changes in fund balances, including restatements, as follows: Bi-County Behavioral Health fund of \$1,674, Welfare fund of \$298, Public Safety/Trial Courts of \$1,548, and Public Safety/Realignment of \$945.

Proprietary Funds

The enterprise funds total net position, which consists of Waterworks District No. 1, decreased \$(178), or 19% from the prior year. Operating revenues decreased 3%, or \$144, while operating expenses decreased 16% to \$328. Operating deficits have been experienced over the past couple of years; \$213 in 2021 and \$264 in 2022. Accordingly, operating revenues may have to be raised, in the future to meet the operating expenses of the utility district.

Total internal service funds' net position increased by \$4,764, or 75%, and ended with a positive balance of \$10,891.

Capital Assets & Debt

Capital Assets

Capital Assets (net of depreciation/amortization, in thousands)

	Governmental		Business-Type		Total		Total	
	Activities		Activities		Total		Dollar Change	% Change
	2025	2024	2025	2024	2025	2024	2024 to 2025	2024 to 2025
Land	\$ 6,273	\$ 6,273	\$ 58	\$ 58	\$ 6,331	\$ 6,331	\$ -	0.0%
Easements	5	5	-	-	5	5	-	100.0%
Construction in Progress	21,690	21,080	-	-	21,690	21,080	610	2.9%
Capital assets, not being depreciated/amortized	27,968	27,358	58	58	28,026	27,416	610	2.2%
Land Improvements	1,063	1,159	-	-	1,063	1,159	(96)	-8.3%
Structures and improvements	45,328	46,585	730	860	46,058	47,445	(1,387)	-2.9%
Equipment	4,169	3,322	-	-	4,169	3,322	847	25.5%
Vehicles	5,175	4,666	-	-	5,175	4,666	510	10.9%
Infrastructure	26,070	26,613	-	-	26,070	26,613	(543)	-2.0%
Software	40	272	-	-	40	272	(232)	-85.3%
Lease asset	1,518	2,540	-	-	1,518	2,540	(1,022)	-40.2%
Subscription asset	11,285	14,213	-	-	11,285	14,213	(2,928)	
Capital assets, net of accumulated depreciation/amortization	94,649	99,372	730	860	95,379	100,232	(4,852)	-4.8%
Total	\$ 122,618	\$ 126,730	\$ 788	\$ 918	\$ 123,406	\$ 127,648	\$ (4,242)	-3.3%

During the fiscal year, the County's investment in capital assets, net of accumulated depreciation, decreased by \$(4,242) or -3.3% from the prior year. This investment was in a range of capital assets, leased and subscription assets including construction in progress (CIP), equipment, and vehicles. Major capital asset additions include:

- \$914 for 4 vehicles and 4 equipment for Road
- \$811 for 12 public safety vehicles
- \$805 for jail structure and improvements
- \$509 for 2 fire trucks/vehicles

In addition to purchasing capital assets, the County constructs capital assets. If the asset has not been completed as of the end of the fiscal year, the costs incurred are added to Construction in Progress (CIP). Major additions to CIP include:

- \$729 for several bridge replacements
- \$339 for remediation and remodel of Behavioral Health Building
- \$208 for access control replacement

Additional capital asset information, including depreciation, amortization, and outstanding CIP as of June 30, 2025, can be found in Note 5 of the Notes to the Financial Statements.

Debt

Outstanding Debt (in thousands)

	Governmental Activities		Business-Type Activities		Total		Total	
	2025	2024	2025	2024	2025	2024	Dollar Change	% Change
							2024 to 2025	2024 to 2025
Lease Commitments	\$ 1,659	\$ 2,643	\$ -	\$ -	\$ 1,659	\$ 2,643	\$ (984)	-37.2%
Subscriptions	7,932	10,519	-	-	7,932	10,519	(2,587)	
Other Long-Term Liabilities	4,052	4,814	76	92	4,129	4,906	(777)	-15.8%
Total	\$ 13,643	\$ 17,976	\$ 76	\$ 92	\$ 13,720	\$ 18,068	\$ (4,348)	-24.1%

During the fiscal year, long-term debt outstanding decreased by \$(4,348), or 24.1% from the prior year. Total long-term debt outstanding was \$13,720 at June 30, 2025. This balance consists primarily of subscription liabilities of \$4,129 as modern technology adapts more subscription-based information technology arrangements.

Additional lease and long-term debt information, including interest rates, future minimum lease payments, and outstanding balances as of June 30, 2025, can be found in Notes 6 and 7 of the Notes to the Financial Statements.

General Fund Budgetary Highlights

Over the course of the year, the Board of Supervisors revised the County’s budget. Each time a grant or specific revenue enhancement is made available to a county program that requires new appropriations a budget amendment is required. The County Administrators Office performs a mid-year review by analyzing each department’s expenditures and revenues. The significant change between adopted and final budget was primarily due to General Fund contribution of \$1,100 to County’s pension prefunding account, or 3% of final budget. Final budget also includes necessary adjustments to balance the adopted budget.

Differences between the Adopted Budget and the Final Budget for the General Fund are summarized in the table below:

General Fund

	Adopted Budget	Final Budget	Variance	
			Amount	Percent
Total revenues	\$ 68,532	\$ 69,670	\$ 1,137	1.7%
Total expenditures	(39,374)	(41,891)	(2,517)	6.4%
Other financing sources (uses)	(33,670)	(33,750)	(79)	0.2%
Net change in fund balances	\$ (4,512)	\$ (5,971)	\$ (1,459)	

Differences between the final budget and actual amounts for the General Fund are summarized in the table below:

General Fund

	Final Budget	Actual	Variance	
			Amount	Percent
Total revenues	\$ 69,670	\$ 72,662	\$ 2,992	4.3%
Total expenditures	(41,891)	(32,752)	9,139	(21.8%)
Other financing sources (uses)	(33,750)	(29,041)	4,709	(14.0%)
Net change in fund balances	\$ (5,971)	\$ 10,868	\$ 16,840	

Economic Factors and Next Year’s Budget and Rates

The following factors were considered in preparing the County’s operating budget for FY 2026:

General revenues include property taxes, fines, sales and use taxes, various revenues from the State, miscellaneous taxes, and other revenues, which are not accounted for in other budget units. For FY 2026, the County estimated an overall increase of \$5,299, or 11%, compared to the FY 2025 Adopted Budget. Of that increase, \$3,845 represents an increase from property tax revenues and overhead cost plan reimbursement revenue from non-General Fund departments and agencies.

The Countywide Recommended Budget provides an increase in appropriations of \$36,915, or 8%, totaling \$518,260 compared to the FY 2025 Adopted Budget. Of that, General Fund appropriations increased by \$5,726, or 8%, to \$80,855. The increase in appropriations in the General Fund is largely related to the reinstatement of the \$1.1 million payment into the County’s pension prefunding account that was eliminated during FY2024-25 to balance the budget as well as increases to the County share of cost for the Public Safety Fund (+\$2.9 million) and the Health Fund (+\$1.7 million), and a \$359 increase in the Planning and Building cost center related to increasing development activities anticipated in the budget year. The increases are offset by a number of County departments which are explained in the FY2025-26 recommended budget.

The County’s FY 2026 Recommended Budget can be found at:

<https://www.suttercounty.org/government/county-departments/county-administrator/county-budgets>

Requests for Information

The financial report is designed to provide a general overview of the County’s finances for all interested parties. Questions concerning any of the information provided in this reports or requests for additional information should be addressed to Sutter County Auditor-Controller, 1160 Civic Center Boulevard, Suite D, Yuba City, CA 95993. The County’s Comprehensive Annual Financial Report can also be found on the County’s website.



Basic Financial Statements

COUNTY OF SUTTER
Statement of Net Position
June 30, 2025

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and investments (Note 3)	\$ 161,353,557	\$ 18,583	\$ 161,372,140
Cash with fiscal agent (Note 3)	30,451,744	-	30,451,744
Accounts receivable	8,894,317	73,445	8,967,762
Due from other governments	37,719,090	-	37,719,090
less allowance for doubtful accounts	(557,900)	(6,026)	(557,900)
Interest receivable	233,077	-	227,051
Taxes receivable	1,321,469	-	1,321,469
Lease receivable	206,509	-	206,509
Prepaid expenses	995,993	-	995,993
Inventories	21,820	-	21,820
Loans receivable (Note 4)	2,813,663	-	2,813,663
Capital assets:			
Nondepreciable (Note 5)	27,968,494	58,000	28,026,494
Depreciable, net (Note 5)	94,649,424	729,773	95,379,198
Total Assets	<u>366,071,256</u>	<u>873,776</u>	<u>366,945,033</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 8)			
Deferred related to OPEB	2,557,459	-	2,557,459
Deferred related to pension	47,207,808	-	47,207,808
Total Deferred Outflows of Resources	<u>49,765,267</u>	<u>-</u>	<u>49,765,267</u>
LIABILITIES			
Accounts payable	10,248,584	35,786	10,284,370
Salaries and benefits payable	3,134,023	-	3,134,023
Interest payable	128,676	2,782	131,458
Deposits from others	90,981	-	90,981
Unearned revenue	6,790,047	265	6,790,312
Compensated absences (Note 16)	10,303,491	-	10,303,491
Lease payable (Note 6)	727,922	-	727,922
SBITA payable (Note 6)	1,010,597	-	1,010,597
Other Liabilities (Note 7)	830,621	16,822	847,443
Long-Term Liabilities:			
Compensated absences (Note 16)	1,796,623	-	1,796,623
Claims reserve for liability insurance (Note 10)	1,944,167	-	1,944,167
Claims reserve for workers compensation (Note 10)	3,778,282	-	3,778,282
Lease payable (Note 6)	931,451	-	931,451
SBITA payable (Note 6)	6,921,012	-	6,921,012
Other Liabilities (Note 7)	3,221,612	59,470	3,281,082
Total OPEB liability (Note 15)	12,682,384	-	12,682,384
Net pension liability (Note 14)	181,805,816	-	181,805,816
Total Liabilities	<u>246,346,289</u>	<u>115,125</u>	<u>246,461,414</u>
DEFERRED INFLOWS OF RESOURCES (Note 11)			
Deferred related to Leases	184,370	-	184,370
Deferred related to OPEB	4,334,502	-	4,334,502
Deferred related to pension	152,204	-	152,204
Total Deferred Inflow of Resources	<u>\$ 4,671,076</u>	<u>\$ -</u>	<u>\$ 4,671,076</u>

COUNTY OF SUTTER

Statement of Net Position

June 30, 2025

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
NET POSITION			
Net investment in capital assets	\$ 108,974,703	\$ 711,481	\$ 109,686,184
Restricted for (Note 13):			
Taxes and fees	7,590,495	-	7,590,495
General government	6,863,086	-	6,863,086
Public protection	38,748,625	-	38,748,625
Public ways and facilities	26,354,546	-	26,354,546
Health and sanitation	63,056,821	-	63,056,821
Public assistance	2,520,272	-	2,520,272
Other	15,375,703	-	15,375,703
Unrestricted	(104,665,092)	47,170	(104,617,922)
Total Net Position	<u>\$ 164,819,159</u>	<u>\$ 758,651</u>	<u>\$ 165,577,810</u>

COUNTY OF SUTTER
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Direct Expenses	Program Revenues	
		Fees, Fines, and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 36,921,408	\$ 16,444,960	\$ 5,360,161
Public protection	68,334,933	-	33,292,576
Public ways and facilities	10,678,352	349,147	10,552,759
Health and sanitation	83,928,364	6,372,454	96,493,124
Public assistance	70,865,217	9,850,644	51,593,242
Education	2,323,269	18,700	672,711
Recreation and culture	871,196	33,033	227,931
Interest on long-term debt	363,717	-	8,096
Total Governmental Activities	<u>274,286,457</u>	<u>33,068,939</u>	<u>198,200,601</u>
Business-Type Activities:			
Waterworks District #1	328,353	144,236	-
Total Business-type Activities	<u>328,353</u>	<u>144,236</u>	<u>-</u>
Total Primary Government	<u>\$ 274,614,810</u>	<u>\$ 33,213,175</u>	<u>\$ 198,200,601</u>

General Revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Transportation taxes
- Transfer taxes
- Other

Franchise Fees

Special Assessments

Unrestricted interest and investment earnings

Tobacco settlement

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of Year, as previously reported

Restatement for change in accounting principle

Restatement for error correction

Net Position - Beginning of Year, restated

Net Position - End of Year

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (15,116,287)	\$ -	\$ (15,116,287)
(35,042,357)	-	(35,042,357)
223,555	-	223,555
18,937,214	-	18,937,214
(9,421,330)	-	(9,421,330)
(1,631,857)	-	(1,631,857)
(610,232)	-	(610,232)
(355,622)	-	(355,622)
<u>(43,016,917)</u>	<u>-</u>	<u>(43,016,917)</u>
-	(184,117)	(184,117)
-	(184,117)	(184,117)
(43,016,917)	(184,117)	(43,201,034)
43,406,244	-	43,406,244
5,814,390	-	5,814,390
1,614,833	-	1,614,833
374,852	-	374,852
576,455	-	576,455
2,143,337	-	2,143,337
218,985	-	218,985
9,413,122	5,788	9,418,910
822,273	-	822,273
8,224,592	-	8,224,592
<u>72,609,085</u>	<u>5,788</u>	<u>72,614,873</u>
29,592,168	(178,329)	29,413,839
141,002,403	936,980	141,939,383
(5,057,025)	-	(5,057,025)
(718,386)	-	(718,386)
<u>135,226,992</u>	<u>936,980</u>	<u>136,163,971</u>
<u>\$ 164,819,159</u>	<u>\$ 758,651</u>	<u>\$ 165,577,810</u>

COUNTY OF SUTTER
Balance Sheet
Governmental Funds
June 30, 2025

	General	Bi-County Behavioral Health	Welfare	Public Safety/ Trial Courts
Assets				
Cash and investments	\$ 29,922,344	\$ 9,794,886	\$ 7,082,470	\$ 11,271,546
Cash with fiscal agent	11,348,695	3,731,398	-	-
Accounts receivable	464,295	5,919,546	381,273	50,408
Due from other governments	3,204,476	11,232,733	4,821,217	4,554,012
less allowance for doubtful accounts	-	(423,726)	-	-
Interest receivable	188,965	-	-	246
Taxes receivable	1,321,469	-	-	-
Lease receivable	206,509	-	-	-
Due from other funds	8,413,090	810	2,801,965	1,434,561
Prepaid expenses	76,510	679,173	93,636	125,618
Inventory	-	-	-	-
Advances to other funds	1,138,520	-	-	-
Loans receivable	43,528	-	-	-
less allowance for doubtful accounts	-	-	-	-
Total Assets	\$ 56,328,402	\$ 30,934,819	\$ 15,180,562	\$ 17,436,391
Liabilities				
Accounts payable	\$ 1,813,557	\$ 3,773,175	\$ 358,122	\$ 1,810,495
Salaries and benefits payable	555,792	503,921	592,729	834,850
Deposits from others	72,379	-	-	-
Due to other funds	510,283	38,968	7,691,471	6,956,103
Advances from other funds	-	1,138,520	-	-
Unearned revenue	499,308	1,516,501	3,826,765	106
Total Liabilities	3,451,320	6,971,085	12,469,087	9,601,554
Deferred Inflows of Resources				
Unavailable revenue	1,433,552	16,084,662	2,202,736	478,572
Deferred Inflows related to Leases	184,370	-	-	-
Total Deferred Inflows of Resources	1,617,922	16,084,662	2,202,736	478,572
Fund Balances (Note 12)				
Nonspendable	1,284,024	679,523	96,249	132,122
Restricted	11,494,742	7,199,549	317,536	7,131,263
Committed	23,516,560	-	-	25,535
Assigned	69,313	-	94,955	67,346
Unassigned	14,894,521	-	-	-
Total Fund Balances	51,259,160	7,879,072	508,740	7,356,265
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 56,328,402	\$ 30,934,819	\$ 15,180,562	\$ 17,436,391

Public Safety Realignment	Other Governmental	Total	
\$ 25,615,709	\$ 73,951,692	\$ 157,638,647	Assets
-	-	15,080,093	Cash and investments
-	2,046,648	8,862,170	Cash with fiscal agent
6,236,925	7,669,726	37,719,090	Accounts receivable
-	(134,174)	(557,900)	Due from other governments
-	43,867	233,077	less allowance for doubtful
-	-	1,321,469	Interest receivable
-	-	206,509	Taxes receivable
3,968,226	8,319,150	24,937,802	Lease receivable
-	21,056	995,993	Due from other funds
-	9,803	9,803	Prepaid expenses
-	-	1,138,520	Inventory
-	2,770,135	2,813,663	Advances to other funds
-	-	-	Loans receivable
\$ 35,820,860	\$ 94,697,902	\$ 250,398,936	less allowance for doubtful
			Total Assets
			Liabilities
\$ -	\$ 2,414,911	\$ 10,170,261	Accounts payable
-	575,543	3,062,835	Salaries and benefits payable
-	18,602	90,981	Deposits from others
4,936,511	4,802,913	24,936,249	Due to other funds
-	-	1,138,520	Advances from other funds
-	947,367	6,790,047	Unearned revenue
4,936,511	8,759,336	46,188,892	Total Liabilities
			Deferred Inflows of Resources
151,915	3,768,789	24,120,226	Unavailable revenue
-	-	184,370	Deferred Inflows related to Leases
151,915	3,768,789	24,304,596	Total Deferred Inflows of Resources
			Fund Balances (Note 12)
-	905,668	3,097,585	Nonspendable
30,732,434	79,513,798	136,389,321	Restricted
-	1,744,395	25,286,490	Committed
-	5,917	237,531	Assigned
-	-	14,894,521	Unassigned
30,732,434	82,169,778	179,905,448	Total Fund Balances
\$ 35,820,860	\$ 94,697,902	\$ 250,398,936	Total Liabilities, Deferred Inflows of Resources and Fund Balances

COUNTY OF SUTTER
 Reconciliation of the Governmental Funds Balance Sheet
 to the Government-Wide Statement of Net Position - Governmental Activities
 June 30, 2025

Fund Balance - total governmental funds (pages 31-32)	\$	179,905,448
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred OPEB and pension outflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		48,687,284
Deferred OPEB and pension inflows of resources in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		(4,399,301)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheets.		121,432,286
Accrued revenue, which is not available soon enough to pay for the current period's expenditures, is recorded as unavailable revenue in the governmental funds.		24,120,226
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.		(125,425)
Other long-term liabilities, including financing arrangements, are not due and payable in the current period, and therefore are not reported in the governmental funds.		
Leases and SBITAs	(9,477,404)	
Other long-term liabilities	(3,965,476)	
Compensated absences	(11,570,999)	
Total OPEB liability	(12,426,644)	
Net pension liability	<u>(178,251,973)</u>	(215,692,496)
Internal service funds are used by the County to charge the cost of its self-insurance risk management and management of fleet maintenance and information technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		<u>10,891,136</u>
Net position of governmental activities (page 27)	\$	<u><u>164,819,159</u></u>



COUNTY OF SUTTER
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	General	Bi-County Behavioral Health	Welfare	Public Safety/ Trial Courts
Revenues:				
Taxes	\$ 45,258,933	\$ -	\$ -	\$ 29,923
Licenses, Permits, and Franchises	3,679,485	-	1,578	25,577
Fines, Forfeitures, and Penalties	918,707	14,852	-	827,545
Revenue from Investment and Property	2,516,504	848,378	11,873	303,596
Intergovernmental	3,682,850	26,353,348	37,225,573	19,427,905
Charges for Services	15,661,259	2,886,319	137,202	1,323,594
Other revenues	943,843	6,933,215	53,304	604,912
Total Revenues	72,661,579	37,036,111	37,429,532	22,543,052
Expenditures:				
Current:				
General government	18,651,332	-	-	2,036
Public protection	9,976,209	-	-	55,914,884
Public ways and facilities	287,504	-	-	-
Health and sanitation	9,339	49,378,389	-	-
Public assistance	293,457	-	70,351,453	272,335
Education	2,343,093	-	-	-
Recreation and culture	936,332	-	-	-
Debt Service:				
Principal: Leases and Subscriptions	165,432	114,998	533,660	172,568
Principal: Other long-term liabilities	-	-	-	-
Interest	3,057	32,650	9,977	1,243
Capital outlay	86,205	80,392	233,747	1,914,556
Total Expenditures	32,751,961	49,606,430	71,128,837	58,277,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,909,618	(12,570,318)	(33,699,305)	(35,734,570)
Other Financing Sources (Uses):				
Transfers in	343,099	29,261,000	34,830,528	50,326,696
Transfers out	(29,419,962)	(15,020,149)	(839,033)	(13,059,497)
Sale of capital assets	35,648	3,731	6,097	15,458
Proceeds from debt issuance	-	-	-	-
Total Other Financing Sources (Uses)	(29,041,214)	14,244,582	33,997,591	37,282,656
Net Changes in Fund Balances	10,868,404	1,674,264	298,286	1,548,086
Fund Balances, Beginning of Year, as previously reported	40,390,756	6,204,808	969,941	5,788,173
Restatement for Change within the Financial Reporting Entity (Major to Nonmajor)	-	-	-	-
Restatement for Error Correction	-	-	(759,487)	20,006
Fund Balances, Beginning of Year, restated	40,390,756	6,204,808	210,454	5,808,179
Fund Balances, End of Year	\$ 51,259,160	\$ 7,879,072	\$ 508,740	\$ 7,356,265

Formerly Major Fund	Public Safety Realignment	Formerly Major Fund 1991 Realignment	Other Governmental	Total	
Public Health					
\$ -	\$ -	\$ -	\$ 6,716,904	\$ 52,005,760	Revenues:
-	-	-	62,960	3,769,599	Taxes
-	-	-	120,734	1,881,838	Licenses, Permits, and Franchises
-	1,589,928	-	4,062,138	9,332,417	Fines, Forfeitures, and Penalties
-	42,404,567	-	64,694,647	193,788,891	Revenue from Investment and Property
-	1,671,594	-	4,085,179	25,765,146	Intergovernmental
-	-	-	430,214	8,965,488	Charges for Services
-	45,666,089	-	80,172,777	295,509,139	Other revenues
					Total Revenues
-	-	-	631,382	19,284,750	Expenditures:
-	256,250	-	7,140,402	73,287,746	Current:
-	-	-	11,687,756	11,975,260	General government
-	120,273	-	36,103,195	85,611,197	Public protection
-	-	-	21,069	70,938,314	Public ways and facilities
-	-	-	-	2,343,093	Health and sanitation
-	-	-	435	936,767	Public assistance
-	-	-	1,190,499	2,177,157	Education
-	-	-	747,643	747,643	Recreation and culture
-	-	-	342,553	389,480	Debt Service:
-	-	-	3,105,907	5,420,807	Principal: Leases and Subscriptions
-	376,523	-	60,970,841	273,112,213	Principal: Other long-term liabilities
					Interest
-	45,289,566	-	19,201,936	22,396,926	Capital outlay
					Total Expenditures
-	16,194,345	-	16,753,146	147,708,812	Excess (Deficiency) of Revenues Over (Under) Expenditures
-	(60,539,010)	-	(28,813,977)	(147,691,628)	Other Financing Sources (Uses):
-	-	-	173,439	234,373	Transfers in
-	-	-	601,678	601,678	Transfers out
-	(44,344,665)	-	(11,285,714)	853,236	Sale of capital assets
					Proceeds from debt issuance
-	944,901	-	7,916,221	23,250,162	Total Other Financing Sources (Uses)
					Net Changes in Fund Balances
5,242,989	29,787,533	23,685,463	45,325,104	157,394,767	Fund Balances, Beginning of Year, as previously reported
(5,242,989)	-	(23,685,463)	28,928,453	-	Restatement for Change within the Financial Reporting Entity (Major to Nonmajor)
	-		-	(739,482)	Restatement for Error Correction
	29,787,533		74,253,557	156,655,286	Fund Balances, Beginning of Year, restated
\$ -	\$ 30,732,434	\$ -	\$ 82,169,778	\$ 179,905,447	Fund Balances, End of Year

COUNTY OF SUTTER
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Government-Wide Statement of Activities - Governmental Activities
 For the Year Ended June 30, 2025

Net change to fund balance - total governmental funds (pages 35-36) \$ 23,250,162

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

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

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	4,061,074	
Less: donated capital assets	-	
Less: current year depreciation/amortization	(7,705,992)	
Adjustment for retirement of lease and SBITA asset	(1,363,072)	
Expenditures related to lease and SBITA additions and initial measurement	<u>1,092,175</u>	(3,915,815)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	6,017,850
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Long-term debt proceeds provide current financial resources to governmental funds,
 but issuing debt increases long-term liabilities in the statement of net position.
 Repayment of debt principal is an expenditure in the governmental funds,
 but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments related to leases and subscriptions	2,177,157	
Principal repayments related to other long term liabilities	747,643	
Subscriptions liability adjustment	1,913,697	
Interest payments	25,763	
Leases	(11,327)	
Subscriptions	<u>(590,352)</u>	4,262,581

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

Change in compensated absences	630,231
Change in OPEB liability and deferred OPEB inflows/outflows	46,734
Change in net pension liability and deferred pension inflows/outflows	(5,463,390)

Internal service funds are used by management to charge the costs of
 certain activities to individual funds. The net revenue (expense) of
 the internal service funds is reported with governmental activities.

4,763,815

Change in net position of governmental activities (pages 29-30)	<u><u>\$ 29,592,168</u></u>
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COUNTY OF SUTTER
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
	Waterworks District No. 1	
ASSETS		
Current Assets:		
Cash and investments	\$ 18,583	\$ 3,714,910
Cash with fiscal agent	-	15,371,651
Accounts receivable	73,445	32,147
less allowance for doubtful accounts	(6,026)	-
Interest receivable	-	-
Due from other funds	-	1,385,270
Prepaid expenses	-	-
Inventory	-	12,017
Total Current Assets	<u>86,003</u>	<u>20,515,993</u>
Noncurrent Assets:		
Capital assets:		
Non-depreciable	58,000	-
Depreciable, net	729,773	1,185,632
Total Noncurrent Assets	<u>787,773</u>	<u>1,185,632</u>
Total Assets	<u>873,776</u>	<u>21,701,625</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred related to pension	-	1,026,412
Deferred related to OPEB	-	51,571
Total Deferred Outflows of Resources	<u>-</u>	<u>1,077,983</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	35,786	78,324
Salaries and benefits payable	-	71,188
Compensated absences payable	-	450,552
Interest payable	2,782	3,251
SBITA payable	-	60,262
Other liabilities	16,822	14,609
Unearned revenue	265	-
Total Current Liabilities	<u>55,655</u>	<u>2,065,008</u>
Long-Term Liabilities:		
Compensated absences payable	-	78,563
Claims payable	-	5,722,449
SBITA payable	-	53,316
Other liabilities	59,470	72,148
Net pension liability	-	3,553,843
Net OPEB liability	-	255,740
Total Long-Term Liabilities	<u>59,470</u>	<u>9,736,059</u>
Total Liabilities	<u>115,125</u>	<u>11,801,067</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred related to pension	-	-
Deferred related to OPEB	-	87,405
Unavailable/Deferred Revenue	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>87,405</u>
NET POSITION		
Net investment in capital assets	711,482	985,297
Unrestricted	47,170	9,905,838
Total Net Position	<u>\$ 758,651</u>	<u>\$ 10,891,136</u>

COUNTY OF SUTTER
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Enterprise Fund	
	Waterworks District No. 1	Internal Service Funds
Operating Revenues:		
Charges for services	\$ 144,236	\$ 14,114,507
Other revenues	-	76,645
Total Operating Revenues	<u>144,236</u>	<u>14,191,151</u>
Operating Expenses:		
Salaries and benefits	-	3,593,128
Services and supplies	195,644	4,401,120
Other charges	-	1,030,167
Depreciation	129,927	510,687
Total Operating Expenses	<u>325,571</u>	<u>9,535,102</u>
Operating Income (Loss)	<u>(181,335)</u>	<u>4,656,049</u>
Non-Operating Revenue (Expenses):		
Investment income	5,788	80,705
Gain (Loss) on sale of capital assets	-	44,246
Interest expense	(2,782)	-
Total Non-Operating Revenue (Expenses)	<u>3,006</u>	<u>124,950</u>
Net Income (Loss) Before Capital Contributions and Transfers	<u>(178,329)</u>	<u>4,780,999</u>
Transfers in	-	-
Transfers out	-	(17,185)
Change in Net Position	(178,329)	4,763,815
Net Position - Beginning of Year, as previously reported	936,980	6,381,403
Restatement for change in accounting estimate	-	(254,082)
Net Position - Beginning of Year, restated	<u>-</u>	<u>6,127,321</u>
Net Position - End of Year	<u>\$ 758,651</u>	<u>\$ 10,891,136</u>

COUNTY OF SUTTER
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities	Governmental Activities
	Enterprise Fund	
	Waterworks District No. 1	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers	\$ 127,388	\$ 12,395,371
Cash paid to suppliers for goods and services	(231,534)	(5,729,210)
Cash paid to employees for services	-	(3,700,393)
Net Cash Provided (Used) by Operating Activities	(104,146)	2,965,768
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Interfund loans received (paid)	-	2,193,354
Miscellaneous cash received (paid)	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	2,193,354
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital Contributions	-	-
Principal repayments	(15,817)	(131,595)
Proceeds from sale of capital assets	-	-
Payments related to the acquisition of capital assets	-	(295,871)
Interest payments	(3,441)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(19,258)	(427,465)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received (paid)	7,017	86,673
Net Cash Provided (Used) by Investing Activities	7,017	86,673
Net Increase (Decrease) in Cash and Cash Equivalents	(116,387)	4,818,330
Cash and Cash Equivalents, Beginning of Year	134,970	14,268,230
Cash and Cash Equivalents, End of Year	\$ 18,583	\$ 19,086,560

continued

COUNTY OF SUTTER
Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Waterworks District No. 1	
Reconciliation of Operating Income (Loss)		
to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (181,335)	\$ 4,656,049
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	129,927	510,687
Loss on disposal of capital assets	-	44,246
Changes in assets, liabilities and deferred inflows/outflows:		
(Increase) decrease in:		
Accounts receivable	(17,061)	70,123
Deposits and prepaid expenses	-	3,293
Inventory	-	2,919
Increase (decrease) in:		
Accounts payable	(35,890)	(137,826)
Salaries and benefits payable	-	2,424
Compensated absences payable	-	(85,558)
Claims liability	-	(2,074,913)
Interest payable	-	(1,544)
Other liabilities	-	-
Net pension liability	-	(23,169)
Net OPEB liability	-	(962)
Unearned revenue	213	-
Net Cash Provided (Used) by Operating Activities	\$ (104,146)	\$ 2,965,768

COUNTY OF SUTTER
Statement of Fiduciary Net Position
Custodial, Investment, and Private-Purpose Trust Funds
June 30, 2025

	Custodial Funds	Investment Trust Funds	Private-Purpose Trust Funds
Assets			
Cash and investments	\$ 9,589,288	\$ 327,673,825	\$ 581
Cash with fiscal agent	1,032,966	176,884	-
Accounts receivable	379,323	101,922	775
Due From Other Governments	1,226,157	-	-
Interest receivable	1,216,422	807,233	-
Prepaid Expenses	14,962	119,212	-
Inventory	-	578,484	-
Amount to be provided Debt Service	-	-	-
Taxes receivable	27,517,007	-	-
Other assets	166,735	792,536	-
Total Assets	<u>41,142,859</u>	<u>330,250,097</u>	<u>1,356</u>
Liabilities			
Accounts payable	3,971,243	2,957,556	-
Accrued salaries and benefits	2,990,984	8,191	-
Unearned revenues	771	140,937	-
Interest Payable	1,230,260	1,139	-
Deposits payable	1,643,326	500	-
Agency funds held for others	19,108,706	60,085,088	-
Total Liabilities	<u>28,945,291</u>	<u>63,193,412</u>	<u>-</u>
Net position			
Net position restricted for	<u>12,197,568</u>	<u>267,056,685</u>	<u>1,357</u>
Total Net Position	<u>\$ 12,197,568</u>	<u>\$ 267,056,685</u>	<u>\$ 1,357</u>

COUNTY OF SUTTER
Statement of Changes in Fiduciary Net Position
Custodial, Investment, and Private-Purpose Trust Funds
For the Year Ended June 30, 2025

	<u>Custodial Funds</u>	<u>Investment Trust Funds</u>	<u>Private Purpose Funds</u>
Additions			
Contributions to pooled investments	\$ 12,174,762.72	\$ 27,407,433	\$ 800
Interest and Investment income (loss)	92,385	751,603	-
Other Additions	-	3,046,161	-
Total Additions	<u>12,267,148</u>	<u>31,205,197</u>	<u>800</u>
Deductions			
Distributions from pooled investments	<u>9,214,909</u>	<u>19,573,678</u>	<u>-</u>
Total Deductions	<u>9,214,909</u>	<u>19,573,678</u>	<u>-</u>
Change in net position	3,052,239	11,631,519	800
Net Position - Beginning of Year,	<u>9,145,329</u>	<u>255,425,166</u>	<u>557</u>
Net Position - End of Year	<u><u>\$ 12,197,568</u></u>	<u><u>\$ 267,056,685</u></u>	<u><u>\$ 1,357</u></u>



**Notes to the
Financial Statements**

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1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a countywide basis including public safety, highway and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County defines its reporting entity in accordance with accounting principles generally accepted in the United States of America (GAAP), which provides guidance for determining which governmental activities, organizations and functions should be included in the reporting entity. The accompanying financial statements present information on the activities of the reporting entity, including all fund types of the County (the primary government) and its component units.

