

**COUNTY OF HUMBOLDT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**



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**COUNTY OF HUMBOLDT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024**

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

Management's Discussion and Analysis	5
--------------------------------------	---

Basic Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Budgetary Comparison Schedule

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

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

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

**COUNTY OF HUMBOLDT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Combining Balance Sheet 75

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

Internal Service Funds

Combining Statement of Net Position 79

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

Combining Statement of Cash Flows 83

Insurance Funds

Combining Schedule of Net Position 87

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

Combining Schedule of Cash Flows 93

INTRODUCTORY SECTION

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**COUNTY OF HUMBOLDT
DIRECTORY OF PUBLIC OFFICIALS
JUNE 30, 2024**

**BOARD OF SUPERVISORS
(as of June 30, 2024)**

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

FINANCE ADMINISTRATORS

<u>Name</u>	<u>Office</u>
Elishia Hayes	County Administrative Officer
Mychal Evenson	Auditor/Controller
Amy Christensen	Treasurer/Tax Collector

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Board of Supervisors
County of Humboldt
Eureka, California

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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

Summary of Opinions

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

Adverse Opinion Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of Discretely Presented Component Unit of the County of Humboldt, as of June 30, 2024, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, Business-Type Activities, each Major Fund, and the Aggregate Remaining Fund Information of the County of Humboldt, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on the Discretely Presented Component Unit

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Honorable Board of Supervisors
County of Humboldt

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
November 26, 2025

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

Within this section of Humboldt County's annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here in conjunction with the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, does not include separately reported component units.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded liabilities and deferred inflows at the close of the fiscal year ended June 30, 2024 by \$308.8 million (*net position*). Net position of \$185.7 million are restricted for specific purposes (*restricted net position*), and \$376.6 million represents net investment in capital assets. Unrestricted net position was a negative \$250.9 million, primarily due to the County's long-term net pension and OPEB liabilities. The government's total net position increased by \$33.5 million in comparison with the prior year.
- The County's net investment in capital assets, increased by \$24.3 million.
- The County's governmental funds reported combined fund balances of \$154.6 million, a decrease of \$6.4 million in comparison with the prior year. The unassigned portion of those fund balances was a negative \$35.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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

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

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

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

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

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

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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

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

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

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

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

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

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, combined assets and deferred outflows exceeded liabilities and deferred inflows by \$308.8 million at the close of the most recent fiscal year. Of this combined net position, \$376.6 million reflects the County's net investment in capital assets. Another \$183.2 million of the County's net position is subject to external restrictions on how they may be used. The unrestricted portion of net position is negative due to the net pension and net OPEB liabilities presentation requirements of GASB Statements Nos. 68 and 75, respectively.

The County's Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Current and Other Assets	\$ 331,930,952	\$ 315,604,069	\$ 4,370,789	\$ 6,137,190	\$ 336,301,741	\$ 321,741,259
Capital Assets	372,619,177	364,730,367	51,094,670	36,106,793	423,713,847	400,837,160
Total Assets	<u>704,550,129</u>	<u>680,334,436</u>	<u>55,465,459</u>	<u>42,243,983</u>	<u>760,015,588</u>	<u>722,578,419</u>
Deferred Outflows of Resources:						
Deferred Pension	104,120,436	107,801,576	837,072	845,696	104,957,508	108,647,272
Deferred OPEB	12,286,016	8,566,038	-	-	12,286,016	8,566,038
Total Deferred Outflows	<u>116,406,452</u>	<u>116,367,614</u>	<u>837,072</u>	<u>845,696</u>	<u>117,243,524</u>	<u>117,213,310</u>
Current Liabilities	91,445,477	101,604,155	2,448,445	1,783,780	93,893,922	103,387,935
Long-Term Liabilities	449,944,943	433,965,130	3,184,044	2,983,579	453,128,987	436,948,709
Total Liabilities	<u>541,390,420</u>	<u>535,569,285</u>	<u>5,632,489</u>	<u>4,767,359</u>	<u>547,022,909</u>	<u>540,336,644</u>
Deferred Inflows of Resources:						
Deferred Pension	3,895,714	6,658,008	34,565	58,217	3,930,279	6,716,225
Deferred OPEB	17,387,504	17,300,056	-	-	17,387,504	17,300,056
Deferred Leases	73,814	86,810	12,496	18,049	86,310	104,859
Total Deferred Inflows	<u>21,357,032</u>	<u>24,044,874</u>	<u>47,061</u>	<u>76,266</u>	<u>21,404,093</u>	<u>24,121,140</u>
Net Investment in Capital Assets	327,752,106	317,864,471	48,855,415	34,484,039	376,607,521	352,348,510
Restricted	183,201,491	168,504,663	-	-	183,201,491	168,504,663
Unrestricted	<u>(252,744,468)</u>	<u>(249,281,243)</u>	<u>1,767,566</u>	<u>3,762,015</u>	<u>(250,976,902)</u>	<u>(245,519,228)</u>
Total Net Position	<u>\$ 258,209,129</u>	<u>\$ 237,087,891</u>	<u>\$ 50,622,981</u>	<u>\$ 38,246,054</u>	<u>\$ 308,832,110</u>	<u>\$ 275,333,945</u>