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

For financial reporting purposes, the County's basic financial statements include all financial activities of the following special districts as blended component units because their Board of Directors is composed of the same members as the County's board. These component units have not issued separate financial statements.

Discretely Presented Component Units

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

Blended Component Units

The blended component units' governing bodies are substantially the same as the governing body of the primary government. Component units that are blended into the reporting activity types of the County's report are presented below:

Special Assessment Districts – The assessment districts are separate legal entities formed to provide various services within the County.

Lighting Districts – The lighting districts are separate legal entities formed to provide lighting services within the County.

Landscape Districts – The landscape districts are separate legal entities formed to provide landscape services within the County.

The accompanying financial statements include an Investment Trust Fund that holds assets of numerous self-governed school and special districts for which the County Treasurer-Tax Collector acts as custodian. The financial

reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments, and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. The County Auditor-Controller makes disbursements upon the request of the special district officers. Activities of the school and special districts are administered by separate boards and are independent of the County Board of Supervisors. The County Board of Supervisors has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or to appropriate surplus funds available in these entities. Sutter County Schools do not issue independent audited financial statements but report directly to the California Department of Education. The individual Sutter County Special Districts do have independent audited financial statements. Individuals interested in obtaining a copy of a district’s report should contact the district directly.

The accompanying financial statements also include four different private purpose trust funds. These funds are mostly comprised of monies held on behalf of citizens by order of the courts until such time the courts release the monies. The County Board of Supervisors has no effective authority to govern, manage, assume financial accountability, or to appropriate surplus funds available in these entities.

New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 101
Summary of Statement

Compensated Absences

This standard replaces GASB Statement No. 16 by updating the recognition and measurement guidance for compensated absences under a unified model and by amending certain previously required disclosures. Please refer to Note 16 for additional details.

Statement No. 102
Summary of Statement

Certain Risk Disclosures

The objective of this Statement is to provide users of government financial statements with essential information about risk related to a government's vulnerabilities due to certain concentrations or constraints. See Note 18 for the County's risks caused by customer concentration and constraints on resources.

Financial Statements

In accordance with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," the financial statements consist of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all of the nonfiduciary activities of the primary government and its component units. Generally, the effect of interfund intra-function activity has been eliminated from the government-wide financial statements. All internal balances in the Statement of Net Position that have been eliminated, except for those representing balances between the governmental activities and the business-type activities, are presented as internal balances and eliminated in the total government column.

The Statement of Activities presents functional revenue and expenses of governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the Statement of Activities, internal service funds' revenue and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities.

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program 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.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the county of meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

Basis of Accounting and Measurement Focus

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

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

For the governmental funds financial statements, the County considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services and other miscellaneous revenue are all considered to be susceptible to accrual, and have been recognized as revenue in the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All expenditure-driven grants are recorded at the time of receipt or earlier. If qualifying expenditures have been incurred and all other requirements are met, except for the timing requirement, a deferred inflow of resources is reported until time requirements have passed.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

In accordance with GAAP the County reports on each major governmental fund. By definition, the general fund is always considered a major fund. Governmental funds other than the general fund must be reported as major funds if they meet both the ten percent and five percent criterion, defined respectively, 1) An individual governmental fund reports at least ten percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures; 2) an individual governmental fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the ten percent criterion. In addition, a fund may be reported as major if it is believed to be of particular importance to financial statement users.

The County reports the following major governmental funds:

- The **General Fund** is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, public assistance, education, public ways and facilities, and culture and recreation services.
- The **Bi-County Behavioral Health Fund** is a special revenue fund used to account for revenues and expenditures for mental health activities.
- The **Welfare Fund** is a special revenue fund used to account for revenues and expenditures for social welfare programs.
- The **Public Safety/Trial Courts Fund** is a special revenue fund used to account for revenues and expenditures for public safety programs.
- The **Public Safety Realignment Fund** is a special revenue fund used to account for the realignment of revenues and expenditures for public safety programs.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services.

Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following proprietary funds:

- An Enterprise Fund accounts for Water Works District No. 1 activities related to the provision of water services.
- Internal Service Funds account for the County's fleet maintenance, information technology, employee

wellness, and self-insurance programs which provide services to other departments on a cost reimbursement basis.

Fiduciary funds include private purpose trust, investment trust and custodial funds. All Fiduciary funds employ the same economic resources measurement focus and accrual basis of accounting as do proprietary funds.

The County reports the following fiduciary funds:

- The Private-Purpose Trust Funds account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments such as escheat property.
- The Investment Trust Funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school and community college districts, other special districts governed by local boards, regional boards and authorities, and pass-through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The Custodial Funds account for assets held on behalf of governmental agencies outside of the County in a fiduciary capacity and do not meet criteria for being held in private-purpose trust funds or investment trust funds. They hold the resources until disbursement is made to authorized recipients or entities.

Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the enterprise and internal service funds consider their equity in the County Treasurer's Investment pool along with all highly liquid investments having a maturity of three months or less at the time of purchase to be cash equivalents.

The Treasurer's Investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Code statutes and the County Treasury Oversight Committee set forth the various investment policies that the County Treasurer must follow.

Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptance, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund.

Investment transactions are recorded on the trade date at cost. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

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

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accounts such as taxes, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the full accrual basis of accounting. Interest and investment earnings are included in the current fiscal year if they are collected within 60 days of fiscal year end.

Proprietary fund major receivables consist of all revenues earned at year-end and not yet received. User fee receivable and interest earnings compose the majority of proprietary fund receivables. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Interfund Transactions

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

- Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.
- Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and, therefore, are not eliminated in the process of preparing the government-wide Statement of Activities.

- Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.
- All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

Inventory and Prepaid Expenses

Inventories are stated at cost (first-in, first-out basis) for governmental funds and proprietary funds. Inventory recorded by governmental funds includes expendable supplies held for consumption. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that portion of fund balance not available for future appropriation. Certain payments to vendors reflect costs applicable to future accounting periods and are therefore considered prepaid expenses.

Loans Receivable

Loans receivable are comprised of mortgage subsidies and long-term loans to other agencies.

Capital Assets

Capital assets include property, plant, equipment, infrastructure assets (roads, bridges, sidewalks, water, sewer, and similar items), right-to-use lease assets (per GASB no. 87) and subscription assets (per GASB no.96). Capital assets are defined by the County as equipment with a cost of \$5,000 or more, structures and improvements with a cost of \$60,000 or more, infrastructure with a cost of \$100,000 or more, software and subscription assets with a cost of 25,000 or more and all land regardless of cost. Equipment reported in the financial statements is at actual historical cost. Structures and improvements and land are reported at actual cost when available or estimated historical cost. Estimated historical cost was arrived at by a variety of methods including the use of factors and comparative sales. Infrastructure assets, including bridges and roads, are reported at estimated historical cost.

Estimated historical cost for bridges was arrived at by developing a listing of all bridges constructed after 1980 and multiplying total square footage by the average cost per square foot and the price level factor for the Price Trends for Federal-Aid Highway Construction. Estimated historical cost for roads was arrived at by multiplying the number of land-miles constructed since 1980 for asphalt with curb and gutter by the average cost per lane-mile and the price level factor from the Price Trends for Federal-Aid Highway Construction. The county has determined the cost of gravel and dirt roads to be minimal and has elected not to capitalize these road types. Contributed capital assets are recorded at estimated fair market value at the date of donation.

Capital assets that are used in governmental fund operations are reported in the government-wide financial statements. Property, plant, equipment and infrastructure are accounted for as capital assets. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Capital assets used in the proprietary fund operations are reported on their respective propriety statement of net

position. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Depreciation or amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation/amortization reflected in the Statement of Net Position. Depreciation/amortization is provided over the assets’ estimated useful lives using the straight-line method of depreciation. Right-to-use lease assets (per GASB no. 87) and subscription assets (per GASB no.96) will be amortized over shorter of useful life or lease term. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable/Amortizable Asset</u>	<u>Estimated Lives</u>
Equipment	3-20 years
Software	3-10 years
Structures and improvements	15-39 years
Infrastructure	15-75 years

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

Leases

A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset (underlying asset) as specified for a period in an exchange or exchange-like transaction. The lease term is considered as the period during which a lessee has a noncancelable right to use an underlying asset, plus the following periods, if applicable. The County’s lease schedule is presented in Note 5 Capital Assets and Note 6 Leases and SBITAs.

Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor) information technology (IT) software, alone or in combination with tangible capital assets (underlying IT assets), as specified in the contract for a period in an exchange or exchange-like transaction. The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option). The County’s SBITAs are presented in Note 5 Capital Assets and Note 6 Leases and SBITAs.

Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net position, governmental funds, and enterprise funds defer revenue recognition for resources that have been received at year-end, but not yet earned. Assets recognized before the earning process is complete are offset by a corresponding liability as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The County has deferred outflows of resources related to pensions and other post-employment benefits.

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 assets 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 revenues report under the modified accrual basis of accounting in the governmental funds balance sheet and related to pensions, OPEB and leases in its government-wide statements.

The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

The County's policy regarding compensated absences is to permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences is recorded as an expense and related liability in the year earned. The County includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of loans payable and financed purchase agreements.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Fund Balances/Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position

is categorized as follows:

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

When both restricted and unrestricted net position are available, restricted resources are depleted first before the restricted resources are used.

Under GASB Statement No. 54, governmental fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – This component includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource providers.
- Committed – This component includes amount that can only be used for the specific purposes determined by a formal action of the County’s Board of Supervisors taking the same formal action that imposed the constraint originally.
- Assigned – This component comprises amounts intended to be used for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the County’s Board of Supervisors or (b) a body (for example: a budget or finance committee) or official to which the County’s Board of Supervisors has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the County’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

Fund Balance/Net Position Deficit

The following funds had deficit fund balances at June 30, 2025:

	Deficit Amount
Information Technology	\$ 236,109

The deficits in these funds are expected to be eliminated through future years’ revenues.

Property Tax Levy, Collection and Maximum Rates

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

The County of Sutter assesses properties and bills for and collects property taxes as follows:

	Secured	Unsecured
Valuation/lien dates	January 1	January 1
Levy dates	October 1	July 1
Due Dates	November 1 (1 st installment) February 1 (2 nd installment)	July 1
Delinquent dates	Dec. 10 (1 st installment) April 10 (2 nd installment)	August 31

The term “unsecured” refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the personal property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end.

The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed in Section 4717 of the California Revenue and Taxation code. Under this method of apportionment, penalties and interest collected on delinquent secured taxes are required to be held in trust in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County has elected to follow the procedures authorized by Revenue and Taxation Code 4703.2 which requires that the tax losses reserve fund shall be maintained at not less than 25 percent of the local delinquent secured taxes and assessments for participating entities in the County as calculated at the end of the fiscal year. The net balance in the TLRF was \$2,483,972 at June 30, 2025. The County’s management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s Teeter Plan and accounted for in a custodial fund.

Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditures and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, governmental fund report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources. Expenditure/expenses are classified as follows:

- Government Funds – By Character
 - Current (further classified by function)
 - Debt Service
 - Capital Outlay
- Proprietary Fund – By Operating and Nonoperating

Use of Estimates

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Gann Spending Limitation

Under Article XIII B of the California Constitution (the Gann spending Limitation), the County is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements. Commencing with the 2021-22 fiscal year under subdivision (b) of Government Code section 7903, county governments are also required to include specified state subventions within their appropriations limits. The allowed appropriations for the Gann Limit for fiscal year ended June 30, 2025 were \$305,193,217. The appropriations subject to this limit were \$75,547,140, which include the specified subvention of \$27,600,000 for Sutter County. This is \$229,646,077 below the appropriations limit. Accordingly, the appropriations subject to this legal restriction were only 24.8% of the maximum allowed by law.

3. CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by California Government Code Section 53635 and by the County’s investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6, § 27131 of California Government Code. The Board of Supervisors reviews and approves the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investment in the pool, maturity dates, par value, actual cost and fair value.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

At June 30, 2025, total County cash and investments were as follows:

<i>Cash:</i>	
Cash on hand	\$ 157,487
Bank deposits	3,640,833
Outstanding warrants	<u>(17,571,062)</u>
Total Cash	<u>(13,772,742)</u>
 <i>Investments:</i>	
Investment pool	513,441,542
External to investment pool	<u>30,628,628</u>
Total investments	<u>544,070,170</u>
 Total cash and investments	 <u><u>\$ 530,297,428</u></u>

Total cash and investments at June 30, 2025 were presented on the County’s financial statements as follows:

Primary government	\$ 191,823,883
Investment trust fund	327,850,709
Private purpose trust funds	581
Custodial fund	<u>10,622,254</u>
 Total	 <u><u>\$ 530,297,428</u></u>

Investments

The table below identifies the investment types that are authorized for the County by California Government Code Section 53635 or the County’s investment policy, where more restrictive. The table also identifies certain

provisions of the County’s investment policy that address interest rate risk, credit risk, and concentration risk. The County annually adopts a “Statement of Investment Policy.” The policy is based on criteria established by government code and adds further restrictions as to the types of investments allowed, concentration limits and maximum terms.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Portfolio of One Issuer</u>	<u>Maximum Investment</u>
US Treasury Notes, Bonds, Bills	5 years	None	None
US Government Agencies	5 years	None	None
Medium-Term Corporate Notes	5 years	10%	30%
Commercial Paper	270 days, but dollar weighted average may not exceed 31 days	10%	40%
Banker's Acceptances	180 days	30%	40%
Repurchase Agreements	1 year	None	None
Negotiable Certificates of Deposit	5 years	None	30
Non-Negotiable Certificates of Deposit	5 years	None	None
Money Market Mutual Funds	N/A	10%	20%
Local Agency Investment Fund	N/A	None	\$75M
California Asset Management Program	N/A	None	None

At June 30, 2025, the County had the following investments:

	Interest Rates	Max Maturities	Par	Fair Value*	Weighted Average Maturity (Years)
Primary Investment Pool					
US Government Agencies	0.38%-5.00%	06/26/30	\$ 216,900,000	\$ 214,057,656	1.57
State or Local Agencies	1.33%	06/01/27	1,800,000	1,712,790	1.92
Medium Term Corporate Notes	0.70%-4.00%	01/26/28	62,695,000	61,176,041	1.02
LAIF State Pool/Sac	Variable	On Demand	14,956,249	14,794,164	-
California Asset Management	Variable	On Demand	147,242,551	147,242,551	-
Five Star Bank Money Market	Variable	On Demand	2,465,308	2,465,308	-
CALTRUST at PAR Value	Variable	On Demand	46,068,157	46,068,157	-
USBANK SWEEP	Variable	On Demand	52,968,054	25,924,876	-
Total			<u>545,095,319</u>	<u>513,441,542</u>	1.50
Investments Outside Investment Pool					
Bank Accounts Held Outside the Treasury			19,279,933	19,279,933	-
Cash with Retirement Agencies			11,348,695	11,348,695	-
Total			<u>30,628,628</u>	<u>30,628,628</u>	
Total Investments			<u>\$ 575,723,947</u>	<u>\$ 544,070,170</u>	

*amounts exclude interest earned but not yet received and outstanding activity.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to change in market interest rates. The County manages its exposure to declines in fair values by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to provide the necessary cash flow and liquidity needed for operations. The County monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the rating of A1 by Standards & Poor’s or P-1 by Moody’s Investors Service. State law also limit investments in corporate bonds to the rating of A by Standard & Poor’s and Moody’s Investors Service. The County does not have credit limits on governmental agency securities.

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool’s value at June 30, 2025:

	Moody's Ratings	S & P's Ratings	% of Portfolio
US Government Agencies	Aa1	AA+	40.13%
State or Local Agencies	Unrated	AA+	0.32%
Medium Term Notes	Aa3	AA-	0.96%
Medium Term Notes	Aa3	A+	0.74%
Medium Term Notes	A1	A	2.59%
Medium Term Notes	A1	A-	1.85%
Medium Term Notes	A2	A+	0.36%
Medium Term Notes	A2	A	2.49%
Medium Term Notes	A3	A-	2.04%
Medium Term Notes	A3	BBB+	0.54%
CAMP	Unrated	AAAm	27.24%
CALTRUST	Unrated	AAAm	8.52%
USBANK SWEEP Money Market	Aaa	Unrated	9.80%
FIVE STAR BANK Money Market	Unrated	Unrated	0.46%
LAIF	Unrated	Unrated	1.96%
Total			100.00%

At June 30, 2025, the County has the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

	Amount	% of Portfolio
Fannie Mae (FNMA)	\$ 44,001,070	8.14%
Federal Farm Credit Bank (FFCB)	49,242,423	9.11%
Federal	96,644,843	17.88%
Freddie	27,000,000	5.00%
CAMP	147,242,551	27.24%

Custodial Credit Risk

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

Local Agency Investment Fund

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

At June 30, 2025, the County’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$15.0 million, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$178.1 billion. Of that amount, 2.02% was invested in structured notes and asset-backed securities with the remaining 97.98% invested in other non-derivative products.

County Investment Pool Condensed Financial Information

The following represents a condensed statement of net position and changes in net position for the County’s primary investment pool and bond investment pool as of June 30, 2025:

Statement of Net Position

Net position held for pool participants	<u>\$ 513,441,542</u>
Equity of internal pool participants	176,078,387
Equity of external pool participants	<u>337,363,155</u>
Total net position	<u>\$ 513,441,542</u>

Statement of Changes in Net Position

Net position at July 1, 2024	\$ 466,413,846
Net changes in investments by pool participants	<u>47,027,696</u>
Net position at June 30, 2025	<u>\$ 513,441,542</u>

Fair Value Measurements

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

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2025:

	Amount	Fair Value Measurement Using Quoted Prices in Active Markets (Level 1)
Investments measured at fair value:		
Government agency obligations	\$ 214,057,656	\$ 214,057,656
State or Local agency obligations	1,712,790	1,712,790
Corporate and medium term notes	61,176,041	61,176,041
Total investments measured at fair value	<u>\$ 276,946,487</u>	<u>\$ 61,176,041</u>
Investments measured at amortized cost:		
LAIF State Pool/Sac	14,794,164	-
California Asset Management	147,242,551	-
Five Star	2,465,308	-
CALTRUST	46,068,157	-
USBANK SWEEP	25,924,876	-
Total investments measured at amortized cost	<u>\$ 236,495,055</u>	<u>\$ -</u>
Investments outside investment pool		
Bank Accounts Held Outside the Treasury	19,279,933	
Cash with Retirement Agencies	11,348,695	\$ -
	<u>\$ 30,628,628</u>	<u>\$ -</u>
Total investments at fair value	<u>\$ 544,070,170</u>	<u>\$ 61,176,041</u>

4. LOANS RECEIVABLE

Loans receivable at June 30, 2025 consisted of the following:

	General Fund	Public Health	Other Governmental Funds	Total
Governmental Funds				
Loan to City of Live Oak	\$ 4,490	\$ -	\$ -	\$ 4,490
Loan to City of Yuba City	39,038	-	-	39,038
Loan to Sutter-Yuba Housing Authority	-	-	874,458	874,458
Deposit with Others-Yuba Co Juvenile Hall	-	-	425,668	425,668
Housing Rehabilitation loans	-	500	1,469,509	1,470,009
Loans receivables, net	<u>\$ 43,528</u>	<u>\$ 500</u>	<u>\$ 2,769,635</u>	<u>\$ 2,813,663</u>
Government Wide				
Loan to Yuba Sutter Economic Development Corporation	-	-	-	-
Total Loans Receivable	<u><u>\$ 43,528</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 2,769,635</u></u>	<u><u>\$ 2,813,663</u></u>

5. CAPITAL ASSETS

Capital asset activity for fiscal year ended June 30, 2025, was as follows:

	Balance, July 1, 2024	Additions/ Adjustments	Retirements/ Transfers	Balance, June 30, 2025
Governmental Activities				
<i>Capital assets, not being depreciated</i>				
Land	\$ 6,273,172	\$ -	\$ -	\$ 6,273,172
Easements	5,000	-	-	5,000
Construction in Progress	21,079,958	5,138,200	(4,527,836)	21,690,322
Total capital assets, not being depreciated/amortized	<u>27,358,130</u>	<u>5,138,200</u>	<u>(4,527,836)</u>	<u>27,968,494</u>
<i>Capital assets, being depreciated/amortized</i>				
Land improvements	1,443,473	-	-	1,443,473
Structures and improvements	75,710,684	542,633	-	76,253,317
Equipment	15,918,518	2,055,057	(1,336,676)	16,636,899
Vehicles	16,941,106	1,950,542	(1,391,448)	17,500,200
Infrastructure	106,567,435	-	-	106,567,435
Intangible assets - Software	2,525,256	-	-	2,525,256
Total capital assets, being depreciated/amortized	<u>219,106,472</u>	<u>4,548,232</u>	<u>(2,728,124)</u>	<u>220,926,580</u>
Less accumulated depreciation/amortization for				
Land improvements	(284,075)	(96,232)	-	(380,307)
Structures and improvements	(29,125,470)	(1,799,419)	-	(30,924,889)
Equipment	(12,596,404)	(1,099,377)	1,227,531	(12,468,250)
Vehicles	(12,275,369)	(1,396,172)	1,346,613	(12,324,929)
Infrastructure	(79,954,236)	(542,761)	-	(80,496,997)
Intangible assets - Software	(2,252,788)	(232,469)	-	(2,485,256)
Total accumulated depreciation/amortization	<u>(136,488,342)</u>	<u>(5,166,429)</u>	<u>2,574,143</u>	<u>(139,080,628)</u>
Total capital assets, being depreciated/amortized, net	<u>82,618,129</u>	<u>(618,197)</u>	<u>(153,980)</u>	<u>81,845,952</u>
<i>Right-to-use assets, being depreciated</i>				
Right-to-use lease assets:				
Structures and improvements	4,241,694	-	-	4,241,694
Infrastructure	602,291	-	-	602,291
Equipment	366,195	11,327	-	377,522
Total right-to-use lease assets	<u>5,210,180</u>	<u>11,327</u>	<u>-</u>	<u>5,221,507</u>
Right-to-use SBITA assets:	16,526,728	(282,224)	(743,944)	15,500,560

continued

continued

	Balance, July 1, 2024	Additions/ Adjustments	Retirements/ Transfers	Balance, June 30, 2025
Less accumulated amortization for				
Right-to-use lease assets:				
Structures and improvements	(2,318,869)	(883,158)	-	(3,202,027)
Infrastructure	(225,859)	(75,286)	-	(301,146)
Equipment	(125,204)	(74,771)	-	(199,975)
Total accumulated amortization right-to use lease	<u>(2,669,932)</u>	<u>(1,033,215)</u>	<u>-</u>	<u>(3,703,148)</u>
Right-to-use SBITA assets:	<u>(2,313,301)</u>	<u>(2,018,816)</u>	<u>116,669</u>	<u>(4,215,447)</u>
Total right-to-use assets, being amortized, net	<u>16,753,675</u>	<u>(3,322,927)</u>	<u>(627,275)</u>	<u>12,803,472</u>
Total capital assets, being depreciated/amortized, net	<u>99,371,804</u>	<u>(3,941,124)</u>	<u>(781,255)</u>	<u>94,649,424</u>
Governmental activities, capital assets, net	<u>\$ 126,729,934</u>	<u>\$ 1,197,076</u>	<u>\$ (5,309,092)</u>	<u>\$ 122,617,918</u>

	Balance, July 1, 2024	Additions/ Adjustments	Retirements/ Transfers	Balance, June 30, 2025
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 58,000	\$ -	\$ -	\$ 58,000
Total capital assets, not being depreciated/amortized	<u>58,000</u>	<u>-</u>	<u>-</u>	<u>58,000</u>
Capital assets, being depreciated/amortized				
Structures and Improvements	<u>3,181,379</u>	<u>-</u>	<u>-</u>	<u>3,181,379</u>
Total capital assets, being depreciated/amortized	<u>3,181,379</u>	<u>-</u>	<u>-</u>	<u>3,181,379</u>
Less accumulated depreciation/ amortization for				
Structures and improvements	<u>(2,321,679)</u>	<u>(129,927)</u>	<u>-</u>	<u>(2,451,606)</u>
Total accumulated depreciation/amortization	<u>(2,321,679)</u>	<u>(129,927)</u>	<u>-</u>	<u>(2,451,606)</u>
Total capital assets, being depreciated/amortized, net	<u>859,700</u>	<u>(129,927)</u>	<u>-</u>	<u>729,773</u>
Business-type activities, capital assets, net	<u>\$ 917,700</u>	<u>\$ (129,927)</u>	<u>\$ -</u>	<u>\$ 787,773</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,170,698
Public protection	2,096,605
Public ways and facilities	1,110,998
Health and sanitation	418,370
Public assistance	74,599
Education	122,984
Recreation and culture	14,593
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>137,186</u>
Total	<u><u>\$ 5,146,033</u></u>

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

Waterworks District No. 1	<u><u>\$ 129,927</u></u>
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Construction in Progress

Construction in progress related primarily to work performed on the various construction projects within the County including bridge and building improvement projects.

Amortization

The following is a summary of amortization by major classes of underlying assets:

Governmental activities:

General government	
Lease building	\$ 883,158
Lease infrastructure	75,286
Lease equipment	<u>74,771</u>
Total lease assets	\$ 1,033,215

Subscription asset

General government	\$ 1,471,717
Public protection	125,595
Health and sanitation	38,452
Public assistance	28,165
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>373,501</u>
	\$ 2,037,431

Total	<u><u>\$ 3,070,646</u></u>
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6. LEASES AND SBITAs

LEASES

Under GASB Statement No. 87, an implicit rate is calculated for each individual lease based on estimated incremental borrowing rate. That method measures cash flows as well as actual beginning and projected ending FMV of the underlying asset. The present value of the leases is aggregated on a fund basis. All funds record lessee receivables on the fund level Statement of Net Position (Balance Sheet for the governmental funds), and are rolled into the government-wide Statement of Net Position.

The County’s threshold for leases follows similar guidelines for capital assets and the lease must be longer than one year including possible extensions. The threshold is measured as the present value (PV) of the lease payments using applicable implicit rate.

County as Lessee

The following table provides a summary of the County’s lease commitments with year-end balances. As of June 30, 2025, the County has five financing leases where it acts as the Lessee.

The following table provides a summary of the changes in the County’s lease commitments during the year:

	Balance July 1, 2024	Additions/ Adjustments	Retirements	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities	\$ 2,643,340	\$ 11,327	\$ 995,294	\$ 1,659,373	\$ 727,922
Total	<u>\$ 2,643,340</u>	<u>\$ 11,327</u>	<u>\$ 995,294</u>	<u>\$ 1,659,373</u>	<u>\$ 727,922</u>

As of June 30, 2025, annual requirements to amortize long-term lease obligations and related interest are as follows:

June 30	Governmental Activities		
	Principal	Int Portion	Total
2026	\$ 727,922	\$ 13,511	\$ 741,432
2027	488,815	6,931	495,746
2028	236,802	2,552	239,355
2029	121,350	1,278	122,629
2030	84,483	256	84,739
Total	<u>\$ 1,659,373</u>	<u>\$ 24,527</u>	<u>\$ 1,683,900</u>

County as Lessor

As of June 30, 2025, the County has four financing leases where it acts as the Lessor. Under GASB Statement No. 87, an implicit interest rate is calculated for each individual lease using the estimated incremental borrowing rate. All funds record lessee receivables on the governmental funds balance sheet and are rolled into the Government-Wide Statement of Net Position.

The Gray Avenue Building: Provides commercial space for small businesses and a vacant space for future County offices. There are three leasing agreements associated with the building that have terms greater than one year. The combined present value of the lease receivable is approximately \$560 thousand as of fiscal year-end June 30, 2025. The lease agreements transitioned to month-to-month leases as of March 2025.

The Cell Tower: Is a lessee constructed tower in 2019. Upon completion, the ownership was transferred to the County in exchange of lease abatement of \$500 for 150 months. The present value of the lease receivable inclusive of extensions that we believe will be exercised is \$220 thousand as of fiscal year-end June 30, 2025.

June 30	Governmental Activities		
	Principal	Interest	Total
2026	\$ 4,626	\$ 1,824	\$ 6,450
2027	4,667	1,783	6,450
2028	4,709	1,741	6,450
2029	4,752	1,698	6,450
2030	4,875	1,655	6,531
2031-3035	45,999	7,333	53,332
2036-2040	70,191	4,533	74,724
2041-2045	66,689	1,402	68,091
Total	\$ <u>206,509</u>	\$ <u>21,970</u>	\$ <u>228,478</u>

Subscription-Based Information Technology Arrangements (SBITAs)

The County has entered into various long-term noncancellable subscription arrangements for the use of the vendor’s information technology software. Most of the subscriptions have initial terms of more than one year with up to nine years and contain renewals at the County’s option. The County includes the renewal period in the subscription term when it is reasonably certain that the renewal option will be exercised. The County uses the interest rate charged by the vendor as the discount rate. When the interest rate is not provided, the County generally uses its incremental borrowing rate to discount the subscription payments.

As of June 30, 2025, the value of the underlying assets and the annual requirements to maturity relating to subscriptions are as follows:

	Balance July 1, 2024	Additions/ Adjustments	Retirements	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities SBITAs	\$ 10,518,658	\$ (681,460)	\$ 1,905,589	\$ 7,931,609	\$ 1,010,597
Total	<u>\$ 10,518,658</u>	<u>\$ (681,460)</u>	<u>\$ 1,905,589</u>	<u>\$ 7,931,609</u>	<u>\$ 1,010,597</u>

As of June 30, 2025, future minimum subscription payments are as follows:

Subscriptions Payable

June 30	Governmental Activities		
	Principal	Int Portion	Total
2026	\$ 1,010,597	\$ 138,906	\$ 1,149,503
2027	839,796	116,590	956,387
2028	630,433	103,297	733,729
2029	659,813	89,990	749,803
2030	527,933	80,076	608,009
2031-2035	2,932,557	238,542	3,171,099
2036-2038	1,330,480	12,734	1,343,215
Total	<u>\$ 7,931,609</u>	<u>\$ 780,135</u>	<u>\$ 8,711,745</u>

7. LONG-TERM LIABILITIES

Long-term debt, excluding lease liabilities (see Note 6), at June 30, 2025 consisted of the following:

	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2025
Governmental Activities						
Financing Agreement						
CSA- F Fire Engine	2022	2032	4.79%	\$99,721*	\$ 698,812	\$ 581,357
Energy Efficient Upgrade Project	2014	2029	3.71%	\$330,514-981,676	8,920,306	3,470,876
Total Governmental Activities					<u>\$ 9,619,118</u>	<u>\$ 4,052,233</u>
Business-Type Activities						
Energy Efficient Upgrade Project			3.71%	9,000-22,000	\$ 189,140	\$ 76,292
Total Business-Type Activities					<u>\$ 189,140</u>	<u>\$ 76,292</u>

The following is a summary of all long-term liabilities transactions, excluding lease transactions, for the year ended June 30, 2025:

	Balance July 1, 2024	Additions/ Adjustments	Retirements	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities					
CSA-F Fire Engine	\$ 649,920	\$ 1	\$ 68,564	\$ 581,357	\$ 71,851.04
Energy Efficient Upgrade Project	4,163,910	-	693,034	3,470,876	758,770
Total Governmental Activities - Long-Term Liabilities	<u>\$ 4,813,830</u>	<u>\$ 1</u>	<u>\$ 761,598</u>	<u>\$ 4,052,233</u>	<u>\$ 830,621</u>
Business-Type Activities					
Energy Efficient Upgrade Project	\$ 92,109	\$ -	\$ 15,817	\$ 76,292	\$ 16,822
Total Business-Type Activities - Long-Term Liabilities	<u>\$ 92,109</u>	<u>\$ -</u>	<u>\$ 15,817</u>	<u>\$ 76,292</u>	<u>\$ 16,822</u>

As of June 30, 2025, annual debt service requirements of governmental activities to maturity are as follows:

Year Ended June 30,	Governmental Activities	
	Payables	
	Principal	Interest
2026	830,621	156,546
2027	904,024	124,966
2028	981,234	90,644
2029	1,063,736	53,405
2030	86,652	13,069
2031-2032	185,966	13,477
Total	<u>\$ 4,052,233</u>	<u>\$ 452,108</u>

Annual debt service requirements of business-type activities to maturity are as follows:

Year Ended June 30,	Business Activities	
	Payable	
	Principal	Interest
2026	16,822	2,782
2027	17,917	2,174
2028	19,926	1,510
2029	21,628	786
Total	<u>\$ 76,292</u>	<u>\$ 7,253</u>

8. DEFERRED OUTFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities,” the County recognized deferred outflows of resources in the Government-wide and proprietary fund statements. These items are a consumption of net assets by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The County has two items that are reportable on the Government-wide Statement of Net Position. The first item relates to outflows from changes in net OPEB liability (Note 15). The second item relates to outflows from changes in net pension liability (Note 14). In addition, deferred outflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

Deferred outflows of resources balances for the year ended June 30, 2025 were as follows:

	Governmental Activities
Government-wide Deferred Outflows of Resources	
OPEB	\$ 2,557,459
Pensions	47,207,808
Total Government-wide Deferred Outflows of Resources	<u>\$ 49,765,267</u>

9. INTERFUND TRANSACTIONS

Due To/From Other Funds

Operating receivables and payables between funds are classified as due from or due to other funds. These interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds are made. The following are due to and due from balances as of June 30, 2025:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	General Fund	\$ 179,530
	Welfare	27,386
	Public Safety/Trial Courts	5,920,415
	Nonmajor Governmental Funds	2,284,206
	Internal Service Funds	1,553
	Total General Fund	<u>8,413,090</u>
Bi-County Behavioral Health	Bi-County Behavioral Health	254
	Nonmajor Governmental Funds	555
	Total Bi-County Behavioral Health	<u>810</u>
Welfare	Public Safety Realignment	1,247,168
	Welfare	1,534,072
	Nonmajor Governmental Funds	15,628
	Capital Project Funds	5,098
	Total Welfare	<u>2,801,965</u>
Public Safety/Trial Courts	Bi-County Behavioral Health	37,645
	Public Safety/Trial Courts	1,035,688
	Public Safety Realignment	361,228
	Total Public Safety/Trial Courts	<u>1,434,561</u>
Public Safety Realignment	General Fund	36,609
	Public Safety Realignment	3,328,115
	Nonmajor Governmental Funds	603,502
	Total Public Safety Realignment	<u>3,968,226</u>

continued

continued

Nonmajor Special Revenue Funds	General Fund	\$ 15
	Bi-County Behavioral Health	1,069
	Welfare	6,092,593
	Nonmajor Governmental Funds	<u>1,893,924</u>
	Total Special Revenue Funds	<u>7,987,601</u>
Internal Service Funds	Internal Service Funds	<u>1,385,270</u>
	Total Debt Service Funds	<u>1,385,270</u>
Nonmajor Capital Project Funds	General Fund	294,128
	Welfare	<u>37,420</u>
	Total Capital Project Funds	<u>331,548</u>
	Total	<u>\$ 26,323,071</u>

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans to address cash flow needs and are offset by a fund balance nonspendable account in applicable governmental funds to indicate they are not available for appropriations and are not expendable available financial resources. The following are advances to/from other funds as of June 30, 2025:

<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>	<u>Amount</u>
General Fund	Bi-County Behavioral Health	\$ 1,138,520
		<u>\$ 1,138,520</u>

On June 30, 2015, the General Fund advanced the Bi-County Behavioral Health Fund to provide funding for the Chevron energy improvements project. The loan has a variable interest rate that is based on the pooled treasury rate. To date no payments have been made on the advance. The outstanding balance at year-end was \$1,138,520.

Transfers

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

Transfers From	Transfers To	Amount
General Fund	Welfare	\$ 433,224
	Public Safety/Trial Courts	26,641,589
	Nonmajor Governmental Funds	2,345,148
		<u>29,419,962</u>
Bi-County Behavioral Health	Bi-County Behavioral Health	12,291,959
	Public Safety/Trial Courts	128,566
	Nonmajor Governmental Funds	2,599,623
		<u>15,020,149</u>
Welfare	General Fund	1,636
	Welfare	470,945
	Nonmajor Governmental Funds	366,453
		<u>839,033</u>
Public Safety/Trial Court	Public Safety/Trial Courts	12,519,777
	Nonmajor Governmental Funds	539,720
		<u>13,059,497</u>
Public Safety Realignment	Bi-County Behavioral Health	16,969,041
	Welfare	17,768,301
	Public Safety Realignment	16,194,345
	Public Safety/Trial Courts	9,151,520
	Nonmajor Governmental Funds	455,803
	<u>60,539,010</u>	
Nonmajor Governmental Funds	General Fund	\$ 341,463
	Welfare	16,158,058
	Public Safety/Trial Courts	1,885,243
	Nonmajor Governmental Funds	10,429,213
		<u>28,813,977</u>
Internal Service Funds	Nonmajor Governmental Funds	17,185
		<u>17,185</u>
	Total	<u>\$ 147,708,813</u>

10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (internal service funds) to account for and finance its uninsured risks of loss for general liability and workers’ compensation. Under this program, the Risk Management Funds provide coverage for up to a maximum of \$100,000 for each general liability claim and up to \$300,000 for each workers’ compensation claim. The County is a member of two joint powers authorities (JPA) called Trindel Insurance Fund (Trindel) and PRISM Risk (PRISM). The County pays annual premiums to Trindel and to PRISM for excess liability insurance coverage, excess workers’ compensation coverage and various other insurance programs.

All funds of the County participate in the program and make payments to the Risk Management funds based on actuarial estimates of the amounts needed to pay prior and current year claims, insurance premiums and to fund future liability losses through reserving. The Board of Supervisors adopted a policy that the claims liability will be adjusted annually to not less than the 70% confidence level and not more than the 90% confidence level as determined by the actuary.

At June 30, 2025, the General Liability fund had a Net Position of \$2,294,905 and the Workers’ Compensation fund had a Net Position of \$8,193,301. The claims liability of \$1,944,167 reported in the General Liability fund and claims liability of \$3,778,283 reported in the Workers’ Compensation fund at fiscal year ended are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated.

The following represents the amount of the outstanding liabilities determined by the actuaries.

General Liability Fund – The change in the County’s general liability claims reserve amount for fiscal year ending 2025 was as follows:

Fiscal Year Ending	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
June 30, 2022	\$1,719,907	\$785,756	\$386,575	\$2,119,088
June 30, 2023	2,119,088	5,661,775	5,806,369	1,974,494
June 30, 2024	1,974,494	980,646	801,963	2,153,177
June 30, 2025	2,153,177	2,112,350	2,321,360	1,944,167

Workers’ Compensation Fund – The change in the County’s workers’ compensation claims reserve amount for fiscal year ending 2025 was as follows:

Fiscal Year Ending	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
June 30, 2022	\$5,677,352	\$1,548,121	\$659,511	\$6,565,962
June 30, 2023	6,565,962	(952,016)	705,985	4,907,961
June 30, 2024	4,907,961	1,520,466	784,241	5,644,186
June 30, 2025	5,644,186	(1,181,124)	684,779	3,778,282

11. DEFERRED INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* and GASB Statement No. 65, *“Items Previously Reported as Assets and Liabilities,”* the County recognized deferred inflows or resources in the government-wide, governmental fund, and proprietary fund statements. These items are an acquisition of net assets by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The County has three items that are reportable on the Government-wide Statement of Net Position. The first item relates to inflows from changes in Other Post Employment Benefits (OPEB) (Note 15). The second item relates to inflows from changes in the net pension liability (Note 14). The third item relates to inflows from leases (Note 11). Additionally, deferred inflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

Deferred inflows of resources for the year ended June 30, 2025 were as follows:

	Governmental Activities
Government-wide Deferred Inflows of Resources	
Leases	\$ 184,370
OPEB	4,334,502
Pensions	152,204
Total Government-wide Deferred Inflows of Resources	<u>\$ 4,671,076</u>

12. FUND BALANCE CLASSIFICATIONS

Fund balance classifications for the governmental funds as of June 30, 2025 are presented below:

	General	Bi-County Behavioral Health	Welfare	Public Safety/ Trial Courts
Nonspendable:				
Prepaid expenses	\$ 76,510	\$ 679,173	\$ 93,636	\$ 125,618
Inventory	-	-	-	-
Advances and loans receivables	1,182,048	-	-	-
Permanent funds	-	-	-	-
Other	25,465	350	2,613	6,504
Subtotal	<u>1,284,024</u>	<u>679,523</u>	<u>96,249</u>	<u>132,122</u>
Restricted for:				
Taxes and fees	-	-	-	-
General government	-	-	-	-
Public protection	-	-	-	7,131,263
Public ways & facilities	-	-	-	-
Health & sanitation	-	7,199,549	-	-
Public assistance	-	-	317,536	-
Other	11,494,742	-	-	-
Subtotal	<u>11,494,742</u>	<u>7,199,549</u>	<u>317,536</u>	<u>7,131,263</u>
Committed to:				
Capital projects	4,704,784	-	-	-
Public protection	1,000,000	-	-	25,535
Public facilities	1,388,000	-	-	-
Budget stabilization	6,261,963	-	-	-
Pension & OPEB	387,090	-	-	-
General	6,261,963	-	-	-
Other	3,512,760	-	-	-
Subtotal	<u>23,516,560</u>	<u>-</u>	<u>-</u>	<u>25,535</u>
Assigned to:				
Public protection	-	-	-	67,346
Health & sanitation	-	-	-	-
Other	69,313	-	94,955	-
Subtotal	<u>69,313</u>	<u>-</u>	<u>94,955</u>	<u>67,346</u>
Unassigned	<u>14,894,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 51,259,160</u>	<u>\$ 7,879,072</u>	<u>\$ 508,739</u>	<u>\$ 7,356,265</u>

Public Safety/ Realignment	Other Governmental	Total Governmental Funds	
\$ -	\$ 21,056	\$ 995,993	Nonspendable:
-	9,803	9,803	Prepaid expenses
-	-	1,182,049	Inventory
-	-	-	Advances and loans receivables
-	874,808	909,740	Permanent funds
-	905,668	3,097,585	Other
			Subtotal
-	7,590,495	7,590,495	Restricted for:
-	5,429,534	5,429,534	Taxes and fees
30,732,434	254,441	38,118,137	General government
-	26,354,546	26,354,546	Public protection
-	39,772,610	46,972,159	Public ways & facilities
-	-	317,536	Health & sanitation
-	112,173	11,606,914	Public assistance
30,732,434	79,513,798	136,389,321	Other
			Subtotal
-	1,568,257	6,273,041	Committed to:
-	-	1,025,535	Capital Projects
-	107,693	1,495,693	Public protection
-	-	6,261,963	Public facilities
-	-	387,090	Budget stabilization
-	-	6,261,963	Pension & OPEB
-	68,445	3,581,205	General
-	1,744,395	25,286,490	Other
			Subtotal
-	-	67,346	Assigned to:
-	5,917	5,917	Public Protection
-	-	164,268	Health & sanitation
-	5,917	237,531	Other
			Subtotal
-	-	14,894,521	Unassigned
<u>\$ 30,732,434</u>	<u>\$ 82,169,778</u>	<u>\$ 179,905,448</u>	Total

13. RESTRICTED COMPONENT OF NET POSITION – GOVERNMENT-WIDE

The restricted component of net position are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

The restricted component of net position at June 30, 2025 for governmental activities is as follows:

Restricted for General Government:		
Taxes and fees	\$ 7,590,495	
General government	<u>6,863,086</u>	
		\$ 14,453,581
Restricted for Public Protection:		
Public Safety/Trial Courts	7,131,263	
Public Safety/Realignment	31,362,921	
Child Support Srvc Reimb/Adj	<u>254,441</u>	
		38,748,625
Restricted for Public Ways & Facilities:		
Road	15,302,285	
County Service Areas	4,478,807	
Water Agencies	3,608,215	
Other Special Districts	<u>2,965,240</u>	
		26,354,546
Restricted for Health & Sanitation:		
Bi-County Behavioral Health	23,284,211	
Mental Health Services Act	11,700,828	
Public Health	6,521,629	
1991 Realignment	<u>21,550,154</u>	
		63,056,821
Restricted for Public Assistance:		
Welfare/Social Services	<u>2,520,272</u>	
		2,520,272
Restricted for Other Government Services:		
General	11,494,742	
Fish & Game	<u>\$ 112,173</u>	
		15,375,703
Total restricted component of position - governmental		<u><u>\$ 160,509,548</u></u>

14. EMPLOYEES' RETIREMENT PLAN

A. General Information about the Pensions Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's Safety or Miscellaneous Plans. The County's Safety Plan and the Miscellaneous Plan are both agent multiple-employer defined benefit pension plans. 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 issues a separate comprehensive annual 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. Differences between expected and actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

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 the 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. 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, 2025, are summarized as follows:

	Miscellaneous		
	Prior to Nov. 16, 2011	On or after Nov. 16, 2011	On or after Jan. 1, 2013
Hire Date	Nov. 16, 2011	Nov. 16, 2011	Jan. 1, 2013
Benefit formula	2.7%@55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as % of eligible	2.00%-2.70%	1.09%-2.42%	1.00%-2.50%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	32.03%	32.03%	32.03%
Status	Closed	Closed	Open

	Safety		
	Prior to Nov. 16, 2011	On or after Nov. 16, 2011	On or after Jan. 1, 2013
Hire Date	Nov. 16, 2011	Nov. 16, 2011	Jan. 1, 2013
Benefit formula	3@50	2%@50	2.7@57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-55	50-55
Monthly benefits, as % of eligible	3.00%	2.00% - 2.70%	2.00% - 2.70%
Required employee contribution rates	9%	9%	12%
Required employer contribution rates	50.86%	50.86%	50.86%
Status	Closed	Closed	Open

Employees Covered

At June 30, 2024, the following employees were covered by the benefit terms for the Miscellaneous Plan and Safety Plan.

<u>Employee Status</u>	<u>Miscellaneous</u>	<u>Safety</u>
Active	821	175
Transferred	396	83
Separated	645	56
Retired	1,225	245
Total	<u>3,087</u>	<u>559</u>

Contributions

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

B. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an

annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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, 2023 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	2.80%	2.80%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return ¹	6.80%	6.80%
Mortality	Derived using CalPERS' Membership Data for All Funds	

(1) Net of pension plan investment expenses; includes inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a January 2023 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

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

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using the historical returns of all the fund’s asset classes, expected compound (geometric) returns were calculated over the short-term

(first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rates of return by asset class:

Asset Class (a)	Assumed Asset Allocation	Real Return ⁽¹⁾⁽²⁾
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

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

(2) Figures are used on the 2021 Asset Liability Management study.

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the County’s Miscellaneous Plan and Safety Plan follows:

	Miscellaneous Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023	\$ 488,507,259	\$ 352,781,671	\$ 135,725,588
Changes in the year:			
Service cost	9,290,766	-	9,290,766
Interest on total pension liability	33,396,610	-	33,396,610
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	5,814,667	-	5,814,667
Net plan to plan resources movement	-	-	-
Contributions from the employer	-	17,320,714	(17,320,714)
Contributions from employees	-	4,440,331	(4,440,331)
Net Investment Income	-	33,252,906	(33,252,906)
Benefit payments, including refunds of employee contributions	(25,548,167)	(25,548,167)	-
Administrative expenses	-	(285,684)	285,684
Other Miscellaneous Income/(Expense)	-	-	-
 Net Changes	 22,953,876	 29,180,101	 (6,226,225)
Balance at June 30, 2024 (MD)	\$ 511,461,135	\$ 381,961,772	\$ 129,499,363
	Safety Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023	\$ 175,012,556	\$ 125,453,007	\$ 49,559,549
Changes in the year:			
Service cost	4,163,373	-	4,163,373
Interest on total pension liability	12,372,241	-	12,372,241
Changes of benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	6,644,340	-	6,644,340
Net plan to plan resource movement	-	-	-
Contributions from the employer	-	6,688,787	(6,688,787)
Contributions from employees	-	1,869,880	(1,869,880)
Net Investment Income	-	11,976,464	(11,976,464)
Other adjustments	-	-	-
Benefit payments, including refunds of employee contributions	(8,861,453)	(8,861,453)	-
Administrative expenses	-	(102,081)	102,081
Other miscellaneous income/(expense)	-	-	-
 Net Changes	 14,318,501	 11,571,597	 2,746,904
Balance at June 30, 2024 (MD)	\$ 189,331,057	\$ 137,024,604	\$ 52,306,453

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 point lower or 1-percentage point higher than the current rate:

Plan's Net Pension Liability / (Asset)	1% Decrease	Current Discount	1% Increase
	5.90%	Rate 6.90%	7.90%
Miscellaneous Plan	\$ 194,557,767	\$ 129,499,363	\$ 74,749,428
Safety Plan	\$ 78,706,083	\$ 52,306,453	\$ 30,731,277

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2025, the County recognized pension expense of \$32,030,824. 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, 2025, 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 in assumptions	\$ 1,774,260	\$ -
Differences between expected and actual experience	11,283,851	(152,204)
Net differences between projected and actual earnings on pension plan investments	7,995,795	-
Adjustment due to differences in proportions	-	-
County contributions subsequent to the measurement	26,153,902	-
Total	\$ 47,207,808	\$ (152,204)

The \$26,153,902 reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ 6,507,769
2026	16,625,831
2027	(189,912)
2028	(2,041,986)
Total	\$ 20,901,702

15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

Plan Description

The County of Sutter provides postemployment benefits and contributes to the miscellaneous plan of the County of Sutter and the safety plan of the County of Sutter (plans) which are part of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by statute. Copies of PERS’ annual financial report may be obtained from their executive office – 400 P Street, Sacramento, CA 95814. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefits Provided

The County provides medical, dental and vision insurance to retirees under an approved County ordinance. Employees that meet the following requirements are eligible for coverage under the County of Sutter Retiree Healthcare Plan: 1) the employee retires directly from the County under CalPERS; or 2) participates in the Tri County Schools Insurance Group (TCSIG) plan. The County has elected to contribute a percentage toward the cost of premiums for the retiree and spouse based on years of service.

The County contributes a monthly subsidy for retirees who participate in the medical plan offered by the County. The amounts are determined based on date of retirement.

- Employees who retire before 12/24/2005 receive a monthly amount of \$16, regardless of age.
- Employees who retire on or after 12/24/2005 receive a monthly amount of:
 - \$55 as of 1/1/2018 (before 1/1/2018, this amount was \$16 per month), if they are 65 or older, and
 - Prior to age 65, an amount based on years of County service, as shown in the chart below.

Years of Service	Monthly Subsidy
5-9	\$16
10-14	56
15-19	96
20-24	136
25-29	176
30+	216

- Subsidies end with the death of the retiree, though a surviving spouse may continue coverage by paying the full monthly premiums. In addition, if the retiree reaches age 65 prior to his or her covered spouse, the spouse may continue coverage until age 65 by paying the full monthly premium, even if the retiree discontinues coverage on the County’s plan.

Employees Covered by Benefit Terms:

At the OPEB liability measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Active employees	914
Inactive employees or beneficiaries currently receiving benefit payments	106
Inactive employees entitled to but not yet receiving benefit payments	48
	1068

Contributions

The contribution requirements of the plan members and the County are established and may be amended by the County. The contribution is based on pay-as-you-go financing requirements. For fiscal year 2024/2025, the County contributed \$672,976, or 107.6%, of the actuarially required contributions to the Retiree Healthcare Plan.

Total OPEB Liability

At June 30, 2025, the County reported a total OPEB liability of \$12,682,384. The total OPEB liability was measured as of June 30, 2024 and determined by an actuarial valuation as of June 30, 2024.

Actuarial Methods and Assumptions

The total OPEB liability measured as of June 30, 2024 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3.00% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
Assumed wage inflation	2.50% per year; used to determine amortization payments if developed on a level percent of pay basis.
General inflation rate	2.50% per year
Discount rates	3.93% on June 30, 2024 and 4.13% on June 30, 2023. Changes based on the published change in return for the applicable municipal bond index.
Healthcare trend	Medical plan premiums and claims costs by age are assumed to increase once each year.
Future retiree plan election	Depending on years of service with the County from less than 10 years-20% elect coverage to more than 30 years-80% elect coverage. It is assumed that 15% of future retirees are to continue coverage after age 65, regardless of their years of County service.

The actuarial “demographic” assumptions (i.e. rates of retirement, death, disability or other termination of

employment) used in the actuarial report were chosen, for the most part, to be the same as the actuarial demographic assumptions used for the most recent valuation of the retirement plans covering County employees. Other assumptions, such as age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or the actuarial’s best estimate of expected future experience.

Changes in the Total OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position and the net OPEB liability during the measurement period ending on June 30, 2024 for the County’s proportionate share.

For reporting at fiscal year end	June 30, 2024	June 30, 2025	Change
<i>Measurement date</i>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	During
			Period
OPEB Liability	\$ 11,835,740	\$ 12,682,384	\$ 846,644
<i>Deferred resource (outflows) inflows due to:</i>			
Assumption changes	2,850,647	2,233,589	(617,058)
Plan experience	383,495	209,945	(173,550)
Investment experience	-	6,485	6,485
Contributions made subsequent to the measurement date	<u>(562,759)</u>	<u>(672,976)</u>	<u>(110,217)</u>
Net deferred (outflows) inflows	<u>2,671,383</u>	<u>1,777,043</u>	<u>(894,340)</u>
Impact on Statement of Net Position	<u>\$ 14,507,123</u>	<u>\$ 14,459,427</u>	<u>\$ (47,696)</u>

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

The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	<u>Change in Discount Rate</u>		
	<u>Current - 1%</u> 2.93%	<u>Current</u> 3.93%	<u>Current + 1%</u> 4.93%
Total OPEB Liability	\$13,833,761	\$12,682,384	\$11,635,502
Increase (decrease)	\$1,151,377		\$(1,046,882)
% increase (decrease)	9.1%		-8.3%

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

The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using the healthcare cost trend rate that is one percentage lower or one percentage point higher than the current trend rate:

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, the County recognized OPEB expense of \$625,280. OPEB expense represents the change in the total OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2025, The County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 398,110	\$ (2,631,699)
Plan Experience	1,464,150	(1,674,095)
Investment Experience	22,223	(28,708)
County contributions subsequent to the measurement	672,976	-
	<u>\$ 2,557,459</u>	<u>\$ (4,334,502)</u>

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

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (inflows) of Resources
2026	\$ (565,861)
2027	(527,801)
2028	(555,337)
2029	(553,499)
2030	(139,590)
Thereafter	(107,931)
Total	<u>\$ (2,450,019)</u>

16. COMPENSATED ABSENCES

As of June 30, 2025, compensated absences were the following:

	Restated Balance July 1, 2024	Additions/ Adjustments	Retirements	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities Compensated	\$ 12,815,903	\$ (715,789)	\$ -	\$ 12,100,114	\$ 10,303,491

Beginning balance is restated due to GASB 101 - Compensated Absences.

Additions/Adjustments are shown as net increase (decrease).

Compensated absences typically have been liquidated by the General and Special Revenue Funds.

17. OTHER INFORMATION

A. Construction Commitments

At June 30, 2025, the County has commitments of approximately \$5,887,703 for construction contracts, awarded but not completed.

B. Contingent Liabilities

Grants

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

Other Claims

The County is subject to various lawsuits, inverse condemnation cases, personnel actions, disputes over tax assessments, and other actions incidental to the ordinary course of County operations. For fiscal year ending June 30, 2025, the estimated loss from potential litigations against the County not covered by insurance is \$500,000.

C. Joint Agencies

Public Risk Innovation, Solutions, and Management: PRISM (formerly CSAC Excess Insurance Authority) is a joint powers authority organized to develop and fund excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty-member counties.

Completed audited financial statements for PRISM can be obtained from the Authority's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630.

18. CERTAIN RISK DISCLOSURES

A. Mobile Crisis Response

Concentration and Constraint

Sutter-Yuba Behavioral Health (SYBH) is subject to a state mandate from the California Department of Healthcare Services (DHCS) requiring the operation of a Mobile Crisis Response (MCR) program for all Medi-Cal beneficiaries. To meet this requirement, SYBH relies on a single external vendor to provide all MCR services, representing a significant concentration of service provision.

Associated Event and Vulnerability

On December 31, 2025, the County terminated its contract with the sole MCR service provider due to substantial performance issues and the vendor's inability to transition to a compliant Medi-Cal claiming model. This termination has resulted in a temporary interruption of specialized mobile crisis services, creating a vulnerability to the risk of a substantial impact on the County's ability to maintain mandated service levels.

Mitigation Actions

Prior to the issuance of these financial statements, the County initiated interim measures to mitigate the service gap by utilizing internal County staff to provide in-clinic and phone-based crisis services. SYBH has commenced the procurement process for a replacement vendor and anticipates a new program "go-live" date after April 2026, subject to Board of Supervisors approval of the necessary contractual agreements.