A significant portion of the County's net position, \$376.6 million, reflects the amount invested in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the County's net position, \$183.2 million, represents resources that are subject to external restrictions by grantors and other governments on how they may be used.

The unrestricted portion of the County's net position due to governmental activities is a negative \$250.9 million primarily due to the classification of long-term pension and OPEB liabilities to the unrestricted category. These liabilities are required by accounting standards in order to communicate to potential lenders and the public the potential liability the County bears for future retiree expenses. These liabilities accumulate over several years as part of the County's employment agreements.

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Revenues						
Program Revenues:						
Fees, Fines, and Charges for Services	\$ 36,535,215	\$ 57,787,193	\$ 2,792,949	\$ 3,395,103	\$ 39,328,164	\$ 61,182,296
Operating Grants/Contributions	353,765,363	302,234,544	17,530,072	11,491,650	371,295,435	313,726,194
Capital Grants/Contributions	4,692,017	2,786,084	62,044	-	4,754,061	2,786,084
General Revenues:						
Property Taxes	41,104,309	40,645,303	-	-	41,104,309	40,645,303
Sales Taxes	21,301,220	18,612,296	-	-	21,301,220	18,612,296
Transient Occupancy Tax	5,805,685	3,553,956	-	-	5,805,685	3,553,956
Property Taxes In Lieu of MVLF	23,282,431	22,089,672	-	-	23,282,431	22,089,672
Other Taxes	8,063,540	7,013,441	-	-	8,063,540	7,013,441
Interest and Investment Income	9,840,649	4,278,339	1,072,023	(36,717)	10,912,672	4,241,622
Other	8,431,762	3,737,087	11,930	262,646	8,443,692	3,999,733
Total Revenues	512,822,191	462,737,915	21,469,018	15,112,682	534,291,209	477,850,597
Expenses						
General Government	26,135,387	21,584,069	-	-	26,135,387	21,584,069
Public Protection	141,627,001	140,527,650	-	-	141,627,001	140,527,650
Public Ways and Facilities	42,799,478	27,979,940	-	-	42,799,478	27,979,940
Health and Sanitation	109,019,395	103,194,696	-	-	109,019,395	103,194,696
Public Assistance	165,382,376	149,549,018	-	-	165,382,376	149,549,018
Education	5,276,399	4,938,292	-	-	5,276,399	4,938,292
Recreation and Cultural Services	1,535,790	1,648,245	-	-	1,535,790	1,648,245
Interest and Long-Term Debt	-	42,995	-	-	-	42,995
Aviation	-	-	9,017,218	9,590,376	9,017,218	9,590,376
Total Expenses	491,775,826	449,464,905	9,017,218	9,590,376	500,793,044	459,055,281
Increase (Decrease) in Net Position Before Transfers	21,046,365	13,273,010	12,451,800	5,522,306	33,498,165	18,795,316
Transfers	74,873	74,205	(74,873)	(74,205)	-	-
Change in Net Position	21,121,238	13,347,215	12,376,927	5,448,101	33,498,165	18,795,316
Net Position - Beginning	237,087,891	223,740,676	38,246,054	32,797,953	275,333,945	256,538,629
Net Position - Ending	\$ 258,209,129	\$ 237,087,891	\$ 50,622,981	\$ 38,246,054	\$ 308,832,110	\$ 275,333,945