B. Water Works District 1 (Robbins Water)

Concentration and Constraint

Water Works District 1 (Robbins Water) is a dependent special district providing essential wastewater services to 94 connections in a rural community. The District is subject to Proposition 218, a state constitutional constraint that limits property-related fees to the actual cost of service and allows customers to protest and prevent fee increases. Furthermore, because a high-water table precludes the use of individual septic systems in this basin, the community is entirely dependent on the District's centralized conveyance and treatment system to maintain property habitability.

Associated Events and Vulnerabilities

The District's financial condition is currently precarious due to two primary factors:

1. **Revenue Limitation:** The cost of maintaining the aging wastewater system has exceeded collected fees for four consecutive fiscal years. The last successful fee increase occurred in 2019; previous attempts to align rates with operational costs were unsuccessful due to the protest provisions of Proposition 218.
2. **Collection Risk:** Significant customer payment delinquencies have further strained cash flows. As a special district, Robbins Water is required to be self-supporting and does not receive subsidies from the County General Fund.

Mitigation Actions

To mitigate these risks and ensure continued solvency, the District has initiated the following actions:

- **Rate Alignment:** A formal fee study is currently underway. A proposed rate increase is anticipated for implementation in Spring 2026, pending the Proposition 218 majority-protest proceedings.
- **Enforcement Policy:** Staff is developing a service discontinuance policy for Board consideration. This would allow for the termination of services at delinquent properties following proper notification, serving as a mechanism to improve collection rates.
- **Structural Reorganization:** The District is actively seeking grant or low-interest loan funding to transition the ownership and maintenance of individual STEP (Septic Tank Effluent Pump) tanks to property owners. If secured, this would significantly reduce the District's long-term infrastructure maintenance liabilities.

C. County Service Area – F (CSA-F) Fire Services

Concentration and Constraint

The County Service Area – F (CSA-F), a dependent special district of the County, is subject to significant revenue constraints and a concentration of service-linked revenue. CSA-F relies on two primary funding sources: property tax increments and a voter-approved special fire tax enacted in 1997. The special fire tax lacks a cost-of-living adjustment (COLA), resulting in stagnant funding levels for nearly three decades. Additionally, CSA-F maintains a contractual agreement to provide fire and emergency response services to the City of Live Oak, which historically represents a significant portion of its operating revenue.

Associated Events and Vulnerabilities

The following events have occurred or are more likely than not to occur within 12 months of the issuance of these financial statements, creating a risk of substantial impact to CSA-F's ability to maintain operations:

1. **Contract Termination:** On November 19, 2025, the City of Live Oak formally noticed CSA-F and Sutter County of its intent to terminate the agreement for fire services effective November 2026. The City cited a budget deficit and an inability to meet the annual service cost of approximately \$950,000.
2. **Exhaustion of Funding:** CSA-F has historically relied on non-recurring federal resources, including a SAFER grant (which expired in February 2024) and one-time COVID-19 relief funds allocated by the County. Current efforts to secure replacement federal grants have been unsuccessful.
3. **Financial Sustainability:** Costs for service delivery have outpaced dedicated revenues for over a decade. As of FY 2024-25 CSA-F's remaining fund balance is exhausted, and its current financial model is considered unsustainable.

Mitigation Actions

The County and CSA-F have taken the following actions to mitigate these risks prior to the issuance of these financial statements:

- **Funding Initiatives:** A citizen-led initiative is currently underway to secure stable, long-term funding for the district.
- **Operational Review:** County officials and the CSA-F Board of Directors (Sutter County Board of Supervisors) are actively exploring alternative service delivery models and regional partnerships to ensure continued fire and emergency response in unincorporated areas following the Live Oak contract termination.

- **Transition Planning:** Management is working with the City of Live Oak to facilitate a smooth transition of services through the November 2026 termination date while evaluating the resulting budgetary impact on remaining CSA-F stations.

D. Rio Ramaza Wastewater District

Concentration and Constraint

The Rio Ramaza Wastewater District (the District) is subject to extreme concentration of revenue, as it provides essential wastewater services to only nine (9) remaining residential service connections. This limited customer base makes the District exceptionally vulnerable to the loss of any single ratepayer. Furthermore, the District is subject to Proposition 218, a state constitutional constraint that limits the District's ability to increase fees without a majority-protest process, effectively restricting its ability to adjust revenues to meet rising emergency repair costs.

Associated Events and Vulnerabilities

Management has identified the following events and conditions that are more likely than not to cause a substantial impact on the District's ability to maintain services within 12 months:

1. **Infrastructure Failure:** The District's wastewater system, including approximately 1.5 miles of sewer line and a lift station, is aging and experiencing significant operational failures. Recent assessments indicate the system is nearing the end of its functional life, requiring capital repairs that far exceed current reserve levels.
2. **Financial Insolvency:** Due to the combination of a dwindling customer base and the high fixed costs of maintaining a centralized system (including two wastewater ponds), the District's financial model is no longer self-supporting. The current fee structure is insufficient to fund both daily operations and the critical infrastructure replacements necessary to avoid environmental non-compliance.

Mitigation Actions

The County and the District have initiated the following actions prior to the issuance of these financial statements:

- **Grant Pursuit:** Staff are actively investigating state and federal small-community infrastructure grants to fund a permanent solution, such as system consolidation or complete rehabilitation.
- **Emergency Oversight:** The Sutter County Board of Supervisors, acting as the District's governing body, is reviewing the long-term viability of the District, including the possibility of dissolution or transfer of service responsibilities to a larger regional provider.
- **Regulatory Coordination:** Management is in communication with state water regulators to ensure environmental compliance while a long-term capital or structural solution is finalized.

19. PRIOR PERIOD ADJUSTMENTS

Change in Accounting Principle

Effective for the fiscal year ended June 30, 2025, the County implemented GASB Statement No. 101, Compensated Absences. GASB 101 updates the reorganization and measurement guidance for liabilities related to compensated absences, including vacation, sick leave, and other leave benefits. The implementation of GASB 101 required the recognition of additional compensated liabilities that were not previously reported under prior guidance. As a result, the beginning balances of net position as of July 1, 2024 have been restated shown as below table.

Change to or within the Financial Reporting Entity

Effective for the fiscal year ended June 30, 2025, the County reclassified the 1991 Realignment Fund and the Public Health Fund from major to nonmajor funds based on the criteria in GASB Statement No. 100. Accordingly, a restatement of beginning fund balances was recorded in the governmental fund financial statements to reflect this change within the reporting entity.

Error Correction

Prior period adjustments also include correction to expenditures from FY 2013-14 through FY 2023-24 in Welfare, Public Safety/Trial Court liability correction from FY 2023-24 and adjustment to correct construction in progress from FY 2023-24.

Accordingly, the beginning net position/fund balance is restated as follows:

<u>Reporting Units Affected by Restatements of Beginning Balances</u>	<u>Funds</u>	<u>Government-Wide</u>
June 30, 2024, as previously reported	\$ 157,394,767	\$ 141,002,403
<i>Change in Accounting Principle</i>		
Compensated Absences GASB 101		(5,057,025)
<i>Change to or within the Financial Reporting</i>		
Major Fund:		
Public Health	(5,242,989)	-
1991 Realignment	(23,685,463)	-
Nonmajor Fund:		
Public Health	5,242,989	-
1991 Realignment	23,685,463	-
<i>Error Correction</i>		
Welfare	(759,488)	(759,488)
Public Safety/Trial Court	20,006	20,006
Capital Projects		21,096
June 30, 2025, as restated	\$ <u>156,655,285</u>	\$ <u>135,226,992</u>

Required Supplementary Information



Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

	<i>Reporting Fiscal Year</i>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
	<i>Measurement Date</i>	(2024)	(2023)	(2022)	(2021)	(2020)
Total Pension Liability						
Service cost	\$	9,290,766	\$ 8,469,270	\$ 8,417,851	\$ 8,024,531	\$ 8,076,624
Interest on total pension liability		33,396,610	31,918,335	30,563,171	29,956,669	29,088,449
Changes in Benefit Terms		-	735,668			
Changes of assumptions		-	-	13,765,513	-	-
Differences between expected and actual experience		5,814,667	4,413,459	(3,763,965)	(2,470,990)	(482,944)
Benefit payments, including refunds of employee contributions		(25,548,167)	(24,623,604)	(24,014,231)	(22,261,666)	(21,161,945)
Other differences		-	-	-	-	-
Net Change in total pension liability		22,953,876	20,913,129	24,968,340	13,248,544	15,520,184
Total pension liability - beginning		487,897,557	466,984,428	442,016,088	428,767,544	413,247,360
Total pension liability - ending (a)		510,851,433	487,897,557	466,984,428	442,016,088	428,767,544
Plan Fiduciary Net Position						
Contributions - employer		17,320,714	16,763,728	15,478,796	14,641,685	13,357,642
Contributions - employee		4,440,331	3,704,758	3,392,734	3,478,532	3,494,476
Net investment income		33,252,906	20,461,913	(27,509,083)	68,126,672	14,742,851
Changes in assumptions		-	-	-	-	-
Benefit payments, including refunds of employee contributions		(25,548,167)	(24,623,604)	(24,014,231)	(22,261,666)	(21,161,945)
Other differences		-	-	-	-	5,961
Administrative expenses		(285,684)	(246,415)	(229,319)	(305,015)	(416,896)
Net plan to plan resources movement		-	7,332	(3,314)	-	-
Adjustment for Courts		-	-	-	-	-
Net change in plan fiduciary net position		29,180,101	16,067,712	(32,884,416)	63,680,208	10,022,089
Plan fiduciary net position - beginning		352,171,968	336,104,257	368,988,672	305,308,464	295,286,375
Plan fiduciary net position - ending (b)		381,352,070	352,171,968	336,104,257	368,988,672	305,308,464
Net pension liability - ending (a) - (b)	\$	129,499,363	\$ 135,725,588	\$ 130,880,171	\$ 73,027,416	\$ 123,459,080
Plan Fiduciary Net Position as a Percentage of the						
Total Pension Liability		74.65%	72.18%	71.97%	83.48%	71.21%
Covered Payroll	\$	47,182,563	\$ 46,302,815	\$ 48,253,350	\$ 46,787,577	\$ 46,899,704
Plan Net Pension Liability(Asset) as a Percentage of Payroll		274.46%	293.13%	271.24%	156.08%	263.24%

Schedule of Pension Plan Contributions - Miscellaneous Plan

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 16,027,467	\$ 14,192,633	\$ 14,230,411	\$ 13,188,975	\$ 12,403,931
Contributions in relation to the actuarially determined contributions	(16,027,467)	(14,192,633)	(14,230,411)	(13,188,975)	(12,403,931)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 52,519,875	\$ 47,182,563	\$ 46,302,815	\$ 48,253,350	\$ 46,787,577
Contributions as a percentage of covered payroll	30.52%	30.08%	30.73%	27.33%	26.51%

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	Reporting Fiscal Year Measurement Date
\$ 7,943,753	\$ 8,296,160	\$ 8,205,868	\$ 7,788,731	\$ 7,663,051	Total Pension Liability
27,983,797	26,370,436	25,503,728	26,037,033	23,502,852	Service cost
-	(2,891,060)	20,548,597	-	(5,579,922)	Interest on total pension liability
7,599,929	139,300	(4,859,263)	594,644	(4,578,918)	Changes of assumptions
(20,180,176)	(17,885,341)	(16,628,756)	(16,994,611)	(14,200,697)	Differences between expected and actual experience
(493,075)	(1,293,181)	-	-	12,259,060	Benefit payments, including refunds of employee contributions
22,854,228	12,736,314	32,770,174	17,425,797	19,065,426	Other differences
390,393,132	377,656,818	344,886,644	327,460,847	308,395,421	Net Change in total pension liability
413,247,360	390,393,132	377,656,818	344,886,644	327,460,847	Total pension liability - beginning
					Total pension liability - ending (a)
					Plan Fiduciary Net Position
12,159,667	11,138,700	10,537,924	9,882,242	8,531,146	Contributions - employer
3,392,287	3,461,729	3,511,374	3,460,310	3,268,310	Contributions - employee
18,423,762	22,611,818	26,759,576	1,370,408	5,352,021	Net investment income
-	-	-	-	-	Changes in assumptions
(20,180,176)	(17,885,341)	(16,628,756)	(16,994,611)	(14,200,697)	Benefit payments, including refunds of employee contributions
(355,577)	(1,588,890)	(4,976)	3,578,664	12,049,033	Other differences
(201,021)	(411,250)	(356,165)	(155,561)	(274,515)	Administrative expenses
-	(655)	-	-	-	Net plan to plan resources movement
-	-	(99,688)	-	-	Adjustment for Courts
13,238,942	17,326,111	23,719,289	1,141,452	14,725,298	Net change in plan fiduciary net position
282,047,433	264,721,322	241,002,033	239,860,581	225,135,283	Plan fiduciary net position - beginning
295,286,375	282,047,433	264,721,322	241,002,033	239,860,581	Plan fiduciary net position - ending (b)
\$ 117,960,985	\$ 108,345,699	\$ 112,935,496	\$ 103,884,611	\$ 87,600,266	Net pension liability - ending (a) - (b)
71.46%	72.25%	70.10%	69.88%	73.25%	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
\$ 47,193,631	\$ 46,847,175	\$ 45,415,339	\$ 45,934,148	\$ 45,337,632	Covered Payroll
249.95%	231.27%	248.67%	226.16%	193.22%	Plan Net Pension Liability(Asset) as a Percentage of Payroll

Schedule of Pension Plan Contributions - Miscellaneous Plan

2020	2019	2018	2017	2016	
\$ 11,290,917	\$ 9,909,936	\$ 10,537,924	\$ 942,074	\$ 8,548,295	Actuarially determined contribution
(11,290,917)	(9,909,936)	(10,537,924)	(942,074)	(8,548,295)	Contributions in relation to the actuarially determined contributions
\$ -	\$ -	\$ -	\$ -	\$ -	Contributions deficiency (excess)
\$ 46,899,704	\$ 47,193,631	\$ 46,847,175	\$ 45,415,339	\$ 45,934,148	Covered payroll
24.07%	21.00%	22.49%	2.07%	18.61%	Contributions as a percentage of covered payroll

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios - Safety Plan

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

<i>Reporting Fiscal Year Measurement Date</i>	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
Total Pension Liability					
Service cost	\$ 4,163,373	\$ 3,530,383	\$ 3,452,921	\$ 3,284,500	\$ 3,223,170
Interest on total pension liability	12372241	11,458,233	10,898,663	10,472,420	10,110,530
Changes of Benefit Terms		122,608			
Changes of assumptions		-	5,868,711	-	-
Differences between expected and actual experience	6644340	1,919,961	(318,764)	(800,245)	1,303,112
Benefit payments, including refunds of employee contributions	(8,861,453)	(8,544,442)	(8,101,887)	(7,711,831)	(7,293,592)
Net change in total pension liability	14,318,501	8,486,743	11,799,644	5,244,844	7,343,220
Total pension liability - beginning	175,012,556	166,525,813	154,726,169	149,481,325	142,138,105
Total pension liability - ending (a)	189,331,057	175,012,556	166,525,813	154,726,169	149,481,325
Plan Fiduciary Net Position					
Contributions - employer	6,688,787	6,364,706	5,750,221	5,193,635	4,693,945
Contributions - employee	1,869,880	1,700,799	1,390,294	1,350,937	1,371,169
Net investment income	11,976,464	7,257,680	(9,738,789)	23,910,963	5,158,159
Benefit payments, including refunds of employee contributions	(8,861,453)	(8,544,442)	(8,101,887)	(7,711,831)	(7,293,592)
Administrative Expense	(102,081)	(87,337)	(80,700)	(106,796)	(145,382)
Net plan to plan resources movement	-	(7,752)	3,502	-	-
Other differences	-	-	-	-	-
Net change in plan fiduciary net position	11,571,597	6,683,654	(10,777,359)	22,636,908	3,784,299
Plan fiduciary net position - beginning	125,453,007	118,769,353	129,546,712	106,909,804	103,125,505
Plan fiduciary net position - ending (b)	137,024,604	125,453,007	118,769,353	129,546,712	106,909,804
Net pension liability - ending (a) - (b)	\$ 52,306,453	\$ 49,559,549	\$ 47,756,460	\$ 25,179,457	\$ 42,571,521
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.37%	71.68%	71.32%	83.73%	71.52%
Covered Payroll	12,073,813	11,760,631	11,844,573	\$ 11,420,500	\$ 11,393,396
Plan Net Pension Liability(Asset) as a Percentage of Payroll	433.22%	421.40%	403.19%	220.48%	373.65%

Schedule of Pension Plan Contributions - Safety Plan

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 10,126,435	\$ 9,375,443	\$ 9,160,594	\$ 8,493,597	\$ 7,906,327
Contributions in relation to the actuarially determined contributions	(10,126,435)	(9,375,443)	(9,160,594)	(8,493,597)	(7,906,327)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,521,706	\$ 12,073,813	\$ 11,760,631	\$ 11,844,573	\$ 11,420,500
Contributions as a percentage of covered payroll	69.73%	77.65%	77.89%	71.71%	69.23%

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios - Safety Plan

Agent Multiple-Employer Defined Benefit Pension Plan
Last 10 Fiscal Years*

2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	Reporting Fiscal Year Measurement Date
\$ 3,050,002	\$ 3,095,372	\$ 3,136,101	\$ 2,720,184	\$ 2,878,691	Total Pension Liability
9,603,238	8,916,900	8,647,227	8,268,025	7,994,762	Service cost
-	(742,338)	7,324,925	-	(1,998,906)	Interest on total pension liability
3,712,528	(1,864,269)	(629,979)	(2,485,971)	(1,437,908)	Changes of assumptions
(6,602,299)	(5,603,664)	(5,165,757)	(4,893,514)	(4,578,828)	Differences between expected and actual experience
9,763,469	3,802,001	13,312,517	3,608,724	2,857,811	Benefit payments, including refunds of employee contributions
132,374,636	128,572,635	115,260,118	111,651,394	108,793,583	Net Change in total pension liability
142,138,105	132,374,636	128,572,635	115,260,118	111,651,394	Total pension liability - beginning
					Total pension liability - ending (a)
					Plan Fiduciary Net Position
4,169,389	3,970,392	3,722,574	3,354,947	3,205,510	Contributions - employer
1,334,452	1,255,295	1,019,846	1,026,877	1,004,397	Contributions - employee
6,465,706	7,773,766	9,131,684	417,478	1,803,726	Net investment income
(6,602,299)	(5,603,664)	(5,165,757)	(4,893,514)	(4,578,828)	Benefit payments, including refunds of employee contributions
(69,812)	(141,558)	6,407	2,537	(92,691)	Administrative Expense
-	(227)	-	-	-	Net plan to plan resources movement
227	(268,821)	(121,436)	(50,213)	-	Other differences
5,297,663	6,985,183	8,593,318	(141,888)	1,342,114	Net change in plan fiduciary net position
97,827,842	90,842,659	82,249,341	82,391,229	81,049,115	Plan fiduciary net position - beginning
103,125,505	97,827,842	90,842,659	82,249,341	82,391,229	Plan fiduciary net position - ending (b)
\$ 39,012,600	\$ 34,546,794	\$ 37,729,976	\$ 33,010,777	\$ 29,260,165	Net pension liability - ending (a) - (b)
					Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
72.55%	73.90%	70.65%	71.36%	73.79%	Covered Payroll
\$ 11,198,333	\$ 11,197,562	\$ 10,751,719	\$ 11,191,554	\$ 10,930,351	
348.38%	308.52%	350.92%	294.96%	267.70%	Plan Net Pension Liability(Asset) as a Percentage of Payroll

Schedule of Pension Plan Contributions - Safety Plan

2020	2019	2018	2017	2016	
\$ 7,233,038	\$ 6,361,945	\$ 3,722,574	\$ 3,354,947	\$ 3,205,510	Actuarially determined contribution
(7,233,038)	(6,361,945)	(3,722,574)	(3,354,947)	(3,205,510)	Contributions in relation to the actuarially determined contributions
\$ -	\$ -	\$ -	\$ -	\$ -	Contributions deficiency (excess)
\$ 11,393,396	\$ 11,198,333	\$ 11,197,562	\$ 10,751,719	\$ 11,191,554	Covered payroll
63.48%	56.81%	33.24%	31.20%	28.64%	Contributions as a percentage of covered payroll

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

For reporting year end	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Measurement Date</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Total OPEB liability					
Service Cost	721,608	\$ 588,059	\$ 806,808	\$ 740,797	\$ 702,537
Interest	525,400	441,962	268,075	335,198	331,758
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	1,806,640	-	(1,141,783)	-
Changes of assumptions	217,373	(593,894)	(1,917,021)	135,312	140,528
Benefit payment	(462,759)	(458,586)	(401,841)	(492,210)	(512,492)
Miscellaneous adjustment	-	-	-	7,453	-
Net change in total OPEB liability	<u>1,001,622</u>	<u>1,784,181</u>	<u>(1,243,979)</u>	<u>(415,233)</u>	<u>662,331</u>
Total OPEB liability - beginning	<u>12,231,331</u>	<u>10,447,150</u>	<u>11,691,129</u>	<u>12,106,362</u>	<u>11,444,031</u>
Total OPEB liability - ending (a)	<u>\$ 13,232,953</u>	<u>\$ 12,231,331</u>	<u>\$ 10,447,150</u>	<u>\$ 11,691,129</u>	<u>\$ 12,106,362</u>
Plan fiduciary net position					
Contributions-employer	562,759	\$ 558,586	\$ 501,841	\$ 693,973	\$ 512,492
Net investment income	54,978	27,468	(40,675)	8,798	-
Benefit payments	(462,759)	(458,586)	(401,841)	(493,973)	(512,492)
Net change in plan fiduciary net position	<u>154,978</u>	<u>127,468</u>	<u>59,325</u>	<u>208,798</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>395,591</u>	<u>268,123</u>	<u>208,798</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 550,569</u>	<u>\$ 395,591</u>	<u>\$ 268,123</u>	<u>\$ 208,798</u>	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 12,682,384</u>	<u>\$ 11,835,740</u>	<u>\$ 10,179,027</u>	<u>\$ 11,482,331</u>	<u>\$ 12,106,362</u>
Covered - employee payroll	\$ 76,067,136	\$ 69,837,715	\$ 64,025,951	\$ 60,436,874	\$ 57,884,672
OPEB liability as a percentage of covered - employee payroll	17.40%	17.51%	16.32%	19.33%	20.91%

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

<u>2020</u> 2019	<u>2019</u> 2018	<u>2018</u> 2017	<u>For reporting year end</u> Measurement Date
			Total OPEB liability
963,973	\$ 891,160	\$ 945,753	Service Cost
470,664	451,482	382,921	Interest
-	-	-	Changes of benefit terms
(2,462,599)	-	-	Differences between expected and actual experience
(1,848,952)	228,375	(660,738)	Changes of assumptions
(533,609)	(499,306)	(454,860)	Benefit payment
-	-	-	Miscella
(3,410,523)	1,071,711	213,076	Net change in total OPEB liability
14,854,554	13,782,843	13,569,767	Total OPEB liability - beginning
<u>11,444,031</u>	<u>\$ 14,854,554</u>	<u>\$ 13,782,843</u>	Total OPEB liability - ending (a)
			Plan fiduciary net position
533,609	\$ 499,306	\$ 454,860	Contributions-employer
			Net investment income
(533,609)	(499,306)	(454,860)	Benefit payments
-	-	-	Net change in plan fiduciary net position
-	-	-	Plan fiduciary net position - beginning
<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	Plan fiduciary net position - ending (b)
<u>11,444,031</u>	<u>\$ 14,854,554</u>	<u>\$ 13,782,843</u>	Net OPEB liability - ending (a)-(b)
57,884,672	\$ 56,781,386	\$ 53,626,420	Covered - employee payroll
19.77%	26.16%	25.70%	OPEB liability as a percentage of covered - employee

**Governmental Funds – General and
Major Special Revenue**



COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 41,349,505	\$ 41,387,009	\$ 45,258,933	\$ 3,871,924
Licenses, Permits, and Franchises	3,563,483	3,712,163	3,679,485	(32,678)
Fines, Forfeitures, and Penalties	541,419	541,486	918,707	377,221
Revenue from Investment and Property	739,073	748,461	2,516,504	1,768,043
Intergovernmental	5,397,604	5,538,580	3,682,850	(1,855,730)
Charges for Services	16,032,721	16,792,641	15,661,259	(1,131,382)
Other revenues	908,377	949,251	943,843	(5,408)
Total Revenues	68,532,182	69,669,591	72,661,579	2,991,988
Expenditures:				
Current:				
General government	22,344,300	23,974,067	18,651,332	5,322,735
Public protection	12,731,792	13,247,886	9,976,209	3,271,677
Public way and facilities	250,000	287,504	287,504	-
Health and sanitation	-	-	9,339	(9,339)
Public assistance	370,317	370,317	293,457	76,860
Education	2,430,238	2,473,489	2,343,093	130,396
Recreation and culture	1,016,742	1,016,860	936,332	80,528
Debt Service				
Principal: Leases and Subscription	478	168,539	165,432	3,107
Interest	5	5	3,057	(3,052)
Capital outlay	229,780	352,148	86,205	265,943
Total Expenditures	39,373,652	41,890,815	32,751,961	9,138,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,158,530	27,778,776	39,909,618	12,130,842
Other Financing Sources (Uses):				
Transfers in	809,496	1,251,896	343,099	(908,797)
Transfers out	(34,480,971)	(35,002,811)	(29,419,962)	5,582,849
Proceeds from capital asset disposals	1,000	1,000	35,648	34,648
Total Other Financing Sources (Uses)	(33,670,475)	(33,749,915)	(29,041,214)	4,708,701
Net Change in Fund Balances	\$ (4,511,945)	\$ (5,971,139)	10,868,404	\$ 16,839,543
Fund Balances - Beginning of Year,			40,390,756	
Fund Balances - End of Year			\$ 51,259,160	

COUNTY OF SUTTER
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bi-County Behavioral Health
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines, Forfeitures, and Penalties	\$ 5,000	\$ 5,000	\$ 14,852	\$ 9,852
Revenue from Investment and Property	55,475	55,475	848,378	792,903
Intergovernmental	18,900,506	35,234,293	26,353,348	(8,880,945)
Charges for services	1,198,600	1,198,600	2,886,319	1,687,719
Other revenues	156,720	199,818	6,933,215	6,733,397
Total Revenues	<u>20,316,301</u>	<u>36,693,186</u>	<u>37,036,111</u>	<u>342,925</u>
Expenditures:				
Current:				
Health and sanitation	43,520,619	53,353,976	49,378,389	3,975,587
Debt service:				
Principal: Leases and Subscription	84,718	84,718	114,998	(30,280)
Interest	204	204	32,650	(32,446)
Capital Outlay	100,420	155,131	80,392	74,739
Total Expenditures	<u>43,705,961</u>	<u>53,594,029</u>	<u>49,606,430</u>	<u>3,987,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,389,660)</u>	<u>(16,900,843)</u>	<u>(12,570,318)</u>	<u>4,330,525</u>
Other Financing Sources (Uses):				
Transfers in	22,248,678	35,265,233	29,261,000	(6,004,233)
Transfers out	(1,918,500)	(16,106,905)	(15,020,149)	1,086,756
Proceeds from capital asset disposals	-	-	3,731	3,731
Total Other Financing Sources (Uses)	<u>20,330,178</u>	<u>19,158,328</u>	<u>14,244,582</u>	<u>(4,913,746)</u>
Net Change in Fund Balances	<u>\$ (3,059,482)</u>	<u>\$ 2,257,485</u>	1,674,264	<u>\$ (583,221)</u>
Fund Balances - Beginning of Year			<u>6,204,808</u>	
Fund Balances - End of Year			<u>\$ 7,879,072</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Welfare

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses, Permits, and Franchises	\$ 1,000	\$ 1,599	\$ 1,578	\$ (21)
Revenue from Investment and Property	16,842	20,659	11,873	(8,786)
Intergovernmental	54,537,844	54,983,699	37,225,573	(17,758,126)
Charges for services	8,570	8,570	137,202	128,632
Other revenues	-	-	53,304	53,304
Total Revenues	54,564,256	55,014,527	37,429,532	(17,584,974)
Expenditures:				
Current:				
Public assistance	83,969,996	85,016,632	70,351,453	14,665,179
Debt Service:				
Principal: Leases and Subscription	29,782	29,782	533,660	(503,878)
Interest	1,265	1,265	9,977	(8,712)
Capital outlay	1,277,302	1,277,302	233,747	1,043,555
Total Expenditures	85,278,345	86,324,981	71,128,837	15,196,144
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,714,089)	(31,310,454)	(33,699,305)	(2,388,851)
Other Financing Sources (Uses):				
Transfers in	34,241,027	34,314,707	34,830,528	515,821
Transfers out	(3,635,351)	(3,671,078)	(839,033)	2,832,045
Proceeds from capital asset disposals	-	-	6,097	6,097
Total Other Financing Sources (Uses)	30,605,676	30,643,629	33,997,591	3,353,962
Net Change in Fund Balances	\$ (108,413)	\$ (666,825)	298,286	\$ 965,111
Fund Balances - Beginning of the year, as previously reported			969,941	
Restatement for Error Correction			(759,487)	
Fund Balances - Beginning of Year, restated			210,454	
Fund Balances - End of Year			\$ 508,740	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety/Trial Courts

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 27,931	\$ 27,931	\$ 29,923	\$ 1,992
Licenses and permits	39,000	39,000	25,577	(13,423)
Fines, forfeitures and penalties	646,600	646,600	827,545	180,945
Use of money and property	155,639	155,639	303,596	147,957
Intergovernmental	17,777,444	20,905,371	19,427,905	(1,477,465)
Charges for services	1,314,561	1,314,561	1,323,594	9,033
Other revenues	716,000	728,447	604,912	(123,535)
Total Revenues	20,677,175	23,817,549	22,543,052	(1,274,496)
Expenditures:				
Current:				
General government	-	-	2,036	(2,036)
Public protection	60,317,907	62,986,463	55,914,884	7,071,579
Public assistance	-	-	272,335	(272,335)
Debt Service:				
Principal: Leases and Subscription	172,571	172,571	172,568	3
Interest	1,244	1,244	1,243	1
Capital outlay	1,696,807	2,188,885	1,914,556	274,329
Total Expenditures	62,188,529	65,349,163	58,277,622	7,071,541
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,511,354)	(41,531,614)	(35,734,570)	5,797,045
Other Financing Sources (Uses):				
Transfers in	55,496,654	56,549,513	50,326,696	(6,222,818)
Transfers out	(14,489,107)	(14,779,107)	(13,059,497)	1,719,610
Proceeds from capital asset disposals	-	-	15,458	15,458
Total Other Financing Sources (Uses)	41,007,547	41,770,406	37,282,656	(4,487,751)
Net Change in Fund Balances	\$ (503,807)	\$ 238,792	1,548,086	\$ 1,309,294
Fund Balances - Beginning of the Year, as previously reported			5,788,173	
Restatement for Error Correction			20,006	
Fund Balances - Beginning of Year, restated			5,808,179	
Fund Balances - End of Year			<u>\$ 7,356,265</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Safety Realignment

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 568,600	\$ 568,600	\$ 1,589,928	\$ 1,021,328
Intergovernmental	38,965,850	41,689,629	42,404,567	714,938
Charges for services	1,654,456	1,674,456	1,671,594	(2,862)
Total Revenues	41,188,906	43,932,685	45,666,089	1,733,404
Expenditures:				
Current:				
Public protection	256,250	256,250	256,250	-
Health and sanitation	-	120,273	120,273	-
Capital Outlay	-	-	-	-
Total Expenditures	256,250	376,523	376,523	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,932,656	43,556,162	45,289,566	1,733,404
Other Financing Sources (Uses):				
Transfers in	16,223,610	16,453,610	16,194,345	(259,265)
Transfers out	(65,523,919)	(68,326,047)	(60,539,010)	7,787,038
Total Other Financing Sources (Uses)	(49,300,309)	(51,872,437)	(44,344,665)	7,527,773
Net Change in Fund Balances	\$ (8,367,653)	(8,316,275)	944,901	\$ 9,261,176
Fund Balances - Beginning of Year			29,787,533	
Fund Balances - End of Year			\$ 30,732,434	

Note to Required Supplementary Information

BUDGETARY BASIS OF ACCOUNTING

The County follows these procedures annually in establishing the budgetary data reflected in the financial statements:

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

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for all governmental funds except for debt service funds, the expenditures of which are controlled by provisions of debt agreements. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Encumbrances outstanding at year end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

Nonmajor governmental funds are funds that do not meet the definition of a major fund, as described in the glossary. The following funds are presented as nonmajor funds in the ACFR:

Special Revenue Funds

Special Revenue Funds are established to finance particular governmental activities and are financed by specific taxes or other revenues. Such funds are authorized by statutory provisions to pay for certain activities of a continuing nature. Included in the Special Revenue classification are the following funds:

Road

Accounts for financing the construction and maintenance of Sutter County's unincorporated area road systems through planning; environmental analysis; traffic engineering and design; operations; traffic signals, streetlights, signs and markings, right-of-way acquisitions; safety-related improvements; and radar/speed control.