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

At June 30, 2024, the County's governmental funds reported combined fund balances of \$154.6 million. Of these combined fund balances, negative \$35.5 million constitutes unassigned fund balance, which is available to meet the County's current and future needs. The restricted fund balance, \$153.2 million consists of amounts with constraints imposed on their use by external creditors, grantors, laws, regulations, or enabling legislation. The County also reports nonspendable fund balance of \$372,648 and assigned fund balance of \$36.4 million which are described in the footnotes.

The General Fund is the chief operating fund of the County. At June 30, 2024, unassigned fund balance was negative \$27.3 million, while total fund balance was \$131.1 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents negative 6.48% of total General Fund expenditures, while the total fund balance represents 31.12% of total General Fund expenditures.

The Headwaters Mitigation Fund has a total fund balance of \$18.5 million, all of which is restricted for economic development. The overall fund balance increased by \$560,057 during the current fiscal year.

The Road Fund has a total fund balance of negative \$7.6 million. The overall fund balance decreased by \$2.8 million during the current fiscal year due to project expenditures exceeding total revenue.

The County's management also assigns (earmarks) unrestricted fund balance to a particular function, project, or activity. Fund balance may also be assigned for purposes beyond the current year. However, assigned fund balance is available for appropriation at any time. The County has assigned fund balance of \$36.4 million in the General Fund.

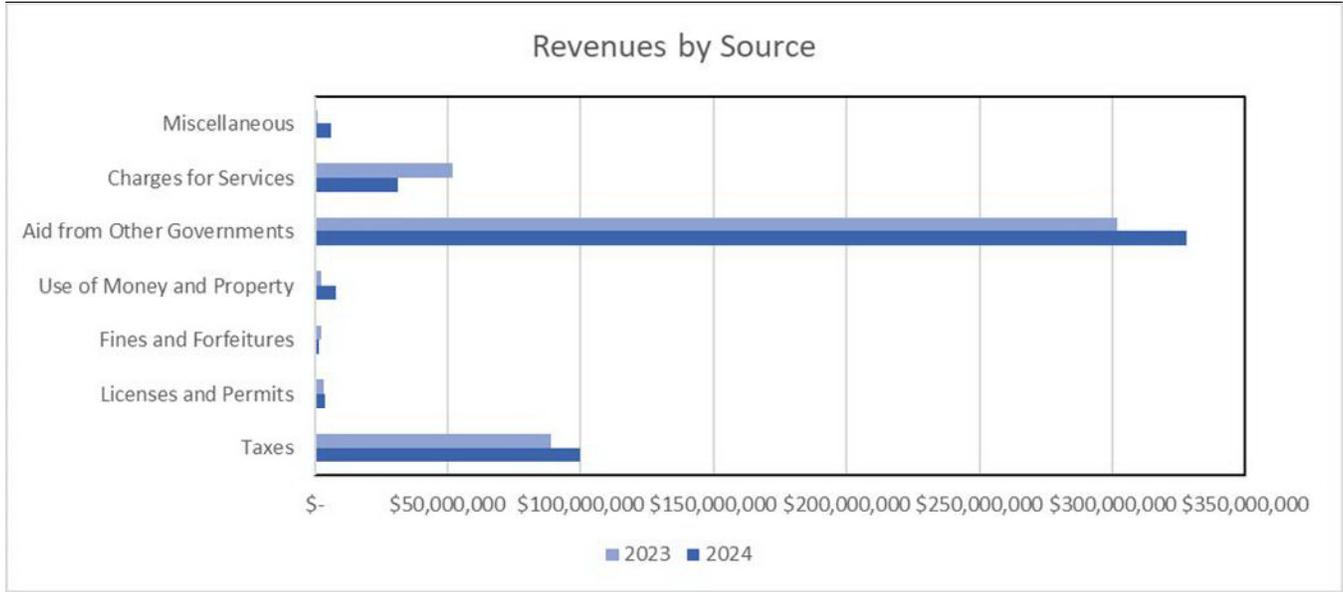
Fund balance of total governmental funds decreased by \$6.4 million in comparison with the prior year. The major governmental funds had changes in fund balance as follows: General Fund decreased by \$6.3 million, Headwaters Mitigation Fund increased by \$560,057 and Road Fund decreased by \$2.8 million. The nonmajor governmental funds increased by \$2.2 million.