Public Health

Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for public health purposes. Revenue sources are primarily intergovernmental revenues.

1991 Realignment

Accounts for the state-to-county transfer of fiscal and programmatic responsibility for health, mental health, and social services. Revenue sources are primarily state sales tax revenue and vehicle license fees (VLF).

Mental Health Services Act

Accounts for the range of services provided that are designed to protect and enhance the well-being of the community and needs related to mental health and substance abuse problems. Revenue sources are primarily sales tax revenue and state grants.

Clerk Recorder Funds

Accounts for the various activities of the clerk-recorder such as the County Recorder Upgrade Fee imposed for instruments recorded by the County to support, maintain and improve the County's recording system; provides for repository of official and vital records for the County and files or records a variety of documents, maintains a record of those documents for posterity, and makes certified copies available to the public; and records the revenue for the various candidates running for elections within the County.

Child Support Services

Sutter County Child Support regionalized effective January 2, 2021 with Colusa and Yolo Counties; now collectively known as the Colusa Sutter Yolo Regional Child Support Agency. As one efficiency of regionalizing, the agency is transitioning to one budget rather than three separate county budgets with Yolo County as the lead. Accounts shown in this ACFR are reflective of the remaining Sutter County revenues and expenses and not the full regional agency revenue and expenses. Sutter County revenues and expenses are expected to continue to decrease over the next several years until there are no longer Sutter County expenses. Established orders referenced in this document are reflective of Sutter County only and not the full Regional Agency. The Colusa Sutter Yolo Regional Child Support Agency works with families to promote self-sufficiency and the well-being of children by establishing parentage and financial support.

Economic Development

Economic development activities support infrastructure development, economic and workforce development projects, housing development and rehabilitation, and public.

County Fees and Taxes

The fund is used to collect development impact fees and certain property taxes.

Court Activities

Accounts for court activities such as for the Automated County Warrants Fund, established pursuant to Vehicle Code Section 40508.5, which is used to account for fees imposed if a defendant fails to appear or to comply with any valid court order pursuant to this code. The funds are used for the development and operation of an automated county warrant system. Also included is the Office of Revenue Collections fund which is used to account for the 10% rebate on restitution fine and order monies remitted to the Victim Compensation and Government Claims Board (VCGCB) pursuant to Government Code Section 13966.01. The objective of the rebate is to enhance collection efforts and is intended to create an incentive for the County to aggressively pursue the collection of restitution monies to be utilized to assist other victims of crime.

County Service Areas

The County Service Areas Fund is used to account for the street lighting, public protection, health and sanitation, recreation and culture, public ways, and water utilities services provided by county service area districts in the unincorporated areas of the County.

Water Agencies

The Water Agencies Fund prepares investigations and reports on the County's water requirements, project development, and efficient use of water. The agency provides technical assistance to other County departments, water districts, and the public concerning water availability and water well locations and design.

Special Aviation

This fund is used to account for federal airport and other revenues and expenditures for the provision of capital improvements and equipment maintenance at the Sutter County Airport.

Fish & Game

This fund is used to account for fines and forfeitures received under Section 13003 of the Fish and Game Code and their expenditure for the propagation and conservation of fish and wildlife.

Other Special Districts

The funds here are community assessment districts which provide canal and lighting maintenance to some communities within the county.

Debt Service

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, subscription and lease liabilities.

Capital Projects

The Capital Projects Fund is used to account for financial resources to be used for the acquisition of land or acquisition or construction of major facilities other than those financed by the proprietary fund types.

COUNTY OF SUTTER
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue		
		Previously a Major Fund	Previously a Major Fund
	Road	Public Health	1991 Realignment
Assets			
Cash and investments	\$ 14,871,896	\$ 7,971,822	\$ 15,033,105
Accounts receivable	178,856	5,283	-
Due from other governments	2,048,445	2,355,163	1,214,929
less allowance for doubtful accounts	-	-	-
Interest receivable	4,948	-	-
Due from other funds	163,400	1,745,586	6,069,907
Prepaid expenses	-	7,367	-
Inventory	9,803	-	-
Loans receivable	-	500	-
less allowance for doubtful accounts	-	-	-
Total Assets	\$ 17,277,349	\$ 12,085,722	\$ 22,317,941
Liabilities			
Accounts payable	\$ 345,401	\$ 477,813	\$ -
Salaries and benefits payable	47,245	297,735	-
Deposits from others	-	-	-
Due to other funds	479,913	3,478,840	767,787
Advances from other funds	-	-	-
Unearned revenue	780,418	1	-
Total Liabilities	1,652,977	4,254,389	767,787
Deferred Inflows of Resources			
Unavailable revenue	312,184	1,296,320	-
Deferred Inflows related to Leases	-	-	-
Total Deferred Inflows of Resources	312,184	1,296,320	-
Fund Balance			
Nonspendable	9,903	7,467	-
Restricted	15,302,285	6,521,629	21,550,154
Assigned	-	5,917	-
Total Fund Balances	15,312,188	6,535,013	21,550,154
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,277,349	\$ 12,085,722	\$ 22,317,941

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue		
	Mental Health Services Act	Clerk-Recorder Funds	Child Support Services Reimbursement/ Adjustment
Assets			
Cash and investments	\$ 11,705,612	\$ 2,215,415	\$ 261,738
Accounts receivable	1,120,641	-	-
Due from other governments	1,717,891	128	-
less allowance for doubtful accounts	(134,174)	-	-
Due from other funds	2,504	-	-
Prepaid Expenses	9,915	-	-
Loans receivable	874,458	-	-
less allowance for doubtful accounts	-	-	-
Total Assets	<u><u>\$ 15,296,847</u></u>	<u><u>\$ 2,215,543</u></u>	<u><u>\$ 261,738</u></u>
Liabilities			
Accounts payable	\$ 1,106,417	\$ 122,030	\$ -
Salaries and benefits payable	145,282	-	7,298
Due to other funds	594	-	-
Unearned revenue	-	167	-
Total Liabilities	<u>1,252,292</u>	<u>122,197</u>	<u>7,298</u>
Deferred Inflows of Resources			
Unavailable revenue	1,459,354	-	-
Deferred Inflows related to Leases	-	-	-
Total Deferred Inflows of Resources	<u>1,459,354</u>	<u>--</u>	<u>--</u>
Fund Balance			
Nonspendable	884,373	-	-
Restricted	11,700,828	2,093,346	254,441
Total Fund Balances	<u>12,585,201</u>	<u>2,093,346</u>	<u>254,441</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 15,296,847</u></u>	<u><u>\$ 2,215,543</u></u>	<u><u>\$ 261,738</u></u>

continued

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue		
	Economic Development	County Fees and Taxes	Court Activities
Assets			
Cash and investments	\$ 1,253,160	\$ 7,594,455	\$ 789,861
Accounts receivable	-	698,049	-
Due from other governments	-	-	158
less allowance for doubtful accounts	-	-	-
Loans receivable	1,469,509	-	-
less allowance for doubtful accounts	-	-	-
Total Assets	\$ 2,722,669	\$ 8,292,504	\$ 790,019
Liabilities			
Accounts payable	\$ -	\$ 3,960	\$ 19,810
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	156,691
Total Liabilities	--	3,960	176,500
Deferred Inflows of Resources			
Unavailable revenue	-	698,049	-
Total Deferred Inflows of Resources	--	698,049	--
Fund Balance			
Nonspendable	-	-	-
Restricted	2,722,669	7,590,495	613,518
Total Fund Balances	2,722,669	7,590,495	613,518
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,722,669	\$ 8,292,504	\$ 790,019

continued

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue		
	County Service Areas	Water Agencies	Special Aviation
Assets			
Cash and investments	\$ 4,325,927	\$ 3,649,278	\$ 102,272
Cash with fiscal agent	-	-	-
Accounts receivable	1,352	27,535	-
Due from other governments	332,800	-	-
less allowance for doubtful accounts	-	-	-
Interest receivable	34,962	1,949	97
Due from other funds	-	-	-
Prepaid Expenses	3,178	-	-
Loans receivable	-	-	-
less allowance for doubtful accounts	-	-	-
Total Assets	\$ 4,698,221	\$ 3,678,762	\$ 102,370
Liabilities			
Accounts payable	\$ 128,326	\$ -	\$ 4,050
Salaries and benefits payable	77,984	-	-
Due to other funds	-	70,547	-
Unearned revenue	9,925	-	-
Total Liabilities	216,236	70,547	4,050
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Deferred Inflows related to Leases	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balance			
Nonspendable	3,178	-	-
Restricted	4,478,807	3,608,215	-
Committed	-	-	98,320
Total Fund Balances	4,481,985	3,608,215	98,320
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,698,221	\$ 3,678,762	\$ 102,370

continued

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue		
	Fish & Game	Other Special Districts	Sub-Total Special Revenue
Assets			
Cash and investments	\$ 112,111	\$ 2,966,078	\$ 72,852,731
Cash with fiscal agent	-	-	-
Accounts receivable	-	14,931	2,046,648
Due from other governments	211	-	7,669,726
less allowance for doubtful accounts	-	-	(134,174)
Interest receivable	-	1,910	43,867
Due from other funds	-	6,204	7,987,601
Prepaid Expenses	-	596	21,056
Inventory	-	-	9,803
Loans receivable	-	-	2,344,467
less allowance for doubtful accounts	-	-	-
Total Assets	\$ 112,323	\$ 2,989,719	\$ 92,841,725
Liabilities			
Accounts payable	\$ -	\$ 11,249	\$ 2,219,056
Salaries and benefits payable	-	-	575,543
Deposits payable	-	80	80
Due to other funds	-	134	4,797,815
Unearned revenue	-	165	947,367
Total Liabilities	--	11,628	8,539,862
Deferred Inflows of Resources			
Unavailable revenue	-	2,882	3,768,789
Deferred Inflows related to Leases	-	-	-
Total Deferred Inflows of Resources	-	2,882	3,768,789
Fund Balance			
Nonspendable	150	596	905,668
Restricted	112,173	2,965,240	79,513,798
Committed	-	9,373	107,693
Assigned	-	-	5,917
Total Fund Balances	112,323	2,975,209	80,533,076
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 112,323	\$ 2,989,719	\$ 92,841,726

COUNTY OF SUTTER
Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2025

	Debt Service	Capital Projects	
	General Debt Service	Capital Projects	Total
Assets			
Cash and investments	\$ 68,446	\$ 1,030,515	\$ 73,951,692
Accounts receivable	-	-	2,046,648
Due from other governments	-	-	7,669,726
less allowance for doubtful accounts	-	-	(134,174)
Interest receivable	-	-	43,867
Due from other funds	-	331,548	8,319,150
Prepaid Expenses	-	-	21,056
Inventory	-	-	9,803
Loans receivable	-	425,668	2,770,135
less allowance for doubtful accounts	-	-	-
Total Assets	\$ 68,446	\$ 1,787,731	\$ 94,697,902
Liabilities			
Accounts payable	\$ -	\$ 195,855	\$ 2,414,911
Salaries and benefits payable	-	-	575,543
Deposits payable	-	18,522	18,602
Due to other funds	-	5,098	4,802,913
Advances from other funds	-	-	-
Unearned revenue	-	-	947,367
Total Liabilities	--	219,474	8,759,336
Deferred Inflows of Resources			
Unavailable revenue	-	-	3,768,789
Deferred Inflows related to Leases	-	-	-
Total Deferred Inflows of Resources	--	--	3,768,789
Fund Balance			
Nonspendable	-	-	905,668
Restricted	-	-	79,513,798
Committed	68,445	1,568,257	1,744,395
Assigned	-	-	5,917
Total Fund Balances	68,445	1,568,257	82,169,778
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 68,445	\$ 1,787,731	\$ 94,697,902

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue		
	Road	Previously a Major Fund	Previously a Major Fund
		Public Health	1991 Realignment
Revenues:			
Taxes	\$ 1,930,170	\$ -	\$ -
Licenses, Permits, and Franchises	59,681	-	-
Fines, Forfeitures, and Penalties	-	114,777	-
Revenue from Investment and Property	750,035	458,008	1,245,875
Intergovernmental	10,335,086	14,928,163	18,486,411
Charges for Services	36,620	2,838,708	-
Other revenues	65,863	5,661	-
Total Revenues	13,177,454	18,345,317	19,732,286
Expenditures:			
Current:			
General government	-	4,072	-
Public ways and facilities	11,217,807	-	-
Health and sanitation	-	20,577,169	-
Debt service			
Principal: Leases and Subscriptions	-	43,615	-
Interest	-	412	-
Capital outlay	1,293,570	51,510	-
Total Expenditures	12,511,376	20,676,777	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	666,078	(2,331,461)	19,732,286
Other Financing Sources (Uses):			
Transfers in	-	9,407,349	569,338
Transfers out	(50,165)	(5,783,865)	(22,436,934)
Proceeds from capital asset disposals	127,608	-	-
Proceeds from debt issuance	-	-	-
Total Other Financing Sources (Uses)	77,442	3,623,484	(21,867,596)
Net Change in Fund Balances	743,520	1,292,024	(2,135,310)
Fund Balances - Beginning of Year, as previously reported	14,568,668	-	-
Restatement for Change within the Financial Reporting Entity (Major to Nonmajor fund)	--	5,242,989	23,685,464
Fund Balances - Beginning of Year, as restated	14,568,668	5,242,989	23,685,464
Fund Balances - End of Year	\$ 15,312,188	\$ 6,535,013	\$ 21,550,154

continue

COUNTY OF SUTTER
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue		
	Mental Health Services Act	Clerk-Recorder Funds	Child Support Services Reimbursement/ Adjustment
Revenues:			
Use of money and property	\$ 472,089	\$ 110,846	\$ 20,840
Intergovernmental	18,156,595	-	138,625
Charges for services	78,785	682,029	-
Other revenues	5,859	-	-
Total Revenues	<u>18,713,328</u>	<u>792,874</u>	<u>159,465</u>
Expenditures:			
Current:			
General government	-	467,365	-
Public protection	-	-	371,613
Health and sanitation	15,526,026	-	-
Principal: Leases and Subscriptions	104,286	-	-
Interest	1,227	-	-
Capital outlay	378,254	-	-
Total Expenditures	<u>16,009,793</u>	<u>467,365</u>	<u>371,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,703,534</u>	<u>325,509</u>	<u>(212,147)</u>
Other Financing Sources (Uses):			
Transfers in	2,328,750	-	-
Transfers out	(66,685)	-	(3,688)
Total Other Financing Sources (Uses)	<u>2,262,065</u>	<u>--</u>	<u>(3,688)</u>
Net Change in Fund Balances	4,965,600	325,509	(215,835)
Fund Balances - Beginning of Year, as previously reported	7,619,601	1,767,837	470,276
Restatement for Change within the Financial Reporting Entity (Major to Nonmajor fund)	-	-	-
Fund Balances - Beginning of Year, as restated	<u>7,619,601</u>	<u>1,767,837</u>	<u>470,276</u>
Fund Balances - End of Year	<u>\$ 12,585,201</u>	<u>\$ 2,093,346</u>	<u>\$ 254,441</u>

continued

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue		
	Economic Development	County Fees and Taxes	Court Activities
Revenues:			
Fines and forfeitures	\$ -	\$ -	\$ 1,693
Use of money and property	61,539	344,329	36,683
Intergovernmental	-	403,092	-
Charges for services	-	-	15,698
Other revenues	-	152,072	-
Total Revenues	61,539	899,494	54,075
Expenditures:			
Current:			
Public protection	-	1,066	-
Public ways and facilities	-	384	-
Public assistance	21,069	-	-
Recreation and cultural	-	435	-
Total Expenditures	21,069	1,885	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,470	897,609	54,075
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	(99,722)	-
Proceeds from capital asset disposals	-	-	-
Proceeds from debt issuance	-	-	-
Total Other Financing Sources (Uses)	-	(99,722)	-
Net Change in Fund Balances	40,470	797,887	54,075
Fund Balances - Beginning of Year, as previously reported	2,682,199	6,792,608	559,444
Restatement for Change within the Financial Reporting Entity (Major to Nonmajor fund)	-	-	-
Fund Balances - Beginning of Year, as restated	2,682,199	6,792,608	559,444
Fund Balances - End of Year	\$ 2,722,669	\$ 7,590,495	\$ 613,518

continued

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue		
	County Service Area	Water Agencies	Special Aviation
Revenues:			
Taxes	\$ 4,288,330	\$ 247,669	\$ 11,875
Use of money and property	167,455	164,687	20,900
Intergovernmental	1,739,178	1,662	10,000
Charges for services	164,440	244,533	-
Other revenues	22,236	-	-
Total Revenues	6,381,639	658,550	42,775
Expenditures:			
Current:			
Public protection	6,747,679	-	-
Public ways and facilities	-	223,785	18,973
Debt service			
Principal: Leases and Subscriptions	34,710	-	-
Principal: Other long-term liabilities	-	-	-
Interest	1,290	-	-
Capital outlay	74,083	-	-
Total Expenditures	6,857,762	223,785	18,973
Excess (Deficiency) of Revenues Over (Under) Expenditures	(476,123)	434,766	23,802
Other Financing Sources (Uses):			
Transfers in	1,730,081	-	-
Transfers out	(52,252)	(6,204)	-
Proceeds from capital asset disposals	45,831	-	-
Proceeds from debt issuance	-	-	-
Total Other Financing Sources (Uses)	1,723,660	(6,204)	-
Net Change in Fund Balances	1,247,538	428,561	23,802
Fund Balances - Beginning of Year, as previously reported	3,234,448	3,179,654	74,517
Restatement for Change within the Financial Reporting Entity (Major to Nonmajor fund)	-	-	-
Fund Balances - Beginning of Year	3,234,448	3,179,654	74,517
Fund Balances - End of Year	\$ 4,481,985	\$ 3,608,215	\$ 98,320

continued

COUNTY OF SUTTER
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue		
	Fish & Game	Other Special Districts	Total Special Revenue
Revenues:			
Taxes	\$ -	\$ 238,860	\$ 6,716,904
Licenses, Permits, and Franchises	-	3,279	62,960
Fines, Forfeitures, and Penalties	4,263	2	120,734
Revenue from Investment and Property	5,379	158,454	4,017,118
Intergovernmental	-	690	64,199,502
Charges for services	-	24,366	4,085,179
Other revenues	-	17,966	269,658
Total Revenues	<u>9,641</u>	<u>443,617</u>	<u>79,472,054</u>
Expenditures:			
Current:			
General government	-	-	471,437
Public protection	3,240	16,804	7,140,402
Public ways and facilities	-	226,808	11,687,756
Health and sanitation	-	-	36,103,195
Public assistance	-	-	21,069
Recreation and cultural	-	-	435
Debt service			
Principal: Leases and Subscriptions	-	-	182,611
Principal: Other long-term liabilities	-	-	-
Interest	-	-	2,928
Capital outlay	-	1,344	1,798,760
Total Expenditures	<u>3,240</u>	<u>244,956</u>	<u>57,408,594</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,401</u>	<u>198,661</u>	<u>22,063,460</u>
Other Financing Sources (Uses):			
Transfers in	-	32,204	14,067,722
Transfers out	-	(314,463)	(28,813,977)
Proceeds from capital asset disposals	-	-	173,439
Proceeds from debt issuance	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(282,259)</u>	<u>(14,572,817)</u>
Net Change in Fund Balances	6,401	(83,598)	7,490,644
Fund Balances - Beginning of Year, as previously reported	105,922	3,058,807	44,113,979
Restatement for Change within the Financial Reporting Entity (Major to Nonmajor fund)	--	--	28,928,453
Fund Balances - Beginning of Year, as restated	<u>105,922</u>	<u>3,058,807</u>	<u>73,042,432</u>
Fund Balances - End of Year	<u>\$ 112,323</u>	<u>\$ 2,975,209</u>	<u>\$ 80,533,076</u>

continued

COUNTY OF SUTTER

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Nonmajor Governmental Funds For the Year Ended June 30, 2025

	Debt Service	Capital Projects	
	General Debt Service	Capital Projects	Total
Revenues:			
Taxes	\$ -	\$ -	\$ 6,716,904
Licenses and permits	-	-	62,960
Fines and forfeitures	-	-	120,734
Use of money and property	(31,165)	76,185	4,062,138
Intergovernmental	8,096	487,050	64,694,647
Charges for services	-	-	4,085,179
Other revenues	-	160,556	430,214
Total Revenues	(23,069)	723,792	80,172,777
Expenditures:			
Current:			
General government	50,062	109,883	631,382
Public protection	-	-	7,140,402
Public ways and facilities	-	-	11,687,756
Health and sanitation	-	-	36,103,195
Public assistance	-	-	21,069
Recreation and cultural	-	-	435
Debt service			
Principal: Leases and Subscriptions	1,007,887	-	1,190,499
Principal: Other long-term liabilities	747,643	-	747,643
Interest	339,625	-	342,553
Capital outlay	11,327	1,295,821	3,105,907
Total Expenditures	2,156,543	1,405,704	60,970,841
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,179,612)	(681,912)	19,201,936
Other Financing Sources (Uses):			
Transfers in	2,137,121	548,303	16,753,146
Transfers out	-	-	(28,813,977)
Proceeds from capital asset disposals	-	-	173,439
Proceeds from debt issuance	11,327	590,352	601,678
Total Other Financing Sources (Uses)	2,148,448	1,138,654	(11,285,714)
Net Change in Fund Balances	(31,164)	456,742	7,916,221
Fund Balances - Beginning of Year, as previously reported	99,610	1,111,515	45,325,104
Restatement for Change within the Financial Reporting Entity (Major to Nonmajor fund)	-	-	28,928,453
Fund Balances - Beginning of Year, as restated	99,610	1,111,515	74,253,557
Fund Balances - End of Year	\$ 68,445	\$ 1,568,257	\$ 82,169,778

COUNTY OF SUTTER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Road
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,723,190	\$ 1,749,784	\$ 1,930,170	\$ 180,386
Licenses and permits	45,567	45,567	59,681	14,114
Use of money and property	156,960	156,960	750,035	593,075
Intergovernmental	10,101,604	10,101,604	10,335,086	233,482
Charges for services	3,500	3,500	36,620	33,120
Other revenue	2,100	2,100	65,863	63,763
Total Revenues	<u>12,032,921</u>	<u>12,059,515</u>	<u>13,177,454</u>	<u>1,117,939</u>
Expenditures:				
Current:				
Public way and facilities	12,293,771	15,494,483	11,217,807	4,276,676
Capital outlay	3,132,673	3,857,306	1,293,570	2,563,736
Total Expenditures	<u>15,426,444</u>	<u>19,351,789</u>	<u>12,511,376</u>	<u>6,840,413</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,393,523)</u>	<u>(7,292,274)</u>	<u>666,078</u>	<u>(5,722,474)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(52,307)	(52,307)	(50,165)	2,142
Proceeds from capital asset disposals	-	-	127,608	127,608
Total Other Financing Sources (Uses)	<u>(52,307)</u>	<u>(52,307)</u>	<u>77,442</u>	<u>129,749</u>
Net Change in Fund Balances	<u>\$ (3,445,830)</u>	<u>\$ (7,344,581)</u>	<u>743,520</u>	<u>\$ (5,592,724)</u>
Fund Balances - Beginning of Year			<u>14,568,668</u>	
Fund Balances - End of Year			<u>\$ 15,312,188</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Public Health

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines, forfeitures and penalties	\$ 104,600	\$ 104,600	\$ 114,777	\$ 10,177
Use of money and property	60,126	131,012	458,008	326,996
Intergovernmental	21,784,108	22,255,494	14,928,163	(7,327,331)
Charges for services	3,461,759	3,461,759	2,838,708	(623,051)
Other revenues	4,000	4,000	5,661	1,661
Total Revenues	25,414,593	25,956,865	18,345,317	(7,611,548)
Expenditures:				
Current:				
General government	-	-	4,072	(4,072)
Health and sanitation	30,289,416	30,797,996	20,577,169	10,220,827
Debt Service:				
Principal: Leases and Subscription	10,857	10,857	43,615	(32,758)
Interest	110	110	412	(302)
Capital outlay	611,000	680,650	51,510	629,140
Total Expenditures	30,911,383	31,489,613	20,676,777	596,080
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,496,790)	(5,532,748)	(2,331,461)	3,201,287
Other Financing Sources (Uses):				
Transfers in	16,586,308	16,586,308	9,407,349	(7,178,959)
Transfers out	(11,178,091)	(11,301,612)	(5,783,865)	5,517,747
Total Other Financing Sources (Uses)	5,408,217	5,284,696	3,623,484	(1,661,212)
Net Change in Fund Balances	\$ (88,573)	(248,052)	1,292,024	1,540,076
Fund Balances - Beginning of Year			5,242,989	
Fund Balances - End of Year			\$ 6,535,013	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

1991 Realignment

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 314,315	\$ 644,171	\$ 1,245,875	\$ 601,704
Intergovernmental	15,086,961	16,724,841	18,486,411	1,761,570
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>15,401,276</u>	<u>17,369,012</u>	<u>19,732,286</u>	<u>2,363,274</u>
Expenditures:				
Current:				
General government	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,401,276</u>	<u>17,369,012</u>	<u>19,732,286</u>	<u>2,363,274</u>
Other Financing Sources (Uses):				
Transfers in	569,338	569,338	569,338	(0)
Transfers out	(20,517,166)	(23,739,023)	(22,436,934)	1,302,089
Total Other Financing Sources (Uses)	<u>(19,947,828)</u>	<u>(23,169,685)</u>	<u>(21,867,596)</u>	<u>1,302,089</u>
Net Change in Fund Balances	<u>\$ (4,546,552)</u>	<u>\$ (5,800,673)</u>	<u>(2,135,310)</u>	<u>\$ 3,665,363</u>
Fund Balances - Beginning of Year			<u>23,685,464</u>	
Fund Balances - End of Year			<u>\$ 21,550,154</u>	

COUNTY OF SUTTER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Mental Health Services Act
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 90,200	\$ 90,200	\$ 472,089	\$ 381,889
Intergovernmental	15,761,406	13,432,656	18,156,595	4,723,939
Charges for services	127,385	127,385	78,785	(48,600)
Other revenue	-	-	5,859	5,859
Total Revenues	<u>15,978,991</u>	<u>13,650,241</u>	<u>18,713,328</u>	<u>5,063,087</u>
Expenditures:				
Current:				
Health and sanitation	18,727,579	19,065,288	15,526,026	3,539,262
Debt service				
Principal: Leases and Subscription	105,108	105,108	104,286	822
Interest	74	74	1,227	(1,153)
Capital outlay	395,700	395,700	378,254	17,446
Total Expenditures	<u>19,228,461</u>	<u>19,566,170</u>	<u>16,009,793</u>	<u>3,556,377</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,249,470)</u>	<u>(5,915,929)</u>	<u>2,703,534</u>	<u>1,506,710</u>
Other Financing Sources (Uses):				
Transfers in	8,550	2,337,300	2,328,750	(8,550)
Transfers out	(66,951)	(66,951)	(66,685)	266
Total Other Financing Sources (Uses)	<u>(58,401)</u>	<u>2,270,349</u>	<u>2,262,065</u>	<u>(8,284)</u>
Net Change in Fund Balances	<u>\$ (3,307,871)</u>	<u>\$ (3,645,580)</u>	4,965,600	<u>\$ 1,498,427</u>
Budgetary Fund Balances - Beginning of Year			<u>7,619,601</u>	
Budgetary Fund Balances - End of Year			<u>\$ 12,585,201</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Clerk-Recorder Funds

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 18,800	\$ 18,800	\$ 110,846	\$ 92,046
Charges for services	896,000	1,363,365	682,029	(681,337)
Total Revenues	<u>914,800</u>	<u>1,382,165</u>	<u>792,874</u>	<u>(589,291)</u>
Expenditures:				
Current:				
General government	560,000	1,027,365	467,365	560,000
Capital outlay	-	-	-	-
Total Expenditures	<u>560,000</u>	<u>1,027,365</u>	<u>467,365</u>	<u>560,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>354,800</u>	<u>354,800</u>	<u>325,509</u>	<u>(29,291)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(748,459)	(820,859)	-	820,859
Total Other Financing Sources (Uses)	<u>(748,459)</u>	<u>(820,859)</u>	<u>-</u>	<u>820,859</u>
Net Change in Fund Balances	<u>\$ (393,659)</u>	<u>\$ (466,059)</u>	<u>325,509</u>	<u>\$ 791,568</u>
Budgetary Fund Balances - Beginning of Year			<u>1,767,837</u>	
Budgetary Fund Balances - End of Year			<u>\$ 2,093,346</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Child Support Services Reimbursement/Adjustment
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 700	\$ 700	\$ 20,840	\$ 20,140
Intergovernmental	471,327	471,327	138,625	(332,702)
Total Revenues	<u>472,027</u>	<u>472,027</u>	<u>159,465</u>	<u>(312,562)</u>
Expenditures:				
Current:				
Public protection	472,027	472,027	371,613	100,414
Capital outlay	-	-	-	-
Total Expenditures	<u>472,027</u>	<u>472,027</u>	<u>371,613</u>	<u>100,414</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(212,147)	(212,147)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(3,787)	(3,787)	(3,688)	99
Total Other Financing Sources (Uses)	<u>(3,787)</u>	<u>(3,787)</u>	<u>(3,688)</u>	<u>99</u>
Net Change in Fund Balances	<u>\$ (3,787)</u>	<u>\$ (3,787)</u>	(215,835)	<u>\$ (212,048)</u>
Budgetary Fund Balances - Beginning of Year			<u>470,276</u>	
Budgetary Fund Balances - End of Year			<u>\$ 254,441</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Economic Development

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 16,200	\$ 16,200	\$ 61,539	\$ 45,339
Total Revenues	<u>16,200</u>	<u>16,200</u>	<u>61,539</u>	<u>45,339</u>
Expenditures:				
Current:				
General government	37,724	37,724	-	37,724
Public assistance	-	-	21,069	(21,069)
Capital outlay	-	-	-	-
Total Expenditures	<u>37,724</u>	<u>37,724</u>	<u>21,069</u>	<u>16,655</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,524)</u>	<u>(21,524)</u>	<u>40,470</u>	<u>28,684</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (21,524)</u>	<u>\$ (21,524)</u>	<u>40,470</u>	<u>\$ 28,684</u>
Budgetary Fund Balances - Beginning of Year			<u>2,682,199</u>	
Budgetary Fund Balances - End of Year			<u>\$ 2,722,669</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

County Fees and Taxes

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 87,480	\$ 87,487	\$ 344,329	\$ 256,842
Intergovernmental	149,000	149,000	403,092	254,092
Other revenue	95,300	195,023	152,072	(42,951)
Total Revenues	331,780	431,510	899,494	467,984
Expenditures:				
Current:				
Public protection	622	1,329	1,066	263
Public way and facilities	-	257	384	(127)
Recreation and culture	-	300	435	(135)
Capital outlay	-	-	-	-
Total Expenditures	622	1,886	1,885	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	331,158	429,624	897,609	467,985
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(27,145)	(126,868)	(99,722)	27,146
Total Other Financing Sources (Uses)	(27,145)	(126,868)	(99,722)	27,146
Net Change in Fund Balances	\$ 304,013	\$ 302,756	797,887	\$ 495,131
Budgetary Fund Balances - Beginning of Year			6,792,608	
Budgetary Fund Balances - End of Year			\$ 7,590,495	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Court Activities

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 3,200	\$ 3,200	\$ 1,693	\$ (1,507)
Use of money and property	10,000	10,000	36,683	26,683
Charges for services	-	-	15,698	15,698
Total Revenues	<u>13,200</u>	<u>13,200</u>	<u>54,075</u>	<u>40,875</u>
Expenditures:				
Current:				
General government	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,200</u>	<u>13,200</u>	<u>54,075</u>	<u>40,875</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(60,000)	(60,000)	-	60,000
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>60,000</u>
Net Change in Fund Balances	<u>\$ (46,800)</u>	<u>\$ (46,800)</u>	<u>54,075</u>	<u>\$ 100,875</u>
Budgetary Fund Balances - Beginning of Year			<u>559,444</u>	
Budgetary Fund Balances - End of Year			<u>\$ 613,518</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

County Service Areas

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,763,364	\$ 3,868,935	\$ 4,288,330	\$ 419,395
Fines and forfeitures	5,000	5,000	-	(5,000)
Use of money and property	27,990	28,867	167,455	138,588
Intergovernmental	941,101	941,392	1,739,178	797,786
Charges for services	151,735	151,735	164,440	12,705
Other revenue	5,000	5,000	22,236	17,236
Total Revenues	<u>4,894,190</u>	<u>5,000,929</u>	<u>6,381,639</u>	<u>1,380,710</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	6,863,646	6,962,948	6,747,679	215,269
Debt Service				
Principal: Leases and Subscription	34,711	59,711	34,710	25,001
Interest	1,290	1,290	1,290	0
Capital outlay	85,790	85,790	74,083	11,707
Total Expenditures	<u>6,985,437</u>	<u>7,109,739</u>	<u>6,857,762</u>	<u>251,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,091,247)</u>	<u>(2,108,810)</u>	<u>(476,123)</u>	<u>1,632,687</u>
Other Financing Sources (Uses):				
Transfers in	2,099,618	1,730,081	1,730,081	-
Transfers out	(52,679)	(52,679)	(52,252)	427
Proceeds from capital asset disposals	-	-	45,831	45,831
Total Other Financing Sources (Uses)	<u>2,046,939</u>	<u>1,677,402</u>	<u>1,723,660</u>	<u>46,258</u>
Net Change in Fund Balances	<u>\$ (44,308)</u>	<u>\$ (431,408)</u>	1,247,538	<u>\$ 1,678,946</u>
Budgetary Fund Balances - Beginning of Year			<u>3,234,448</u>	
Budgetary Fund Balances - End of Year			<u>\$ 4,481,985</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Agencies

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 206,300	\$ 206,300	\$ 247,669	\$ 41,369
Use of money and property	59,490	59,491	164,687	105,196
Intergovernmental	1,726	1,726	1,662	(64)
Charges for services	-	-	244,533	244,533
Total Revenues	<u>267,516</u>	<u>267,517</u>	<u>658,550</u>	<u>391,033</u>
Expenditures:				
Current:				
Public way and facilities	215,536	232,037	223,785	8,252
Capital outlay	-	-	-	-
Total Expenditures	<u>215,536</u>	<u>232,037</u>	<u>223,785</u>	<u>8,252</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>51,980</u>	<u>35,480</u>	<u>434,766</u>	<u>399,286</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(10,654)	(10,654)	(6,204)	4,450
Total Other Financing Sources (Uses)	<u>(10,654)</u>	<u>(10,654)</u>	<u>(6,204)</u>	<u>4,450</u>
Net Change in Fund Balances	<u>\$ 41,326</u>	<u>\$ 24,826</u>	428,561	<u>403,735</u>
Budgetary Fund Balances - Beginning of Year			<u>3,179,654</u>	
Budgetary Fund Balances - End of Year			<u>\$ 3,608,215</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Aviation

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 20,000	\$ 20,000	\$ 11,875	\$ (8,125)
Use of money and property	22,314	22,314	20,900	(1,414)
Intergovernmental	10,000	10,000	10,000	-
Total Revenues	<u>52,314</u>	<u>52,314</u>	<u>42,775</u>	<u>(9,539)</u>
Expenditures:				
Current:				
Public way and facilities	42,721	42,721	18,973	23,748
Capital outlay	-	-	-	-
Total Expenditures	<u>42,721</u>	<u>42,721</u>	<u>18,973</u>	<u>23,748</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,593</u>	<u>9,593</u>	<u>23,802</u>	<u>14,209</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 9,593</u>	<u>9,593</u>	23,802	<u>\$ 14,209</u>
Budgetary Fund Balances - Beginning of Year			<u>74,517</u>	
Budgetary Fund Balances - End of Year			<u>\$ 98,320</u>	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fish & Game

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 3,842	\$ 3,842	\$ 4,263	\$ 421
Use of money and property	847	847	5,379	4,532
Total Revenues	<u>4,689</u>	<u>4,689</u>	<u>9,641</u>	<u>4,952</u>
Expenditures:				
Current:				
Public protection	14,279	14,279	3,240	11,039
Capital outlay	-	-	-	-
Total Expenditures	<u>14,279</u>	<u>14,279</u>	<u>3,240</u>	<u>11,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,590)</u>	<u>(9,590)</u>	<u>6,401</u>	<u>(6,086)</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (9,590)</u>	<u>\$ (9,590)</u>	6,401	<u>\$ (6,086)</u>
Budgetary Fund Balances - Beginning of Year			<u>105,922</u>	
Budgetary Fund Balances - End of Year			<u>\$ 112,323</u>	

COUNTY OF SUTTER
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Other Special Districts
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 230,910	\$ 230,910	\$ 238,860	\$ 7,950
Licenses and permits	3,500	3,500	3,279	(221)
Fines and forfeitures	-	1	2	1
Use of money and property	61,612	65,209	158,454	93,245
Intergovernmental	800	800	690	(110)
Charges for services	23,244	23,244	24,366	1,122
Other revenue	17,966	17,966	17,966	-
Total Revenues	338,032	341,630	443,617	101,987
Expenditures:				
Current:				
Public protection	32,930	32,930	16,804	16,126
Public way and facilities	278,898	327,996	226,808	101,188
Recreation and culture	600	600	-	600
Capital outlay	3,815	3,815	1,344	2,471
Total Expenditures	316,243	365,341	244,956	120,385
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,789	(23,711)	198,661	(18,398)
Other Financing Sources (Uses):				
Transfers in	10,654	36,654	32,204	(4,450)
Transfers out	-	(370,000)	(314,463)	55,537
Total Other Financing Sources (Uses)	10,654	(333,346)	(282,259)	51,087
Net Change in Fund Balances	\$ 32,443	\$ (357,057)	(83,598)	\$ 32,689
Budgetary Fund Balances - Beginning of Year			3,058,807	
Budgetary Fund Balances - End of Year			\$ 2,975,209	

COUNTY OF SUTTER

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ -	-	(31,165)	\$ (31,165)
Intergovernmental	1,009	1,009	8,096	7,087
Total Revenues	<u>1,009</u>	<u>1,009</u>	<u>(23,069)</u>	<u>(24,078)</u>
Expenditures:				
Current:				
General government	-	42,556	50,062	(7,506)
Debt Service:				
Principal: Leases and Subscription	1,082,533	1,051,304	1,007,887	43,417
Principal: Other long-term liabilities	819,699	888,264	747,643	140,621
Interest	247,110	278,268	339,625	(61,357)
Capital outlay	-	11,327	11,327	-
Total Expenditures	<u>2,149,342</u>	<u>2,271,719</u>	<u>2,156,543</u>	<u>115,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,148,333)</u>	<u>(2,270,710)</u>	<u>(2,179,612)</u>	<u>91,098</u>
Other Financing Sources (Uses):				
Transfers in	2,148,357	2,248,080	2,137,121	(110,959)
Transfers out	-	-	-	-
Proceeds from debt issuance	-	11,327	11,327	-
Total Other Financing Sources (Uses)	<u>2,148,357</u>	<u>2,259,407</u>	<u>2,148,448</u>	<u>(110,959)</u>
Net Change in Fund Balances	<u>\$ 24</u>	<u>\$ (11,303)</u>	<u>(31,164)</u>	<u>(19,861)</u>
Budgetary Fund Balances - Beginning of Year			<u>99,610</u>	
Budgetary Fund Balances - End of Year			<u>\$ 68,445</u>	

COUNTY OF SUTTER

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Capital Projects Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 22,500	\$ 22,500	\$ 76,185	\$ 53,685
Intergovernmental	-	-	487,050	487,050
Other revenue	-	-	160,556	160,556
Total Revenues	<u>22,500</u>	<u>22,500</u>	<u>723,792</u>	<u>701,292</u>
Expenditures:				
Current:				
General government	235,254	1,012,268	1,190,732	(178,464)
Capital outlay	2,225,574	2,335,378	214,972	2,120,406
Total Expenditures	<u>2,460,828</u>	<u>3,347,646</u>	<u>1,405,704</u>	<u>1,941,942</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,438,328)</u>	<u>(3,325,146)</u>	<u>(681,912)</u>	<u>2,643,234</u>
Other Financing Sources (Uses):				
Transfers in	2,412,174	2,759,393	548,303	(2,211,090)
Transfers out	-	-	-	-
Proceeds from debt issuance	-	446,667	590,352	143,685
Total Other Financing Sources (Uses)	<u>2,412,174</u>	<u>3,206,060</u>	<u>1,138,654</u>	<u>(2,067,406)</u>
Net Change in Fund Balances	<u>\$ (26,154)</u>	<u>\$ (119,086)</u>	456,742	<u>\$ 575,828</u>
Fund Balances - Beginning of Year			<u>1,111,515</u>	
Fund Balances - End of Year			<u>\$ 1,568,257</u>	

COUNTY OF SUTTER
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Risk Management		Fleet Management
	General Liability	Workers' Compensation	
Assets			
Current Assets:			
Cash and investments	\$ 1,114,747	\$ 136,590	\$ 574,134
Cash with fiscal agent	3,367,476	12,004,174	-
Accounts receivable	-	-	2,634
Interest receivable	-	-	-
Due from other funds	-	-	-
Prepaid expenses	-	-	-
Inventory	-	-	12,017
Total Current Assets	4,482,224	12,140,764	588,784
Noncurrent Assets:			
Capital assets:			
Depreciable, net	-	-	69,667
Total Noncurrent Assets	-	-	69,667
Total Assets	4,482,224	12,140,764	658,451
Deferred Outflows of Resources:			
Deferred pension	97,208	50,790	114,057
Deferred OPEB	-	2,344	9,377
Total Deferred Outflow of Resources	97,208	53,134	123,434
Liabilities			
Current Liabilities:			
Accounts payable	991	7	12,744
Salaries and benefits payable	2,796	4,688	7,984
Subscription Payable	-	-	-
Other liabilities	-	-	5,591
Compensated absences payable	-	22,281	70,214
Interest payable	-	-	1,244
Total Current Liabilities	3,787	26,976	97,777
Noncurrent Liabilities:			
Compensated absences payable	-	3,885	12,243
Claims payable	1,944,167	3,778,282	-
Subscription Payable	-	-	-
Other liabilities	-	-	27,630
Net pension liability	336,573	175,856	394,910
Total OPEB liability	-	11,625	46,498
Total Noncurrent Liabilities	2,280,740	3,969,648	481,282
Total Liabilities	2,284,527	3,996,624	579,059
Deferred Inflows of Resources:			
Deferred pension	-	-	-
Deferred OPEB	-	3,973	15,892
Total Deferred Inflow of Resources	-	3,973	15,892
Net Position:			
Net investment in capital assets	-	-	36,446
Unrestricted (deficit)	2,294,905	8,193,301	150,488
Total Net Position	\$ 2,294,905	\$ 8,193,301	\$ 186,933

continued

COUNTY OF SUTTER

Combining Statement of Net Position (continued)
Internal Service Funds
June 30, 2025

	Information Technology	Employee Wellness	Total
Assets			
Current Assets:			
Cash and investments	\$ 1,433,702	\$ 455,737	\$ 3,714,910
Cash with fiscal agent	-	-	15,371,651
Accounts receivable	29,513	-	32,147
Interest receivable	-	-	-
Due from other funds	1,385,270	-	1,385,270
Prepaid expenses	-	-	-
Inventory	-	-	12,017
Total Current Assets	2,848,485	455,737	20,515,993
Noncurrent Assets:			
Capital assets:			
Depreciable, net	1,115,966	-	1,185,632
Total Noncurrent Assets	1,115,966	-	1,185,632
Total Assets	3,964,451	455,737	21,701,625
Deferred Outflows of Resources:			
Deferred pension	764,353	4	1,026,412
Deferred OPEB	39,850	-	51,571
Total Deferred Outflow of Resources	804,203	4	1,077,983
Liabilities			
Current Liabilities:			
Accounts payable	60,961	3,621	78,324
Salaries and benefits payable	55,719	-	71,188
Subscription Payable	60,262	-	60,262
Other liabilities	9,018	-	14,609
Compensated absences payable	358,057	-	450,552
Interest payable	2,007	-	3,251
Total Current Liabilities	1,932,847	3,621	2,065,008
Noncurrent Liabilities:			
Compensated absences payable	62,435	-	78,563
Claims payable	-	-	5,722,449
Subscription Payable	53,316	-	53,316
Other liabilities	44,518	-	72,148
Net pension liability	2,646,491	13	3,553,843
Total OPEB liability	197,617	-	255,740
Total Noncurrent Liabilities	3,004,376	13	9,736,059
Total Liabilities	4,937,222	3,634	11,801,067
Deferred Inflows of Resources:			
Deferred pension	-	-	-
Deferred OPEB	67,540	-	87,405
Total Deferred Inflow of Resources	67,540	-	87,405
Net Position:			
Net investment in capital assets	948,852	-	985,298
Unrestricted (deficit)	(1,184,962)	452,107	9,905,838
Total Net Position	\$ (236,109)	\$ 452,107	\$ 10,891,136

COUNTY OF SUTTER
Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management		
	General Liability	Workers' Compensation	Fleet Management
Operating Revenues:			
Charges for services	\$ 5,153,915	\$ 3,060,038	\$ 1,480,295
Other revenue	70,000	-	6,946
Total Operating Revenues	5,223,915	3,060,038	1,487,240
Operating Expenses:			
Salaries and benefits	374,504	206,843	425,773
Services and supplies	2,915,090	(127,886)	673,464
Other charges	14,752	(1,132)	242,013
Depreciation	-	335	6,230
Total Operating Expenses	3,304,346	78,161	1,347,479
Net Operating Income (Loss)	1,919,569	2,981,877	139,761
Non-Operating Revenues (Expenses):			
Interest income (expense)	39,793	8,797	14,100
Gain (Loss) on Sale of Fixed Assets	-	-	44,246
Total Non-Operating Revenues and Expenses	39,793	8,797	58,345
Net Income (Loss) Before Transfers	1,959,362	2,990,674	198,106
Transfers in	-	-	-
Transfers out	(1,201)	(984)	(3,349)
Change in Net Position	1,958,161	2,989,690	194,758
Net Position, Beginning of Year, as previously stated	336,744	5,213,057	36,089
Restatement for change in accounting principle	-	(9,447)	(43,914)
Net Position - Beginning of Year, restated	336,744	5,203,610	(7,824)
Net Position - End of Year	\$ 2,294,905	\$ 8,193,301	\$ 186,933

COUNTY OF SUTTER
Combining Statement of Revenues, Expenses and
Changes in Net Position (continued)
Internal Service Funds
For the Year Ended June 30, 2025

	Information Technology	Employee Wellness	Total
Operating Revenues:			
Charges for services	\$ 4,420,579	\$ (320)	\$ 14,114,507
Other revenue	-	3,020	76,645
Total Operating Revenues	4,420,579	2,700	14,191,151
Operating Expenses:			
Salaries and benefits	2,588,975	-	3,593,128
Services and supplies	693,422	247,030	4,401,120
Other charges	715,503	52,744	1,030,167
Depreciation	504,122	-	510,687
Total Operating Expenses	4,502,022	299,774	9,535,102
Net Operating Income (Loss)	(88,085)	(297,073)	4,656,049
Non-Operating Revenues (Expenses):			
Interest income (expense)	(16,439)	34,454	80,705
Gain (Loss) on Sale of Fixed Assets	-	-	44,246
Total Non-Operating Revenues and Expenses	(16,439)	34,454	124,950
Net Income (Loss) Before Transfers	(104,524)	(262,619)	4,780,999
Transfers in	-	-	-
Transfers out	(11,651)	-	(17,185)
Change in Net Position	(116,175)	(262,619)	4,763,815
Net Position - Beginning of Year, as previously stated	80,787	714,726	6,381,403
Restatement for change in accounting principle	(200,721)	-	(254,082)
Net Position - Beginning of Year, restated	(119,934)	714,726	6,127,321
Net Position - End of Year	\$ (236,109)	\$ 452,107	\$ 10,891,136

COUNTY OF SUTTER
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management		
	General Liability	Workers' Compensation	Fleet Management
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 5,229,544	\$ 1,197,639	\$ 1,500,784
Cash paid to suppliers for goods and services	(3,137,874)	126,126	(935,689)
Cash paid to employees	(346,093)	(184,175)	(403,896)
Net Cash Provided (Used) by Operating Activities	<u>1,745,577</u>	<u>1,139,591</u>	<u>161,199</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Interfund loans received (paid)	-	-	(37,714)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(37,714)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on financed purchases	(1,201)	(1,319)	(9,694)
Payments related to the acquisition of capital assets	-	-	0.00
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,201)</u>	<u>(1,319)</u>	<u>(9,694)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	40,787	8,986	13,048
Net Cash Provided (Used) by Investing Activities	<u>40,787</u>	<u>8,986</u>	<u>13,048</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,785,163</u>	<u>1,147,258</u>	<u>126,840</u>
Cash and Cash Equivalents, Beginning of Year	<u>2,697,060</u>	<u>10,993,506</u>	<u>447,294</u>
Cash and Cash Equivalents, End of Year	<u>\$ 4,482,224</u>	<u>\$ 12,140,764</u>	<u>\$ 574,134</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,919,569	\$ 2,981,877	\$ 139,761
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	335	6,230
Loss on disposal of capital assets	-	-	44,246
Changes in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	5,629	3,504	13,544
Deposits and prepaid expenses	-	-	-
Inventory	-	-	2,919
Increase (decrease) in:			
Accounts payable	977	(2,891)	(67,377)
Salaries and benefits payable	1,411	1,012	299
Compensated absences payable	-	1,737	2,980
Claims liability	(209,010)	(1,865,903)	-
Net pension liability	27,001	19,963	18,772
Total OPEB liability	-	(44)	(175)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,745,577</u>	<u>\$ 1,139,591</u>	<u>\$ 161,199</u>

COUNTY OF SUTTER
Combining Statement of Cash Flows
Internal Service Funds (continued)
For the Year Ended June 30, 2025

	Information Technology	Employee Wellness	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers	\$ 4,464,704	\$ 2,700	\$ 12,395,371
Cash paid to suppliers for goods and services	(1,472,752)	(309,021)	(5,729,210)
Cash paid to employees	(2,766,227)	(3)	(3,700,393)
Net Cash Provided (Used) by Operating Activities	<u>225,724</u>	<u>(306,323)</u>	<u>2,965,768</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Interfund loans received (paid)	2,231,068	-	2,193,354
Miscellaneous cash received (paid)	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,231,068</u>	<u>-</u>	<u>2,193,354</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on financed purchases	(119,382)	-	(131,595)
Payments related to the acquisition of capital assets	(295,871)	-	(295,871)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(415,252)</u>	<u>-</u>	<u>(427,465)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	(16,310)	40,162	86,673
Net Cash Provided (Used) by Investing Activities	<u>(16,310)</u>	<u>40,162</u>	<u>86,673</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,025,230	(266,161)	4,818,330
Cash and Cash Equivalents, Beginning of Year	<u>(591,528)</u>	<u>721,898</u>	<u>14,268,230</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,433,702</u>	<u>\$ 455,737</u>	<u>\$ 19,086,560</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (88,085)	\$ (297,073)	\$ 4,656,049
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	504,122	-	510,687
Loss on disposal of capital assets	-	-	44,246
Changes in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	47,446	-	70,123
Deposits and prepaid expenses	3,293	-	3,293
Inventory	-	-	2,919
Increase (decrease) in:			
Accounts payable	(62,255)	(6,280)	(137,826)
Salaries and benefits payable	(299)	-	2,424
Compensated absences payable	(90,275)	-	(85,558)
Claims liability	-	-	(2,074,913)
Interest payable	(1,544)	-	(1,544)
Net pension liability	(85,935)	(2,970)	(23,169)
Total OPEB liability	(743)	-	(962)
Net Cash Provided (Used) by Operating Activities	<u>\$ 225,724</u>	<u>\$ (306,323)</u>	<u>\$ 2,965,768</u>



Statistical Section

Statistical Section

The information in this section is not covered by the Independent Auditor’s Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to the financial statements, and required supplementary information to understand and assess the County’s economic condition.

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Demographic and Economic Information172
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Operating Information174
 These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Auditor-Controller’s Office.

COUNTY OF SUTTER
Net Position by Category (unaudited)
Last Ten Fiscal Years (in thousands)
 (accrual basis of accounting)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Governmental activities										
Net Investment in capital assets	\$ 69,203	\$ 68,552	\$ 81,277	\$ 88,678	\$ 92,732	\$ 93,918	\$ 95,853	\$ 99,719	\$ 108,733	\$ 108,975
Restricted for:										
General government	752	33,612	866	5,824	5,515	6,033	6,314	6,056	6,134	6,863
Taxes and fees	5,687	-	2,664	2,551	2,542	2,094	2,435	2,951	6,793	7,590
Public Protection	19,767	18,004	21,343	19,262	22,095	25,981	29,016	33,680	35,630	38,749
Public ways and facilities	11,980	16,610	16,186	18,094	19,791	20,228	23,285	18,522	24,009	26,355
Health and sanitation	38,804	14,189	29,349	26,391	24,112	26,857	32,049	35,688	55,540	63,057
Public assistance	1,612	14,068	1,784	11,001	12,242	11,161	16,326	18,085	2,091	2,520
Other	1,784	1,005	2,619	4,618	1,247	5,793	6,038	9,247	11,020	15,376
Unrestricted	(102,750)	(117,889)	(115,811)	(118,796)	(125,903)	(129,489)	(114,539)	(97,765)	(108,947)	(104,665)
Total governmental activities net position	\$ 46,839	\$ 48,152	\$ 40,277	\$ 57,623	\$ 54,373	\$ 62,576	\$ 96,778	\$ 126,184	\$ 141,002	\$ 164,819
Business-type activities										
Net Investment in capital assets	\$ 2,269	\$ 2,117	\$ 1,963	\$ 1,489	\$ 2,310	\$ 2,220	\$ 1,047	\$ 939	\$ 826	\$ 711
Unrestricted	166	172	259	346	405	347	262	226	111	47
Total business-type activities net position	\$ 2,435	\$ 2,289	\$ 2,222	\$ 1,835	\$ 2,715	\$ 2,568	\$ 1,309	\$ 1,165	\$ 937	\$ 759
Primary Government										
Net Investment in capital assets	\$ 71,472	\$ 70,670	\$ 83,240	\$ 90,167	\$ 95,041	\$ 96,138	\$ 96,900	\$ 100,659	\$ 109,559	\$ 109,686
Restricted for:										
General government	752	33,612	866	5,824	5,515	6,033	6,314	6,056	6,134	6,863
Taxes and fees	5,687	-	2,664	2,551	2,542	2,094	2,435	2,951	6,793	7,590
Public Protection	19,767	18,004	21,343	19,262	22,095	25,981	29,016	33,680	35,630	38,749
Public ways and facilities	11,980	16,610	16,186	18,094	19,791	20,228	23,285	18,522	24,009	26,355
Health and social services	38,804	14,189	29,349	26,391	24,112	26,857	32,049	35,688	55,540	63,057
Public assistance	1,612	14,068	1,784	11,001	12,242	11,161	16,326	18,085	2,091	2,520
Other	1,784	1,005	2,619	4,618	1,247	5,793	6,038	9,247	11,020	15,376
Unrestricted	(102,583)	(117,717)	(115,552)	(118,450)	(125,497)	(129,141)	(114,277)	(97,539)	(108,836)	(104,618)
Total primary governmental net position	\$ 49,274	\$ 50,442	\$ 42,499	\$ 59,458	\$ 57,088	\$ 65,143	\$ 98,087	\$ 127,349	\$ 141,939	\$ 165,578

Notes:
 * Accounting standards require that net position be reported in three components in the 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or