**Revenues by Source
Governmental Funds**

	FY 2024		FY 2023		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 99,557,185	20.82%	\$ 88,633,259	19.61%	\$ 10,923,926	0.12 %
Licenses and Permits	3,572,013	0.75%	3,508,271	0.78%	63,742	0.02 %
Fines and Forfeitures	1,697,987	0.36%	2,345,962	0.52%	(647,975)	(0.28)%
Use of Money and Property	8,033,690	1.68%	2,394,373	0.53%	5,639,317	2.36 %
Aid from Other Governments	327,821,471	68.57%	301,921,408	66.80%	25,900,063	0.09 %
Charges for Services	31,265,215	6.54%	51,932,960	11.49%	(20,667,745)	(0.40)%
Miscellaneous	6,159,828	1.29%	1,256,835	0.28%	4,902,993	3.90 %
Total Revenue by Source	<u>\$ 478,107,389</u>	100.00%	<u>\$ 451,993,068</u>	100.00%	<u>\$ 26,114,321</u>	0.06 %

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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



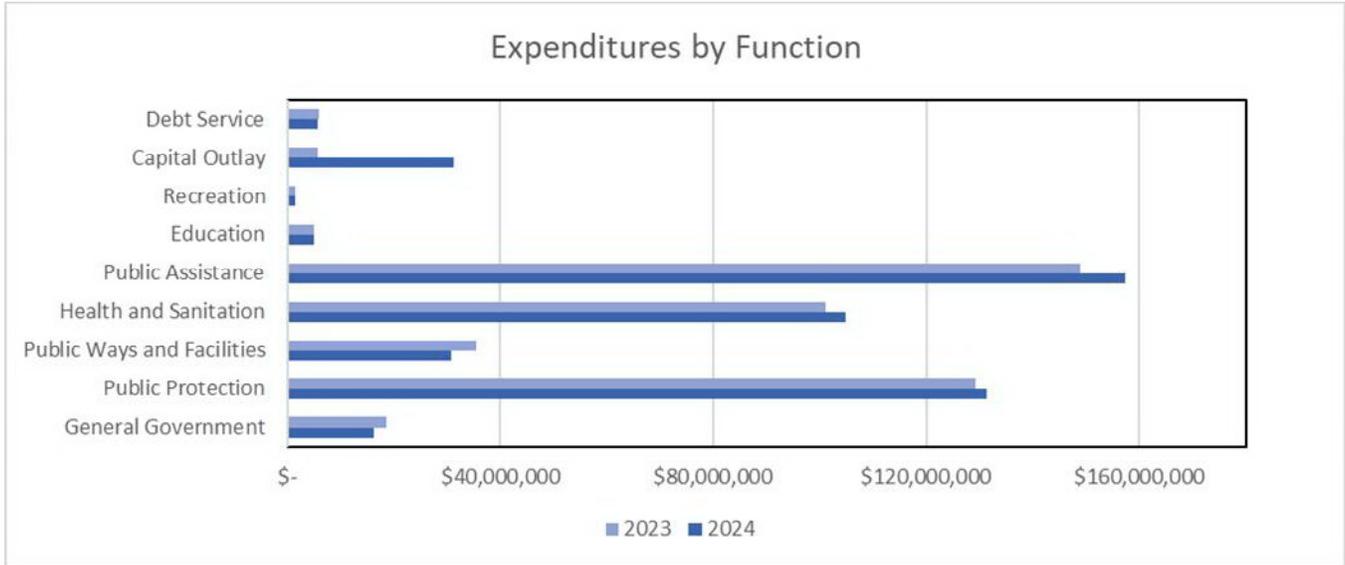
The following table presents expenditures by function compared to prior year amounts.

**Expenditures Classified by Function
Governmental Funds**

	FY 2024		FY 2023		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Government	\$ 16,346,460	3.38%	\$ 18,551,315	4.11%	\$ (2,204,855)	-11.89%
Public Protection	131,346,788	27.13%	129,201,571	28.65%	2,145,217	1.66%
Public Ways and Facilities	30,730,522	6.35%	35,399,360	7.85%	(4,668,838)	-13.19%
Health and Sanitation	104,878,396	21.66%	101,028,792	22.40%	3,849,604	3.81%
Public Assistance	157,217,909	32.47%	148,789,612	32.99%	8,428,297	5.66%
Education	5,103,270	1.05%	4,922,677	1.09%	180,593	3.67%
Recreation	1,430,349	0.30%	1,545,708	0.34%	(115,359)	-7.46%
Capital Outlay	31,338,225	6.47%	5,687,217	1.26%	25,651,008	100.00%
Debt Service	5,728,044	1.18%	5,873,035	1.30%	(144,991)	-2.47%
Total by Function	\$ 484,119,963	100.00%	\$ 450,999,287	100.00%	\$ 33,120,676	7.34%

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

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



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

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

Enterprise fund net position net investment in capital assets at fiscal year-end was \$48.9 million. Unrestricted net position of the enterprise funds at fiscal year-end was \$1.8 million. The net position of the enterprise funds increased by \$12.4 million from the prior fiscal year.

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

Total net position of the internal service funds at fiscal year-end was \$39.1 million and include \$18.7 million net invested in capital assets. The net position of the internal service funds increased \$3.2 million over the prior fiscal year.

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

Differences between the General Fund's original budget and the final amended budget resulted in a \$8.3 million increase in appropriations.

After adjustments, actual expenditures were \$89.6 million below final budgeted amounts. Revenues available for appropriation were \$56.7 million below final budget amounts.

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

**Budgetary Comparison
General Fund**

	Original Budget	Final Budget	Net Change	
			Amount	Percent
Total Revenues	\$ 444,330,342	\$ 451,556,734	\$ 7,226,392	1.60%
Total Expenditures	(480,123,576)	(488,463,823)	(8,340,247)	1.71%
Other Financing Sources (Uses)	12,598,692	9,777,012	(2,821,680)	-28.86%
Net Change in Fund Balances	<u>\$ (23,194,542)</u>	<u>\$ (27,130,077)</u>	<u>\$ (3,935,535)</u>	

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

**Budgetary Comparison
General Fund**

	Final Budget	Actual Amounts	Net Change	
			Amount	Percent
Total Revenues	\$ 451,556,734	\$ 394,820,742	\$ (56,735,992)	-14.37%
Total Expenditures	(488,463,823)	(398,891,540)	89,572,283	-22.46%
Other Financing Sources (Uses)	9,777,012	(7,207,070)	(16,984,082)	235.66%
Net Change in Fund Balances	<u>\$ (27,130,077)</u>	<u>\$ (11,277,868)</u>	<u>\$ 15,852,209</u>	

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of June 30, 2024, amounted to \$376.6 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, structures and improvements, equipment, infrastructure (roads and bridges), and right-to-use building, equipment, and SBITAs.

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

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 12,884,883	\$ 11,561,821	\$ 1,976,177	\$ 1,976,177	\$ 14,861,060	\$ 13,537,998
Construction In Progress	85,970,934	67,026,898	4,071,186	5,472,628	90,042,120	72,499,526
Structures and Improvements	131,898,367	125,228,489	27,633,045	27,571,000	159,531,412	152,799,489
Equipment	56,254,431	54,149,159	3,273,482	1,856,101	59,527,913	56,005,260
Infrastructure	650,426,737	646,927,307	54,364,582	36,071,188	704,791,319	682,998,495
Right-to-Use Buildings	46,088,968	47,379,282	-	-	46,088,968	47,379,282
Right-to-Use Equipment	1,029,507	1,801,710	4,645	8,299	1,034,152	1,810,009
Right-to-Use SBITAs	8,992,469	6,831,922	-	-	8,992,469	6,831,922
Total	<u>993,546,296</u>	<u>960,906,588</u>	<u>91,323,117</u>	<u>72,947,094</u>	<u>1,084,869,413</u>	<u>1,033,861,981</u>
Less: Accumulated Depreciation and Amortization	<u>(620,927,119)</u>	<u>(596,176,221)</u>	<u>(40,228,447)</u>	<u>(36,840,301)</u>	<u>(661,155,566)</u>	<u>(633,016,522)</u>
Net Capital Assets	<u>\$ 372,619,177</u>	<u>\$ 364,730,367</u>	<u>\$ 51,094,670</u>	<u>\$ 36,106,793</u>	<u>\$ 423,713,847</u>	<u>\$ 400,845,459</u>