** Adjustment in 2021 is restatement related to Main Jail expansion.

COUNTY OF SUTTER
Changes in Net Position (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Expenses										
Governmental activities:										
General government	\$ 12,472	\$ 16,903	\$ 41,030	\$ 31,856	\$ 33,517	\$ 37,287	\$ 27,014	\$ 31,837	\$ 36,415	\$ 36,921
Public protection	44,724	44,711	46,834	59,864	52,735	55,407	49,365	57,806	65,705	68,335
Public ways and facilities	12,156	12,013	12,162	10,238	11,072	9,635	5,357	13,607	6,709	10,678
Health and sanitation	42,334	42,212	49,935	59,027	59,572	64,776	57,564	65,504	77,222	83,928
Public assistance	40,730	43,204	48,341	46,931	52,437	49,499	48,030	58,427	66,200	70,865
Education	1,635	1,582	1,759	1,744	1,867	1,615	1,646	2,174	2,355	2,323
Recreation and culture	741	760	929	566	988	586	644	660	845	871
Community development	12	-	-	-	-	-	-	-	-	-
Interest on long-term debt	350	50	367	353	283	406	534	389	202	364
Subtotal governmental										
activities expenses	\$ 155,153	\$ 161,436	\$ 201,357	\$ 210,579	\$ 212,471	\$ 219,211	\$ 190,155	\$ 230,403	\$ 255,652	\$ 274,286
Business-type activities:										
Waterworks District No. 1	508	453	374	833	427	461	1,547	299	390	328
Subtotal business-type										
activities expenses	508	453	374	833	427	461	1,547	299	390	328
Total expenses	\$ 155,661	\$ 161,888	\$ 201,731	\$ 211,412	\$ 212,898	\$ 219,672	\$ 191,702	\$ 230,702	\$ 256,042	\$ 274,615
Program Revenues										
Governmental activities:										
Fees, fines & charges for services	\$ 10,417	\$ 20,419	\$ 27,383	\$ 45,613	\$ 24,193	\$ 26,696	\$ 26,189	\$ 25,418	\$ 32,779	\$ 33,069
Operating grants & contributions	105,395	104,188	128,859	133,715	127,513	153,137	156,175	181,574	175,647	198,201
Capital grants & contributions	194	-	-	-	-	-	-	-	-	-
Subtotal governmental										
activities	116,006	124,607	156,242	179,328	151,706	179,834	182,365	206,992	208,426	231,270
Business-type activities:										
Fees, fines & charges for services	215	261	260	260	248	240	211	147	148	144
Operating Grants	48	58	-	-	-	-	-	-	-	-
Capital Grants	62	-	45	178	1,061	76	89	-	-	-
Unrestricted Interest & Investment Earnings	4	2	1	8	(2)	(3)	(12)	8	14	6
Miscellaneous	-	(14)	-	-	-	-	-	-	-	-
Subtotal business-type										
activities	328	307	306	446	1,307	313	288	156	162	150
Total program revenues	\$ 116,334	\$ 124,914	\$ 156,548	\$ 179,774	\$ 153,013	\$ 180,147	\$ 182,653	\$ 207,148	\$ 208,588	\$ 231,420
Net (expense)/revenue										
Governmental activities	(39,147)	(36,829)	(45,115)	(31,251)	(60,765)	(39,378)	(7,790)	(23,411)	(47,226)	(43,017)
Business-type activities	(180)	(146)	(68)	(387)	880	(148)	(1,259)	(143)	(228)	(178)
Total net expense	\$ (39,328)	\$ (36,975)	\$ (45,183)	\$ (31,638)	\$ (59,885)	\$ (39,526)	\$ (9,049)	\$ (23,554)	\$ (47,454)	\$ (43,195)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 28,257	\$ 29,921	\$ 31,175	\$ 31,965	\$ 33,442	\$ 34,367	\$ 35,104	\$ 37,294	\$ 40,090	\$ 43,406
Property taxes in lieu of sales taxes	664	-	-	-	-	-	-	-	-	-
Franchise fees	1,296	1,013	1,309	1,263	1,417	1,444	1,847	2,556	-	2,143
Sales and use taxes	3,241	2,845	4,348	4,745	4,487	4,236	5,925	6,510	5,749	5,814
Transportation taxes	1,060	734	860	976	1,015	886	1,018	230	2,377	1,615
Transient occupancy taxes	-	-	-	-	-	-	-	-	-	-
Transfer taxes	342	368	425	455	468	654	728	447	604	375
Other	304	-	436	366	498	406	469	311	517	576
Fire taxes/Special Assessments	-	351	-	-	-	-	-	-	209	219
Unrestricted interest & investment earnings	2,010	817	523	3,867	2,909	1,215	(5,547)	2,393	8,569	9,413
Tobacco settlement	817	840	1,003	972	932	1,051	1,071	972	867	822
Miscellaneous	957	1,239	1,473	3,987	12,662	3,322	1,558	2,103	3,002	8,225
Transfers	(1,281)	14	-	-	-	-	-	-	-	-
Subtotal governmental activities	37,666	38,142	41,552	48,596	57,830	47,581	42,173	52,816	61,983	72,609
Total primary government	\$ 37,666	\$ 38,142	\$ 41,552	\$ 48,596	\$ 57,830	\$ 47,581	\$ 42,173	\$ 52,816	\$ 61,983	\$ 72,609
Changes in net position										
Governmental activities	\$ (1,481)	\$ 1,313	\$ (3,563)	\$ 17,345	\$ (2,935)	\$ 8,203	\$ 34,383	\$ 29,405	\$ 14,757	\$ 29,592
Business-type activities	(180)	(146)	(68)	(387)	880	(148)	(1,259)	(143)	(228)	(178)
Total primary government	\$ (1,661)	\$ 1,167	\$ (3,631)	\$ 16,958	\$ (2,055)	\$ 8,055	\$ 33,124	\$ 29,262	\$ 14,529	\$ 29,414

Note: Adjustment to 2021 is restatement related to Main Jail expansion

COUNTY OF SUTTER
Fund Balances, Governmental Funds (unaudited)
Last Ten Fiscal Years (in thousands)
(accrual basis of accounting)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund										
Nonspendable	\$ 2,019	\$ 1,827	\$ 1,772	\$ 2,396	\$ 2,468	\$ 2,400	\$ 1,993	\$ 1,896	\$ 1,220	\$ 1,284
Restricted	2	20	45	2,518	69	5,643	5,949	7,533	9,494	11,495
Committed	16,493	11,938	8,776	5,673	9,645	7,175	13,850	20,433	16,069	23,517
Assigned	462	737	649	472	-	-	-	5	5	69
Unassigned	7,945	11,083	11,275	9,762	8,081	14,898	11,712	15,336	13,603	14,895
Subtotal General Fund	26,921	25,604	22,517	20,821	20,263	30,116	33,504	45,203	40,391	51,259
All Other Governmental Funds										
Nonspendable	207	2,598	2,321	2,459	107	151	144	191	1,036	1,814
Restricted	69,082	71,398	68,065	73,426	77,744	79,822	90,172	96,552	113,620	124,895
Committed	348	4,537	5,183	3,609	4,765	2,945	2,149	4,210	1,321	1,770
Assigned	-	1	2,802	29	56	497	874	93	1,027	168
Unassigned	(701)	(6,649)	(3,405)	-	-	-	-	-	-	-
Subtotal all other governmental funds	68,936	71,884	74,966	79,523	82,672	83,415	93,339	101,047	117,004	128,646
Total government fund balance	\$ 95,858	\$ 97,489	\$ 97,483	\$ 100,344	\$ 102,935	\$ 113,531	\$ 126,843	\$ 146,250	\$ 157,395	\$ 179,905

COUNTY OF SUTTER
Changes in Fund Balances, Governmental Funds (unaudited)
Last Ten Fiscal Years (in thousands)
 (accrual basis of accounting)

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Revenues (by source)										
Taxes	\$ 33,868	\$ 34,219	\$ 37,245	\$ 38,507	\$ 39,909	\$ 40,549	\$ 43,245	\$ 44,792	\$ 49,545	\$ 52,006
Licenses and permits	2,530	2,003	2,353	2,657	2,718	3,039	4,490	4,339	3,754	3,770
Fines, forfeitures and penalties	1,032	882	1,073	1,197	1,145	1,123	1,136	974	1,299	1,882
Use of money and property	1,976	800	552	3,858	2,883	1,219	(5,395)	2,320	8,391	9,332
Intergovernmental	104,337	105,719	130,531	130,017	127,211	152,899	153,492	178,152	178,374	193,789
Charges for services	8,150	18,631	25,936	42,592	21,417	23,929	21,710	21,303	24,829	25,765
Other revenues	1,774	1,889	2,361	4,356	12,707	4,533	2,552	2,859	3,460	8,965
Total revenues	<u>153,667</u>	<u>164,141</u>	<u>200,051</u>	<u>223,184</u>	<u>207,990</u>	<u>227,291</u>	<u>221,230</u>	<u>254,739</u>	<u>269,651</u>	<u>295,509</u>
Expenditures (by function)										
General government	10,034	16,544	26,194	19,871	19,607	17,418	16,515	16,721	30,049	20,366
Public protection	43,516	45,208	58,483	73,551	57,476	59,741	60,253	65,327	68,574	73,288
Public ways and facilities	8,467	9,190	13,381	8,281	9,337	8,459	6,012	14,853	8,311	11,975
Health and sanitation	39,805	41,825	48,006	62,013	58,505	65,425	63,233	67,358	77,779	85,611
Public assistance	38,860	42,984	46,917	48,755	51,037	49,572	51,160	59,087	65,718	70,938
Education	1,470	1,572	1,735	1,905	1,825	1,682	1,966	2,219	2,323	2,343
Recreation and culture	683	745	1,116	694	941	565	672	657	849	937
Community development	12	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	305	84	470	624	655	553	1,736	2,559	8,321	2,925
Interest	350	58	372	356	293	259	422	421	364	389
Issuance costs	-	-	-	-	-	-	-	-	-	-
Capital Outlay	3,197	4,435	3,387	4,272	6,326	19,783	5,350	8,721	5,607	4,340
Total expenditures	<u>146,697</u>	<u>162,646</u>	<u>200,061</u>	<u>220,322</u>	<u>206,002</u>	<u>223,457</u>	<u>207,319</u>	<u>237,921</u>	<u>267,896</u>	<u>273,112</u>
Other Financing Sources (Uses)										
Proceeds on sale of capital assets	-	106	-	-	-	-	-	92	148	234
Transfers in	74,973	83,846	102,068	107,637	113,818	136,543	129,208	131,308	135,997	147,709
Transfers out	(76,242)	(83,817)	(102,068)	(107,637)	(113,818)	(136,530)	(130,475)	(131,223)	(135,866)	(147,692)
Issuance of debt	-	-	-	-	604	6,750	-	2,413	9,283	602
Total other financing sources (uses)	<u>(1,269)</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>604</u>	<u>6,762</u>	<u>(1,267)</u>	<u>2,590</u>	<u>9,562</u>	<u>853</u>
Net change in fund balance	<u>\$ 5,701</u>	<u>\$ 1,631</u>	<u>\$ (10)</u>	<u>\$ 2,862</u>	<u>\$ 2,592</u>	<u>\$ 10,596</u>	<u>\$ 12,644</u>	<u>\$ 19,407</u>	<u>\$ 11,318</u>	<u>\$ 23,250</u>
Debt service as a percentage										
of noncapital expenditures:	0.46%	0.09%	0.43%	0.46%	0.48%	0.40%	1.08%	1.32%	3.42%	1.25%

* GASB 87 - Lease was implemented in FY 2021-22

* GASB 96 - Subscription-Based IT arrangement was implemented in FY 2022-23

* GASB 101 - Compensated Absences was implemented in FY 2024-25

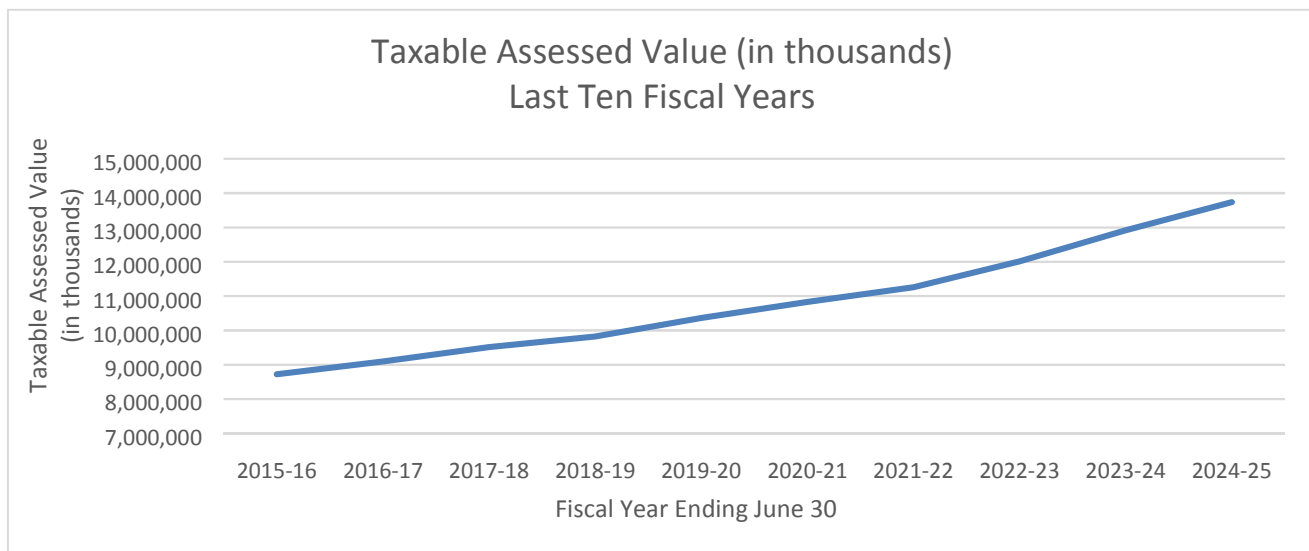
COUNTY OF SUTTER
Assessed Value of Taxable Property and Actual Value of Property (unaudited)
Last Ten Fiscal Years (in thousands)
 (accrual basis of accounting)

Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the consumer price index (CPI) on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase Price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Fiscal Year	(1) Secured	(2) Unsecured	(3) Unitary	(4) Exempt	Total Taxable Assessed value	Total Direct Tax Rate (%)
2015 - 2016	\$8,295,983	\$576,315	\$268,936	\$(413,438)	\$8,727,797	1.0000
2016 - 2017	8,654,165	614,175	271,445	(439,548)	9,100,238	1.0000
2017 - 2018	9,095,742	583,896	291,120	(454,149)	9,516,609	1.0000
2018 - 2019	9,510,499	459,004	313,897	(461,355)	9,822,045	1.0000
2019 - 2020	9,904,151	597,600	302,594	(441,115)	10,363,230	1.0000
2020 - 2021	10,378,291	609,470	300,044	(460,508)	10,827,297	1.0000
2021 - 2022	10,823,561	578,079	330,595	(477,364)	11,254,871	1.0000
2022 - 2023	11,583,820	588,461	368,487	(522,783)	12,017,984	1.0000
2023 - 2024	12,410,245	644,328	416,868	(550,767)	12,920,674	1.0000
2024 - 2025	13,149,498	722,794	448,121	(583,253)	13,737,160	1.0000

Notes:

- (1) Local assessed secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (2) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (3) Unitary properties are railroads and utilities crossing the County and are assessed by the State Board of Equalization. Most of the amount reported is unitary but includes a small amount of other state-assessed property.
- (4) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.



COUNTY OF SUTTER
Property Tax Rates-Direct and Overlapping Governments (unaudited)
(\$1 per \$100 of Assessed Value)
Last Ten Fiscal Years (in thousands)

County direct and overlapping tax rates for the last ten fiscal years are provided below.

Fiscal Year	County Direct Rates	Overlapping Rates		Total
	Sutter County General	K-12 Schools (1)	Yuba College (2)	
2015 - 2016	1.00000%	0.03952%	0.00831%	1.04783%
2016 - 2017	1.00000%	0.03899%	0.00878%	1.04777%
2017 - 2018	1.00000%	0.03961%	0.00845%	1.04806%
2018 - 2019	1.00000%	0.03958%	0.00749%	1.04707%
2019 - 2020	1.00000%	0.03723%	0.00719%	1.04442%
2020 - 2021	1.00000%	0.03221%	0.01546%	1.04766%
2021 - 2022	1.00000%	0.03144%	0.01803%	1.04947%
2022 - 2023	1.00000%	0.02939%	0.01609%	1.04549%
2023 - 2024	1.00000%	0.03512%	0.01574%	1.05086%
2024 - 2025	1.00000%	0.03381%	0.01327%	1.04708%

Notes:

- (1) Rates shown represent a weighted average of the various kindergarten thru 12th grade schools and school district tax rate areas within the County.
- (2) Rates shown represent a weighted average of the Yuba College tax rates within the County.

COUNTY OF SUTTER
Principal Property Taxpayers(unaudited)
June 30, 2025 AND June 30, 2016 (in thousands)

In accordance with GASB Statement No. 44, the following tables present information for the county's principal property taxpayers as of June 30, 2025 and June 30, 2016.

June 30, 2025:

Taxpayers	Type of Business	(1)	Percentage of Total Taxable Assessed Value	(2)	Percentage of Total Secured Tax Levy Fiscal Year
		Net Assessed Secured Property Value		Total Secured Tax Levy Fiscal Year 2024-25	
Pacific Gas & Electric Co.	Utility	\$ 397,116	2.89%	\$ 3,971	2.41%
Sunsweet Growers Inc	Fruit Processor	95,304	0.69%	953	0.58%
CCFC Sutter Energy, LLC	Utility	80,600	0.59%	806	0.49%
Jen Holdco 23 LLC	Real Estate	57,142	0.42%	571	0.35%
ELVS LLC	Storage	46,494	0.34%	465	0.28%
Bains Properties LP	Real Estate	44,806	0.33%	448	0.27%
Sysco Food Srvs Sacramento Inc	Food Service	48,486	0.35%	485	0.29%
Pelger Road 1700 LLC	Agriculture	32,486	0.24%	325	0.20%
Miravista LLC	Consulting	37,520	0.27%	375	0.23%
Yuba City Hotel LP	Hotel	13,275	0.10%	133	0.08%

June 30, 2016:

Taxpayers	Type of Business	(1)	Percentage of Total Taxable Assessed Value	(2)	Percentage of Total Secured Tax Levy Fiscal Year
		Net Assessed Secured Property Value		Total Secured Tax Levy Fiscal Year 2015-16	
Pacific Gas & Electric Co.	Utility	\$ 221,428	2.54%	\$ 2,214	2.07%
Calpine Construction Finance	Utility	132,600	1.52%	1,326	1.24%
Sunsweet Growers Inc	Fruit Processor	73,392	0.84%	734	0.69%
Sysco Food Srvs Sacramento Inc	Food Service	46,975	0.54%	470	0.44%
CA Resources Production Corp	Utility	46,757	0.54%	468	0.44%
Miravista LLC	Consulting	33,600	0.38%	336	0.31%
Pacific Bell Telephone Company	Utility	32,869	0.38%	329	0.31%
Sutter Medical Foundation	Medical	32,312	0.37%	323	0.30%
Pelger Road 1700 LLC	Agriculture	27,989	0.32%	280	0.26%
Odysseus Farms	Agriculture	25,280	0.29%	253	0.24%

Total Property Tax

Notes:

- (1) Net Assessed Secured amount include Secured & Utility less exemptions.
See "Assessed Value of Taxable Property and Actual Value of Property" schedule for total assessed value.
- (2) Includes 1%, bonds, and fixed charges (Only Secured & Utility Tax Levy amounts).

COUNTY OF SUTTER
Property Tax Levies and Collections (unaudited)
Last Ten Fiscal Years (in thousands)

Property tax levies and collections for the last ten fiscal years are presented below.

Fiscal Year	(1) Taxes Levied	(2) Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2015 - 2016	\$ 106,781	\$ 105,692	98.98%	\$ 596	\$ 106,288	99.54%
2016 - 2017	110,786	109,893	99.19%	520	110,414	99.66%
2017 - 2018	117,052	116,091	99.18%	1,216	117,307	100.22%
2018 - 2019	123,510	121,260	98.18%	1,148	122,408	99.11%
2019 - 2020	127,148	125,697	98.86%	5	125,702	98.86%
2020 - 2021	132,217	123,167	93.16%	456	123,623	93.50%
2021 - 2022	137,058	122,298	89.23%	427	122,725	89.54%
2022 - 2023	146,079	139,211	95.30%	628	139,839	95.73%
2023 - 2024	157,686	149,986	95.12%	1042	151,028	95.78%
2024 - 2025	164,826	156,235	94.79%		156,235	94.79%

Notes:

- (1) Secured and Unitary tax levy for the County itself, school districts, cities, and special districts under the supervision of their own governing boards.
- (2) Included are amounts collected by the County on behalf of itself, school districts, cities, and special districts under the supervision of their own governing boards.

COUNTY OF SUTTER
Ratios of Outstanding Debt by Type (unaudited)
Last Ten Fiscal Years (in thousands)

Ratios of outstanding debt for governmental activities and business type activities for the last ten fiscal years are presented below.

Fiscal Year	Governmental Activities						Business-Type Activities				Percentage of Personal Income (2)	Per Capita (3)
	Certificates of Participation (1)	Lease Commitments (4)	SBITA Commitments (5)	Long-Term Liability	Liability for Self-Insurance	Compensated Absences	Lease Commitments	Long-Term Liability	Total Primary Government			
2015 - 2016	\$ -	\$ 9,370	\$ -	\$ -	\$ 720	\$ 5,826	\$ -	\$ 58	\$ 15,974	0.25%	\$165	
2016 - 2017	-	8,775	-	-	720	6,168	-	49	15,712	0.26%	162	
2017 - 2018	-	7,967	-	-	498	6,324	-	41	14,830	0.28%	153	
2018 - 2019	-	7,330	-	-	863	6,169	-	32	14,395	0.29%	148	
2019-2020	-	7,264	-	-	1,276	6,650	148	24	15,362	0.29%	152	
2020-2021	-	6,701	-	6,750	1,720	8,014	136	16	23,336	0.20%	230	
2021-2022	-	3,687	-	11,890	2,119	8,168	-	131	25,995	0.18%	262	
2022-2023	-	3,426	2,181	11,539	1,974	8,622	-	108	27,850	0.17%	281	
2023 - 2024	-	2,643	10,519	4,814	2,153	12,816	-	92	33,037	0.15%	332	
2024 - 2025	-	1,659	7,932	4,052	1,944	12,100	-	76	27,764	0.18%	277	

Notes:

- (1) Certificates of Participation are reported within the Capital Leases section on the Notes to the Financial Statements.
- (2) See the "Demographics and Economic Statistics: schedule for personal income and population data. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
- (3) See the "Demographics and Economics Statistics" schedule for population figures. Note that this ratio is calculated using population for the latest calendar year for each corresponding fiscal year.
- (4) FY 2021-2022 Implementation of GASB 87 - Leases; Energy Efficient Upgrade was reclassified from lease to long-term liability.
- (5) FY 2022-2023 Implementation of GASB 96 - Subscription-Based Information Technology Arrangements
- (6) FY 2024-2025 Implementation of GASB 101- Compensated Absences

COUNTY OF SUTTER
Computation of Legal Debt Margin (unaudited)
Last Ten Fiscal Years (in thousands)

The legal debt margin for the last ten fiscal years is presented below.

Fiscal Year	(1) Assessed Value	(2) Legal Debt Limit	Total Net Applicable Debt	(3) Legal Debt Margin	Legal Debt Margin/Debt Limit
2015 - 2016	\$8,727,797	\$109,097	-	\$109,097	100%
2016 - 2017	9,100,238	113,753	-	113,753	100%
2017 - 2018	9,516,609	118,958	-	118,958	100%
2018 - 2019	9,822,045	122,776	-	122,776	100%
2019 - 2020	10,363,230	129,540	-	129,540	100%
2020 - 2021	10,827,297	135,341	-	135,341	100%
2021 - 2022	11,254,871	140,686	-	140,686	100%
2022 - 2023	12,017,984	150,225	-	150,225	100%
2023 - 2024	12,920,674	161,508	-	161,508	100%
2024 - 2025	13,737,160	171,715	-	171,715	100%

Notes:

- (1) Property value data can be found in the "Assessed Value of Taxable Property and Actual Value of Property" schedule.
- (2) California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25% of the total full cash valuation.
- (3) The legal debt margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable to the legal debt limit.

COUNTY OF SUTTER
Direct and overlapping Bonded Debt (unaudited)
As of June 30, 2025

Direct and overlapping debt is provided below.

2024-2025 Assessed Valuation: \$ 13,737,160

	Percent Applicable	
	<u>(1)</u>	<u>Debt (2)</u>
Overlapping Tax and Assessment Debt:		
Sutter Community Service District	100%	\$ -
Yuba City Unified - 1999	100%	4,685,857
Yuba City Unified - 2004	100%	8,558,458
East Nicolaus High School - 2000	100%	80,000
East Nicolaus High School - 2014	100%	3,230,000
Live Oak Unified School District - 2004	100%	6,425,000
Live Oak Unified School District - 2016	100%	13,435,000
Franklin Elementary School - 2006	100%	2,265,000
Sutter High School - 2008	100%	17,149,808
Woodland Joint Unified School District - 1999	1.01%	121,843
Yuba Community College District	29.59%	52,363,216
Total Overlapping Tax and Assessment Debt		<u><u>\$ 108,314,182</u></u>

Notes:

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the County.
- (2) Debt as of June 30, 2025

COUNTY OF SUTTER
Demographics and Economic Statistics (unaudited)
Last Ten Fiscal Years (in thousands)

Demographic and economic data for the last ten years are presented below.

(1) <u>Year</u>	(2) <u>Population</u>	(3), (4) <u>Personal Income</u>	Per Capita <u>Personal Income</u>	(5) <u>School Enrollment</u>	(6) <u>Unemployment + Rate</u>
2016	96,614	\$ 4,013	\$ 41.5	21,693	12.0%
2017	96,919	4,116	42.5	22,633	11.2%
2018	97,238	4,221	43.4	23,690	9.3%
2019	97,490	4,329	44.4	24,813	9.6%
2020	100,750	4,440	44.1	23,308	8.7%
2021	101,289	4,554	45.0	23,695	10.4%
2022	99,145	4,671	47.1	24,444	8.7%
2023	98,952	4,790	48.4	24,463	8.8%
2024	99,431	4,913	49.4	24,764	8.6%
2025	100,257	5,039	50.3	25,420	8.8%

Detail of estimated population, as of January 1, 2025 (whole numbers):

(2) Incorporated Cities	
Live Oak	9,658
Yuba City	70,453
Total of Incorporated Cities	80,111
Total of Unincorporated Areas	20,146
Total Population	<u>100,257</u>

Notes:

- (1) Calendar year
- (2) Population as of January 1
- (3) Estimated amounts

Sources:

- (2) California Department of Finance
- (4) Bureau of Economic Analysis
- (5) California Department of Education
- (6) Employment Development Department Research Center

COUNTY OF SUTTER
Principal Employers (unaudited)
June 30, 2025 and June 30, 2016

The top ten employers in Sutter County for the fiscal years of 2014 and 2023 are presented below.

June 30, 2025

Company or Organization	Type of Business	Jobs	Percent of Total County Employment
Yuba City Unified School District	Education	1,540	3.55%
Sutter County	Government	1,026	2.36%
Legend Transportation, Inc	Transportation	800	1.84%
Sunsweet Growers Inc.	Fruit Processor	600	1.38%
Rush Personnel	Employment Services	520	1.20%
Sutter North Yuba City	Healthcare	475	1.09%
Sysco Sacramento, Inc.	Food Distribution	460	1.06%
Walmart - Yuba City	Retail	384	0.88%
City of Yuba City	Government	316	0.73%
Express Employment Professionals	Employment Services	315	0.73%

June 30, 2016

Company or Organization	Type of Business	Jobs	Percent of Total County Employment
Yuba City Unified School District	Education	1,393	3.42%
Sutter County - all departments	Government	919	2.26%
Sierra Gold Nurseries	Wholesale Tree Nursery	620	1.52%
Sunsweet Grower's Inc.	Food Processing	550	1.35%
Walmart - Yuba City	Retail	530	1.30%
City of Yuba City - All Depts	Government	482	1.18%
Sysco Foods	Food Distribution	420	1.03%
Holt of California	Construction Retail	250	0.61%
Home Depot	Retail	250	0.61%
Sam's Club	Retail	190	0.47%

Source:

Sutter County Economic Development Corporation

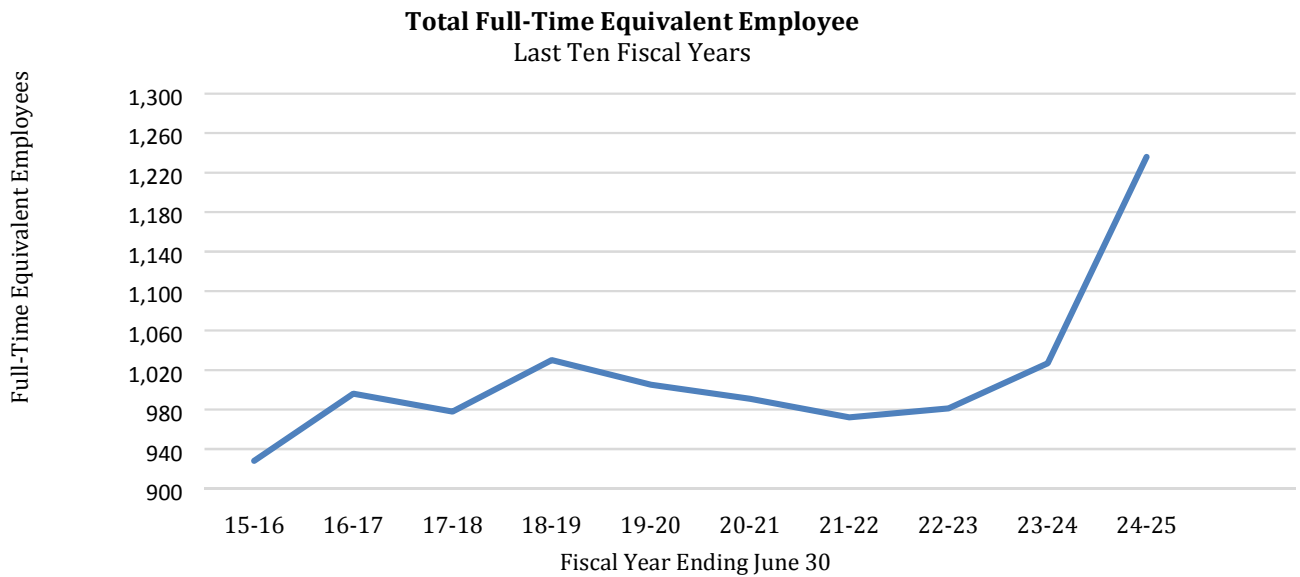
COUNTY OF SUTTER
County Employees by Function/Program (unaudited)
Last Ten Fiscal Years

The number of paid employees and actual full-time equivalent employees for the last ten fiscal years are presented below.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Paid Employees (1)										
General government	156	159	169	182	178	177	194	190	193	178
Public protection	394	401	433	403	411	400	409	427	420	492
Public ways and facilities	23	26	27	28	26	22	27	24	26	27
Health and sanitation	318	339	339	470	396	378	427	441	372	401
Public assistance	220	233	275	252	240	224	247	239	245	272
Education	20	21	21	24	20	19	24	30	33	30
Recreation and culture	8	5	6	5	4	3	4	5	6	6
Total County employees	1,139	1,184	1,270	1,364	1,275	1,223	1,332	1,356	1,295	1,406
Actual full-time equivalent employees (2)										
General government	133	141	135	146	144	150	147	150	137	163
Public protection	320	331	321	315	317	305	301	299	315	409
Public ways and facilities	21	22	21	21	24	21	22	24	24	25
Health and sanitation	258	279	271	321	293	299	294	290	304	359
Public assistance	173	202	208	206	205	196	187	194	218	248
Education	19	17	18	17	19	17	18	21	23	26
Recreation and culture	4	4	4	4	3	3	3	3	6	6
Total County employees	928	996	978	1,030	1,005	991	972	981	1,027	1,236

Note:

- (1) Paid employees: Count of employees paid, including terminated employees. Employees with more than one job will be counted once for each job the employee was paid.
- (2) Actual full-time equivalent employees: Count of number of full-time equivalents paid. For full-time and part-time, the full-time equivalent (FTE) is equal to total amount of payroll checks issued in the fiscal year divided by the number of pay periods in the fiscal year.



COUNTY OF SUTTER
Operating Indicators by Function/Program (unaudited)
Last Ten Fiscal Years

Selected operating indicators for Sutter County for each of its core functions are provided below.

Function/Program	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Public protection:										
Fire:										
Fire emergency responses (1)	2,250	2,398	2,555	2,297	2,391	2,545	2,913	2,991	2,983	2,870
Sheriff:										
Calls for service	42,004	39,491	39,883	40,316	43,768	44,875	38,812	39,091	42,180	42,945
Numbers of bookings (1)	4,444	4,323	4,565	4,694	3,986	2,620	4,328	4,299	4,399	4,274
Probation:										
Juvenile referrals received	336	295	289	174	202	130	135	124	148	177
Adult cases supervised	1,067	1,074	1,068	1,053	1,063	929	792	834	862	868
Adult reports completed for court	1,049	924	1,174	1,571	1,423	1,270	1,733	1,719	1,830	1,644
Juvenile cases supervised	76	55	48	42	35	43	45	43	32	36
Juvenile Hall/Camp Singer bookings	98	114	83	55	54	25	32	33	21	36
Child support:										
Established orders for child support (3)	4,199	4,178	4,044	3,959	3,686	3,482	3,417	3,348	2,973	2,967
Health and sanitation:										
Behavioral Health:										
S-Y Behavioral Health clients served	6,511	6,781	6,056	5,676	4,784	4,561	4,529	4,565	4,946	5,326
Public assistance:										
CalFresh Households (2)	5,812	5,635	5,365	5,057	5,588	5,768	6,400	7,213	8,002	8,607
Medi-Cal Households (2)	17,609	16,728	16,859	16,774	16,724	18,864	19,400	20,366	20,800	20,570

Note:

(1) Calendar year

(2) October of Calendar year

(3) Federal Fiscal Year

Sutter County Child Support regionalized effective January 2, 2021 with Colusa and Yolo Counties. See nongovernmental funds for additional information

COUNTY OF SUTTER
Capital Assets Operating Indicators by Function/Program (unaudited)
Last Ten Fiscal Years

Operating indicators specific to capital assets for the last ten fiscal years are presented below.

Function/Program	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
General government:										
Land (acreage)	262.83	262.83	262.83	262.83	264.83	278.23	282.95	280.04	280.04	280.04
Buildings	16	16	16	16	16	19	19	20	20	20
Vehicles	30	31	36	33	31	23	22	22	20	20
Equipment	186	195	216	214	181	118	117	113	112	112
Public protection:										
Land (acreage)	0.79	0.79	0.79	0.79	0.79	1.99	1.99	1.99	1.99	1.99
Fire Stations	2	2	2	2	2	2	4	4	4	4
Jail Facilities	1	1	1	1	1	1	2	4	4	4
Vehicles	129	138	127	114	143	146	140	141	161	159
Fire Trucks	13	12	10	10	9	9	9	9	9	9
Equipment	387	402	420	414	374	427	411	409	469	468
Public ways & facilities:										
Land (acreage)	165.24	165.24	165.24	184.5	179.9	178.7	178.7	178.7	178.7	178.7
Bridges	7	7	7	7	7	10	10	10	10	10
Vehicles	42	39	39	33	41	31	35	35	33	33
Equipment	200	206	219	218	158	116	123	123	107	107
Health & sanitation:										
Vehicles	32	32	34	32	42	49	52	55	53	53
Equipment	65	69	71	66	60	77	77	67	59	60
Public assistance:										
Vehicles	28	28	29	29	30	27	29	29	31	31
Equipment	33	34	36	36	28	29	29	21	22	22
Education:										
Libraries	3	3	3	3	3	3	3	3	3	3
Vehicles	5	6	6	5	4	4	5	6	3	3
Equipment	13	14	14	14	14	14	15	20	20	20
Others										
Recreation & cultural:										
Vehicles	0	0	0	0	0	0	0	0	0	0
Equipment	9	9	11	11	12	11	11	11	11	11

Notes:
Buildings include those that are capitalized but exclude real property that

Glossary

Glossary

Accounts payable – A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

Accounts receivable – An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

Accrual basis of accounting – The recording of the financial effects of a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Accumulated depreciation – A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

Active employees – Individuals employed at the end of the reporting or measurement period, as applicable.

Actuarial valuation – The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

Actuarial valuation date – The date as of which an actuarial valuation is performed.

Actuarially determined contribution – A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Advance from other funds – A liability account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **Due to other funds** and **Interfund receivable/payable**.

Advance to other funds – An asset account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See **Due from other funds** and **Interfund receivable/payable**.

Agent multiple-employer plan – Group of single-employer plans with pooled administrative and investment functions but separate actuarial valuations and contribution rates.

Amortization – The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

Annual OPEB cost – An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

Annual Required Contributions (ARC) – Term used in connection with other postemployment benefit plans to describe the amount an employer must contribute in a given year.

Appropriation – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

Assessed valuation – A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assigned fund balance – Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.

Auditor's report – In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

Balance sheet – The financial statement disclosing the assets, liabilities, and equity of an entity at a specified date in conformity with GAAP.

Basic Financial Statements (BFS) – The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: governmentwide financial statements, fund financial statements, and notes to the financial statements.

Basis of accounting – A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

Beneficial interest – The right to a portion of the benefits from donated resources pursuant to a split-interest agreement in which the donor enters into a trust or other legally enforceable agreement with characteristics that are equivalent to a split-interest agreement and transfers the resources to an intermediary.

Budget – A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

Budgetary control – The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Business-type activities – One of two classes of activities reported in the governmentwide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The activities are usually reported in enterprise funds.

Capital assets – Long-lived assets obtained or controlled as a result of past transactions, events, or circumstances. Capital assets include equipment, buildings, and improvements other than buildings; land; infrastructure; and intangible assets. In the private sector, these assets are referred to most often as property, plant and equipment, and intangible assets.

Capital expenditures – Expenditures resulting in the acquisition of or addition to the government’s general capital assets.

Capitalization policy – The criteria used by a government to determine which outlays should be reported as capital assets.

Capital lease – An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See **Lease-purchase agreements**.

Capital projects fund – A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Cash basis of accounting – A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Cash with fiscal agent – An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

Certificate of achievement for excellence in financial reporting program – A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFRs/Component Unit Financial Reports (CUFRs) and to provide technical assistance and peer recognition to the finance officers preparing them.

Change in the fair value of investments – The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

Closed amortization period – Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

Collective deferred outflows of resources and deferred inflows of resources related to pensions – Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective net pension liability.

Collective net pension liability – The net pension liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.

Collective pension expense – Pension expense arising from certain changes in the collective net pension liability.

Collective total pension liability – The total pension liability for benefits provided through (a) a pension plan that is used to provide pensions to the employees of a primary government and its component units or (b) a pension plan in circumstances in which there is a special funding situation.

Committed fund balance – Amounts that can only be used for specific purposes determined by formal action of the County’s highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Compensated absences – Absences, such as vacation, illness, and holidays, for which it is expected employees, will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation, or other long-term fringe benefits, such as group insurance and long-term disability pay.

Comprehensive Annual Financial Report (CAFR) – A CAFR is a financial report that encompasses all funds and component units of the government. It contains (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. It is the governmental unit’s official annual report and it also contains introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

Contingent liability – Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

Contribution deficiencies – The difference between the annual required contributions (ARC) of the employer(s), and the employer’s actual contributions in relation to the ARC.

Contributions – Additions to a pension plan’s fiduciary net position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.

Cost-of-living adjustments – Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

Cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) – A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

Covered payroll – Term used in connection with defined benefit pension and other postemployment benefit plans to describe all elements of annual compensation paid to active employees on which contributions to a plan are based.

Current financial resources measurement focus – Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

Custodial fund – A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

Debt – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

Debt service fund – A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deferred charges – Expenditures that are not chargeable to the fiscal period in which they were made but that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g., bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

Deficit – (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

Defined benefit OPEB plan – Plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums.)

Defined benefit pension plan – Pension plans that are used to provide defined benefit pensions.

Defined benefit pensions – Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation.

Depreciation – (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Discount rate – A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Due from other funds – An asset account reflecting amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open accounts, not interfund loans.

Due to other funds – A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

Economic resources measurement focus – Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for governmentwide financial reporting. It is also used by business enterprises in the private sector.

Employer's contributions – Contributions made in relation to the annual required contributions of the employer (ARC). An employer has made a contribution in relation to the ARC if the employer has (a) made payments of benefits directly to or on behalf of a retiree or beneficiary, (b) made premium payments to an insurer, or (c) irrevocably transferred assets to a trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

Encumbrances – Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Enterprise fund – Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

Entry age actuarial cost method – A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the *normal cost*. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the *actuarial accrued liability*.

Exchange-like transaction – Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

Expenditures – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, and capital outlays, and intergovernmental grants, entitlement, and shared revenues.

Expenditure-driven grants – Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

Expenses – Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the entity's ongoing major or central operations.

External auditors – Independent auditors typically engaged to conduct an audit of a government's financial statements.

External investment pool – An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsor's reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

Fair value – The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fiduciary funds – The trust and custodial funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds.

Financial resources – Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables or investments). Financial resources may also include inventories and prepaids (because they obviate the need to expend current available resources).

Fiscal agent – A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

Fund – A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

Fund balance – The difference between fund assets and fund liabilities of governmental and similar trust funds.

Fund financial statements – Basic financial statements presented on the basis of funds. Term used in contrast with *governmentwide financial statements*.

Fund type – Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and custodial.

Funding policy – The program for the amounts and timing of contributions to be made by plan members, employer(s), and other contributing entities (for example, state government contributions to a local government plan) to provide the benefits specified by an OPEB plan.

General fund – The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

General revenues – All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax (e.g., property tax, sales tax, and transient occupancy tax). All other nontax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

Generally Accepted Accounting Principle (GAAP) – The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local governments are set forth by Statement of Accounting Standards (SAS) No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles" in the Independent Auditor's Report*.

Government Finance Officers Association (GFOA) – An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

Governmental accounting – The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.

Governmental Accounting Standards Board (GASB) – The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

Governmental activities – Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental funds – Funds generally used to account for tax-supported activities. The five different types of governmental funds are as follows: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Governmentwide financial statements – Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic governmentwide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Improvement – An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

Inactive employees – Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

Indirect expenses – Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

Infrastructure – Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Interfund receivable/payable – Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

Interfund transfers – Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

Intermediary – The trustee, fiscal agent, government, or any other legal or natural person that is holding and administering donated resources pursuant to a split-interest agreement. An intermediary is not required to be a third party.

Internal service fund – A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

Irrevocable split-interest agreement – A split-interest agreement in which the donor has not reserved, or conferred to another person, the right to terminate the agreement at will and have the assets returned to the donor or a third party.

Joint venture – A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

Lapse – As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

Lead interest – A type of beneficial interest that confers the right to receive all or a portion of the benefits of resources during the term of a split-interest agreement.

Lease-purchase agreements – Contractual agreements that are termed leases, but that in substance are purchase contracts.

Legal level of budgetary control – The level at which spending in excess of budgeted amounts would be a violation of law.

Level of budgetary control – The level at which a government's management may not reallocate resources without special approval from the legislative body.

Level percentage of projected payroll amortization method – Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

Liabilities – Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Life-contingent term – A term specifying that the termination of a split-interest agreement is contingent upon the occurrence of a specified event, commonly the death of either the donor or other lead interest beneficiary.

Loans receivable – An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

Major fund – A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

Management's Discussion and Analysis (MD&A) – A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the governments' financial activities.

Measurement focus – A way of presenting an entity's financial performance and position by considering which *resources* are measured (financial or economic) and *when* the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of governmentwide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

Measurement period – The period between the prior and the current measurement dates.

Modified accrual basis of accounting – The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

Multiple-employer defined benefit pension plan – A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

Net investment in capital assets – One of three components of net position that must be reported in both governmentwide and proprietary fund financial statements. Related debt, for this purpose, includes the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition construction, or improvement of capital assets of the government.

Net OPEB obligation – In the context of defined benefit pension and other postemployment benefit plans, the cumulative difference between annual pension cost and the employer's contributions to the plan, including the pension/OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to pension-related/OPEB-related debt.

Net pension liability – The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

Nonspendable fund balance – Amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Other financing sources – An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

Other financing uses – A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of other financing uses category is limited to items so classified by GAAP.

Other Postemployment Benefits (OPEB) – Benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as postemployment healthcare benefits paid in the period after employment (if any), regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits or termination payments for sick leave.

Overlapping debt – The proportionate share that property within a government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments receivable, which will be used wholly or in part for this purpose.

Pay-as-you-go – a method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

Payroll growth rate – an actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

Pension benefits – Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except health care benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan.

Pension plans – Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

Pensions – Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.

Period-certain term – A term specifying that the termination of a split-interest agreement occurs after a specified period. (For example, a number of years.)

Plan members – Individuals that are covered under the terms of a pension plan. Plan members generally include (a) employees in active service (active plan members) and (b) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

Postemployment – The period after employment.

Postemployment benefit changes – Adjustments to the pension of an inactive employee.

Postemployment healthcare benefits – Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.

Projected benefit payments – All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

Program revenues – Term used in connection with the governmentwide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

Projected benefit payments – All benefit estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

Proprietary funds – Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Real rate of return – The rate of return on an investment after adjustment to eliminate inflation.

Rebatable arbitrage – A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

Remainder interest – A type of beneficial interest that confers the right to receive all or a portion of the resources remaining at the end of a split-interest agreement's term.

Reporting entity – The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

Required supplementary information – Consists of statements, schedules, statistical data, or other information that according to the GASB is necessary to supplement, although not required to be a part of, the basic financial statements.

Restricted assets – Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restricted fund balance – Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restricted net position – A component of net position calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

Retained earnings – An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

Revenue bonds – Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Risk management – All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

Self-insurance – A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

Service costs – The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

Service life – The average remaining years of service of all members of the retirement plan (both current employees and retirees).

Single audit – An audit performed in accordance with *Title 2 U.S. Code of Federal Regulations*. The Single Audit allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

Special district – An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent on enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, cemetery districts, transit authorities, port authorities, and electric power authorities.

Special revenue fund – A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Split-interest agreement – An agreement in which the donor enters into a trust or other legally enforceable agreement (with characteristics that are equivalent to a split-interest agreement) under which the donor transfers resources to an intermediary to administer for the benefit of at least two beneficiaries, one of which could be a government.

Substantive plan – Terms of an OPEB plan as understood by the employer(s) and plan members.

Tax and Revenue Anticipation Notes (TRAN) – Notes issued in anticipation of the collection of taxes and revenues, usually retriabable only from tax collections, and frequently only from the proceeds of the tax and revenue levy whose collection they anticipate.

Termination benefits – Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

Total pension liability – The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

Trust funds – Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

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

Unconditional benefit – A right belonging to the government that cannot be taken away without the government's consent, such as an unconditional beneficial interest.

Unearned revenues – Resource inflows that do not yet meet the criteria for revenue recognition. In governmental funds, earned amounts also are reported as unearned revenue until they are available to liquidate liabilities of the current period.

Unmodified opinion – An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

Unrestricted net position – That portion of net position that is neither restricted nor invested in capital assets (net of related debt).

Variance power – The unilateral power to redirect the benefit of the transferred resources to another beneficiary, overriding the donor's instructions. This transfer would occur without the approval of the donor, specified beneficiaries, or any other interested party.





COUNTY OF SUTTER, CALIFORNIA

FOR THE YEAR ENDED JUNE 30, 2025

SINGLE AUDIT REPORT

Focused
on YOU



COUNTY OF SUTTER, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2025

COUNTY OF SUTTER, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors and Grand Jury
County of Sutter, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sutter, California (hereafter, the County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Board of Supervisors and Grand Jury
County of Sutter, California

County of Sutter, California's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LSL, LLP

Sacramento, California
March 31, 2026



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Supervisors and Grand Jury
County of Sutter, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Sutter, California (hereafter, the County)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2025. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.



To the Board of Supervisors and Grant Jury
County of Sutter, California

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



To the Board of Supervisors and Grant Jury
County of Sutter, California

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 31, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

LSL, LLP

Sacramento, California
March 31, 2026

COUNTY OF SUTTER, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Entity Unique Identifier Number</i>	<i>Total Federal Expenditures</i>
U.S. Department of Agriculture			
Passed Through State of California Department of Public Health SNAP Cluster			
Supplemental Nutrition Assistance Program	10.551	KD2JSY6LNMW7	\$ 120,050
Total SNAP Cluster			120,050
Special Supplemental Nutrition Programs for Women, Infants, & Children *	10.557	KD2JSY6LNMW7	996,176
Passed Through State of California Department of Food and Agriculture Cooperative Forestry Assistance	10.664	HHPESLCJ4381	75,191
Total U.S. Department of Agriculture			1,191,417
U. S. Department of Housing and Urban Development			
Passed Through State of California Department of Housing and Community Development Community Development Block Grants (Beginning Loans Balance)	14.228	L4JQPJ7N5NT4	1,178,196
Passed Through Home Investments Partnerships Program 2010 HOME Program (Beginning Loans Balance)	14.239	N/A	21,330
Total U.S. Department of Housing and Urban Development			1,199,526
U.S. Department of Justice			
Direct			
Organized Crime Drug Enforcement Task Forces	16.000	N/A	2,992
State Criminal Alien Assistance Program	16.606	N/A	54,736
Bulletproof Vest Partnership	16.607	N/A	7,650
Total U.S. Department of Justice			65,378
U.S. Department of Transportation			
Direct			
Highway Safety Cluster			
State and Community Highway Safety	20.600	T1CSSJGRW1M1	57,122
Total Highway Safety Cluster			57,122
Passed Through State of California Federal Aviation Administration Airport Improvement Program	20.106	N5VKWJAJBTG1	10,000
Highway Planning and Construction	20.205	EHEGWCLJEVJ4	429,002
Total U.S. Department of Transportation			496,124
U.S. Department of Treasury			
Passed Through State of California Treasurer's Office Coronavirus State and Local Fiscal Recovery Funds *	21.027	NUDGYLBB4S99	3,248,791
Total U.S. Department of Treasury			3,248,791
U.S. Department of Education			
Passed Through State of California Department of Education Adult Education - Basic Grants to States	84.002A	HWECEY7CDW9Y7	209,831
Total U.S. Department of Education			209,831

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

COUNTY OF SUTTER, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Entity Unique Identifier Number</i>	<i>Total Federal Expenditures</i>
U.S. Department of Health and Human Services			
477 Cluster			
Passed Through State of California Department of Public Health Community Services Block Grant	93.569	KD2JSY6LNMW7	10,610
Passed Through State of California Department of Social Services Temporary Assistance for Needy Families *	93.558	LDJ1MM9L56K7	<u>7,923,966</u>
Total 477 Cluster			7,934,576
Medicaid Cluster			
Passed Through State of California Department of Public Health Medical Assistance Program (Total Medical Assistance Program \$810,699)	93.778	JE73CDQUAPA7	295,781
Passed Through State of California Department of Social Services Medical Assistance Program (Total Medical Assistance Program \$810,699)	93.778	LDJ1MM9L56K7	<u>514,918</u>
Total Medicaid Cluster			810,699
Passed Through State of California Department of Public Health Special Projects of Regional and National Significance	93.110	KD2JSY6LNMW7	142,510
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	KD2JSY6LNMW7	17,101
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	KD2JSY6LNMW7	12,166
Immunization Cooperative Agreements	93.268	KD2JSY6LNMW7	565,297
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	KD2JSY6LNMW7	653,062
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	KD2JSY6LNMW7	59,156
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	KD2JSY6LNMW7	11,900
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	KD2JSY6LNMW7	92,197
National Bioterrorism Hospital Preparedness Program	93.889	KD2JSY6LNMW7	165,612
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	CXVUVFANSLH3	4,171
Passed Through State of California Department of Health Care Services Project for Assistance in Transition for Homelessness (PATH)	93.150	JE73CDQUAPA7	83,283
Block Grants for Community Mental Health Services	93.958	JE73CDQUAPA7	519,662
Passed Through State of California Department of Social Services Guardianship Assistance	93.090	LDJ1MM9L56K7	29,990
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	LDJ1MM9L56K7	459,844
Foster Care Title IV-E	93.658	LDJ1MM9L56K7	8,973,014
Adoption Assistance	93.659	LDJ1MM9L56K7	3,816,140
Passed Through State of California Work Opportunity and Responsibility to Kids Maternal, Infant, and Early Childhood Home Visiting Grant	93.870	Not Available	203,525
Passed Through State of California Department of Alcohol and Drug Program Block Grants for Prevention and Treatment of Substance Abuse *	93.959	Not Available	<u>1,242,941</u>
Total U.S. Department of Health and Human Services			<u>25,796,846</u>
U.S. Department of Homeland Security			
Direct			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	73,546
Passed Through California Governor's Office of Emergency Services Emergency Management Performance Grant	97.042	UTM3S7LKYQZ4	144,622
Homeland Security Grant Program	97.067	UTM3S7LKYQZ4	<u>38,736</u>
Total U.S. Department of Homeland Security			<u>256,904</u>
Total Expenditures of Federal Awards			<u>\$ 32,464,817</u>

* Major Program

¹ There was no federal awards expended in the form of noncash assistance and insurance in effect during the year.

² The amount provided to subrecipients during the year was \$0.

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

COUNTY OF SUTTER, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Scope of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County of Sutter, California (the "County") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the County becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2: MEDICAID CLUSTER

Except for Medi-Cal administrative expenditures, Medicaid (Medi-Cal) and Medicare program expenditures are excluded from the Schedule. These expenditures represent fees for services; therefore, neither is considered a federal award program of the County for purposes of the Schedule or in determining major programs. The County assists the State of California in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the Schedule as they do not represent fees for services.

NOTE 3: LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The following schedule presents the amount of outstanding loans receivable by Assistance Listing number. All loans with continuing compliance requirements are included on the accompanying Schedule. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule.

The balance of loans outstanding at June 30, 2025, consists of:

Assistance Listing No.	Federal Program	Outstanding Loans at June 30, 2025
14.228	Community Development Block Grants	\$ 1,179,896
14.239	2010 Home Program	21,330
	Total	<u>\$ 1,201,226</u>

COUNTY OF SUTTER, CALIFORNIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified? yes none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between type A and type B program \$973,945

Auditee qualified as low-risk auditee? yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

Reference Number: 2025-001

Reconciliation of Cash, Legacy Balances and Outstanding Checks

Material Weakness

Condition

During the implementation of a new accounting system in fiscal year 2024, outstanding payments were not fully reconciled and carried forward from the prior accounting system. Specifically, a reconciling difference of \$261,878, exists for an outstanding check that was cleared in the prior accounting system but has not been recorded as cleared in new system.

In addition, during our testwork, it was noted that certain treasury cash reconciliations were not completed within 60 days of month end. Specifically, the reconciliations selected for testing for the months of September 2024, December 2024 and March 2025, were not completed until August of 2025.

Criteria

Management is responsible for establishing and maintaining effective internal controls over financial reporting, including timely and accurate reconciliation of cash balances and outstanding checks to ensure cash is properly stated and reconciling items are identified, supported, and resolved in accordance with generally accepted accounting principles (GAAP).

Cause

This condition appears to be due to insufficient historical documentation, incomplete reconciliation records from the legacy system, and the absence of a formalized reconciliation and resolution plan during the system conversion process. Additionally, management review controls over legacy cash balances during implementation were not adequately designed or executed.

Effect or Potential Effect

As a result of these conditions, reconciliations and the resolution of reconciling items were not addressed timely. While no audit adjustments have been proposed for these item, not completing cash reconciliations in a timely manner increases the possibility that a material misstatement of the financial statements could occur and not be prevented or detected.

Repeat Finding

Yes

Recommendation

We recommend that management develop and implement formal procedures to timely reconcile and resolve cash balances and outstanding checks, including researching historical transactions, establishing criteria for voiding or reclassifying stale items, and documenting management approval of all resolutions.

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Management's Response

Legacy Balances and Outstanding Checks

In FY 23-24, the reconciliation for outstanding checks from legacy system was performed by matching the check numbers in the system and the check number of payments that cleared the bank. Since the bank misread the check number of this specific payment and reflected the erroneous check number in the bank statement lines, the reconciliation was not able to include this payment as a paid item. Therefore, the payment remained outstanding in the system. This was resolved in FY 24-25 reconciliation by manually reconciling residual outstanding check balances from the legacy system.

Proposed Completion Date

March 31, 2026.

Reconciliation of Cash Balances

The County Administrator and the Auditor-Controller will work with the Treasurer to establish a procedure for timely bank statement reconciliation and resolution of any discrepancies to improve control over cash. The procedure will be streamlined with monthly closing.

Proposed Completion Date

Ongoing.

Name of Contact Person

Nathan Black, Auditor-Controller

COUNTY OF SUTTER, CALIFORNIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Reference Number: 2025-002

Accrued Expenditures
Significant Deficiency

Condition

An accounts payable error was identified during the audit team's search for unrecorded liabilities testing. This procedure resulted in the identification of an invoice that had not been recorded in accounts payable in the financial statements at June 30, 2025.

Criteria

Management is responsible for setting up and keeping effective internal controls over financial reporting. This includes procedures to make sure important invoices are properly reviewed, approved, and recorded in the right accounting period according to generally accepted accounting principles (GAAP).

Cause

This situation may stem from areas where review procedures can be improved, especially relating to identifying and recording expenses and accruals at the end of the fiscal year, particularly during the May and June closing period.

Effect or Potential Effect

A \$229,500 adjustment was made to accurately report payables in the General Fund at June 30, 2025.

Repeat Finding

No

Recommendation

We recommend that management evaluate controls surrounding cutoff rules for evaluating invoices at year end, to improve the year-end accrual process and ensure all significant items are captured and correctly reported in the financial statements.

Management's Response

The County agrees with the finding. The County notes that this issue was associated with a unique set of circumstances during the implementation of the Growth Cap program for State Felony Incompetent to Stand Trial (IST). Limited upfront state funding and technical support, combined with a short turnaround time, created operational challenges during the fiscal year close period. As such, this situation is not reflective of typical year-end processes.

Nonetheless, the County recognizes the importance of reinforcing year-end cutoff procedures to ensure consistent application across all programs. To address this, management has implemented the following:

- Refined and formalized cutoff procedures with clear guidance and timelines for identifying and recording year-end accruals,
- Enhanced supervisory review of significant invoices and accruals to support proper period recognition,
- Continue to provide training to the Departments on year-end reviews and proper accruals of expenditures and related liabilities at year-end, and
- Staff training on year-end close and accrual requirements.

Proposed Completion Date

June 30, 2026.

Name of Contact Person

Nathan Black, Auditor-Controller

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

COUNTY OF SUTTER



NATHAN M. BLACK, CPA
AUDITOR-CONTROLLER

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Finding: 2024-001: Financial Reporting

This item was corrected as of June 30, 2025

Finding: 2024-002: Grant Reconciliation

This item was corrected as of June 30, 2025

Finding: 2024-003: Delays in Financial Reporting

This item was corrected as of June 30, 2025

Finding: 2024-004: Loan Compliance

This item was corrected as of June 30, 2025

COUNTY OF SUTTER



NATHAN M. BLACK, CPA

AUDITOR-CONTROLLER

CORRECTIVE ACTION PLAN

Reference Number

2025-001 – Reconciliation of Cash Balances, Legacy Balances and Outstanding Checks

Name of Contact Person

Nathan Black, Auditor-Controller

Management's Response and Corrective Action

Legacy Balances and Outstanding Checks

In FY 23-24, the reconciliation for outstanding checks from legacy system was performed by matching the check numbers in the system and the check number of payments that cleared the bank. Since the bank misread the check number of this specific payment and reflected the erroneous check number in the bank statement lines, the reconciliation was not able to include this payment as a paid item. Therefore, the payment remained outstanding in the system. This was resolved in FY 24-25 reconciliation by manually reconciling residual outstanding check balances from the legacy system.

Proposed Completion Date

March 31, 2026.

Reconciliation of Cash Balances

The County Administrator and the Auditor-Controller will work with the Treasurer to establish a procedure for timely bank statement reconciliation and resolution of any discrepancies to improve control over cash. The procedure will be streamlined with monthly closing.

Proposed Completion Date

Ongoing.

Reference Number

2025-002 – Accrued Expenditures

Name of Contact Person

Nathan Black, Auditor-Controller

Corrective Action

The County agrees with the finding. The County notes that this issue was associated with a unique set of circumstances during the implementation of the Growth Cap program for State Felony Incompetent to Stand Trial (IST). Limited upfront state funding and technical support, combined with a short turnaround time, created operational challenges during the fiscal year close period. As such, this situation is not reflective of typical year-end processes.

Nonetheless, the County recognizes the importance of reinforcing year-end cutoff procedures to ensure consistent application across all programs. To address this, management has implemented the following:

- Refined and formalized cutoff procedures with clear guidance and timelines for identifying and recording year-end accruals,
- Enhanced supervisory review of significant invoices and accruals to support proper period recognition,
- Continue to provide training to the Departments on year-end reviews and proper accruals of expenditures and related liabilities at year-end, and
- Staff training on year-end close and accrual requirements.

Proposed Completion Date

June 30, 2026.