Additional information regarding capital assets is presented in Note 4.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had total outstanding debt obligations of \$29.9 million. The entire amount is comprised mostly of bonds that are secured by the County's lease rental payments and other dedicated sources of revenue.

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

	Long-Term Debt Obligations					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Notes Payable	\$ 71,107	\$ 133,242	\$ -	\$ -	\$ 71,107	\$ 133,242
Lease Liability	35,711,796	39,531,643	2,313	4,535	35,714,109	39,536,178
SBITA Liability	5,802,791	5,087,569	-	-	5,802,791	5,087,569
Total Long-Term Debt	41,585,694	44,752,454	2,313	4,535	35,785,216	39,669,420
Less: Current Portion	<u>(5,894,016)</u>	<u>(6,399,268)</u>	<u>(1,104)</u>	<u>(2,222)</u>	<u>(5,895,120)</u>	<u>(6,401,490)</u>
Net Long-Term Debt	<u>\$ 35,691,678</u>	<u>\$ 38,353,186</u>	<u>\$ 1,209</u>	<u>\$ 2,313</u>	<u>\$ 29,890,096</u>	<u>\$ 33,267,930</u>

During the year ended June 30, 2024 outstanding debt was decreased by \$9.7 million.

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

**COUNTY OF HUMBOLDT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's fiscal year 2024-2025 budget takes into consideration the overall financial health of the County and related impacts of the California State Budget.

REQUEST FOR INFORMATION

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

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

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COUNTY OF HUMBOLDT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and Investments	\$ 180,500,344	\$ 400	\$ 180,500,744
Restricted Cash and Investments:			
Cash with Fiscal Agent	11,485,500	-	11,485,500
Receivables, Net	113,416,591	4,406,430	117,823,021
Leases Receivable	76,173	12,847	89,020
Inventory	-	102,978	102,978
Deposits and Other Assets	377,590	-	377,590
Loan Receivable	25,922,888	-	25,922,888
Internal Balances	151,866	(151,866)	-
Capital Assets:			
Nondepreciable	98,855,817	6,047,363	104,903,180
Depreciable, Net	233,182,215	45,044,984	278,227,199
Lease Asset, Net	34,181,873	2,323	34,184,196
SBITA Asset, Net	6,399,272	-	6,399,272
Total Assets	<u>704,550,129</u>	<u>55,465,459</u>	<u>760,015,588</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pension	104,120,436	837,072	104,957,508
Deferred Outflows Related to OPEB	12,286,016	-	12,286,016
Total Deferred Outflows of Resources	<u>116,406,452</u>	<u>837,072</u>	<u>117,243,524</u>
LIABILITIES			
Accounts Payable	45,048,490	2,404,204	47,452,694
Accrued Salaries and Benefits	5,098,259	44,241	5,142,500
Interest Payable	173	-	173
Unearned Revenues	25,568,691	-	25,568,691
Long-Term Liabilities:			
Portion Due or Payable Within One Year:			
Notes Payable	60,732	-	60,732
Leases Payable	4,086,014	1,104	4,087,118
SBITAs Payable	1,747,270	-	1,747,270
Compensated Absences	7,785,837	122,397	7,908,234
Claims Liability	2,050,011	-	2,050,011
Portion Due or Payable After One Year:			
Notes Payable	10,375	-	10,375
Leases Payable	31,625,782	1,209	31,626,991
SBITAs Payable	4,055,521	-	4,055,521
Compensated Absences	11,678,754	183,595	11,862,349
OPEB Liability - Current	5,178,288	-	5,178,288
OPEB Liability - Noncurrent	38,404,905	-	38,404,905
Net Pension Liability	358,991,318	2,875,739	361,867,057
Total Liabilities	<u>541,390,420</u>	<u>5,632,489</u>	<u>547,022,909</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pension	3,895,714	34,565	3,930,279
Deferred Inflows Related to OPEB	17,387,504	-	17,387,504
Deferred Inflows Related to Leases	73,814	12,496	86,310
Total Deferred Inflows of Resources	<u>21,357,032</u>	<u>47,061</u>	<u>21,404,093</u>
NET POSITION			
Net Investment in Capital Assets	327,752,106	48,855,415	376,607,521
Restricted for:			
Economic Development	40,940,069	-	40,940,069
Debt Service	6,447,463	-	6,447,463
PARS Trust	11,485,500	-	11,485,500
General Government	21,101,680	-	21,101,680
Public Protection	51,163,744	-	51,163,744
Public Works	10,593,540	-	10,593,540
Health and Sanitation	37,562,126	-	37,562,126
Public Assistance	2,387,988	-	2,387,988
Education	1,519,381	-	1,519,381
Unrestricted	<u>(252,744,468)</u>	<u>1,767,566</u>	<u>(250,976,902)</u>
Total Net Position	<u>\$ 258,209,129</u>	<u>\$ 50,622,981</u>	<u>\$ 308,832,110</u>

See accompanying Notes to Basic Financial Statements.

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**COUNTY OF HUMBOLDT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities:							
General Government	\$ 26,135,387	\$ 3,925,195	\$ 25,932,564	\$ 273,709	\$ 3,996,081	\$ -	\$ 3,996,081
Public Protection	141,627,001	13,255,066	58,866,521	-	(69,505,414)	-	(69,505,414)
Public Ways and Facilities	42,799,478	1,347,851	32,306,800	1,968,987	(7,175,840)	-	(7,175,840)
Health and Sanitation	109,019,395	17,289,611	70,838,994	-	(20,890,790)	-	(20,890,790)
Public Assistance	165,382,376	69,183	163,185,349	-	(2,127,844)	-	(2,127,844)
Education	5,276,399	26,744	183,451	-	(5,066,204)	-	(5,066,204)
Recreation and Culture	1,535,790	621,565	2,451,684	2,449,321	3,986,780	-	3,986,780
Total Governmental Activities	491,775,826	36,535,215	353,765,363	4,692,017	(96,783,231)	-	(96,783,231)
Business-Type Activities							
Aviation	9,017,218	2,792,949	17,530,072	62,044	-	11,367,847	11,367,847
Total Business-Type Activities	9,017,218	2,792,949	17,530,072	62,044	-	11,367,847	11,367,847
Total Humboldt County	\$ 500,793,044	\$ 39,328,164	\$ 371,295,435	\$ 4,754,061	(96,783,231)	11,367,847	(85,415,384)
General Revenues							
Taxes:							
Property Taxes					41,104,309	-	41,104,309
Sales and Use Taxes					21,301,220	-	21,301,220
Transient Occupancy Tax					5,805,685	-	5,805,685
Property Taxes In Lieu of Motor Vehicle License Fees					23,282,431	-	23,282,431
Other					8,063,540	-	8,063,540
Unrestricted Interest and Investment Earnings					9,840,649	1,072,023	10,912,672
Miscellaneous					8,431,762	11,930	8,443,692
Transfers					74,873	(74,873)	-
Total General Revenues and Transfers					117,904,469	1,009,080	118,913,549
Change in Net Position					21,121,238	12,376,927	33,498,165
Net Position - Beginning of Year					237,087,891	38,246,054	275,333,945
Net Position - End of Year					\$ 258,209,129	\$ 50,622,981	\$ 308,832,110

See accompanying Notes to Basic Financial Statements.

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**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

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**COUNTY OF HUMBOLDT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

ASSETS	General Fund	Headwaters Mitigation Fund	Road Fund	Other Governmental	Total
Cash and Investments	\$ 129,444,637	\$ 13,500,909	\$ 200	\$ 13,587,804	\$ 156,533,550
Department Cash Funds	-	-	-	865	865
Restricted Cash and Investments:					
Cash with Fiscal Agent	11,485,500	-	-	-	11,485,500
Receivables, Net	95,759,940	-	15,227,404	1,925,016	112,912,360
Leases Receivable	69,134	-	-	7,039	76,173
Due from Other Funds	6,997,073	-	-	-	6,997,073
Loans Receivable	20,894,550	5,028,338	-	-	25,922,888
Prepays and Other Assets	368,897	-	487	3,264	372,648
Total Assets	\$ 265,019,731	\$ 18,529,247	\$ 15,228,091	\$ 15,523,988	\$ 314,301,057
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 39,013,541	\$ -	\$ 3,637,002	\$ 961,689	\$ 43,612,232
Accrued Salaries and Benefits	4,604,979	-	207,981	147,886	4,960,846
Due to Other Funds	-	-	6,238,707	545,530	6,784,237
Unearned Revenue	25,414,982	-	-	153,709	25,568,691
Total Liabilities	69,033,502	-	10,083,690	1,808,814	80,926,006
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	64,873,789	-	12,780,291	1,083,143	78,737,223
Deferred Inflows related to Leases	67,086	-	-	6,728	73,814
Total Deferred Inflows of Resources	64,940,875	-	12,780,291	1,089,871	78,811,037
FUND BALANCES					
Nonspendable	368,897	-	487	3,264	372,648
Restricted	121,517,701	18,529,247	-	13,189,559	153,236,507
Assigned	9,158,756	-	-	-	9,158,756
Unassigned	-	-	(7,636,377)	(567,520)	(8,203,897)
Total Fund Balances	131,045,354	18,529,247	(7,635,890)	12,625,303	154,564,014
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 265,019,731	\$ 18,529,247	\$ 15,228,091	\$ 15,523,988	\$ 314,301,057

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

Fund Balance - Total Governmental Funds	\$ 154,564,014
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation/amortization used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	349,357,281
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	78,737,223
Deferred outflows of resources reported in the statement of net position.	116,406,452
Internal service funds are used by the County to charge the cost of its motor pool and copier pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	39,064,155
Deferred inflows of resources reported in the statement of net position.	(21,283,218)
Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Notes Payable	(71,107)
Leases Payable	(35,547,555)
SBITA Payable	(1,437,429)
Net Pension Liability	(358,991,318)
Total OPEB Liability	(43,583,193)
Compensated Absences	<u>(19,006,176)</u>
Net Position of Governmental Activities	<u>\$ 258,209,129</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Headwaters Mitigation Fund	Road Fund	Other Governmental	Total
REVENUES					
Taxes	\$ 90,641,005	\$ -	\$ 4,720,607	\$ 4,195,573	\$ 99,557,185
Licenses and Permits	3,493,805	-	78,208	-	3,572,013
Fines, Forfeitures, and Penalties	1,496,881	-	-	201,106	1,697,987
Use of Money and Property	7,643,439	601,718	(418,063)	206,596	8,033,690
Aid from Other Governments	279,947,214	-	32,931,562	14,942,695	327,821,471
Charges for Services	30,563,007	-	676,766	25,442	31,265,215
Other Revenues	5,602,428	-	138,515	418,885	6,159,828
Total Revenues	<u>419,387,779</u>	<u>601,718</u>	<u>38,127,595</u>	<u>19,990,297</u>	<u>478,107,389</u>
EXPENDITURES					
Current:					
General Government	16,346,460	-	-	-	16,346,460
Public Protection	117,013,698	2,800	-	14,330,290	131,346,788
Public Ways and Facilities	4,078,721	-	26,651,801	-	30,730,522
Health and Sanitation	104,878,396	-	-	-	104,878,396
Public Assistance	157,217,909	-	-	-	157,217,909
Education	237,373	-	-	4,865,897	5,103,270
Recreation and Culture	1,430,349	-	-	-	1,430,349
Capital Outlay	14,618,994	-	16,559,496	159,735	31,338,225
Debt Service:					
Principal	5,231,359	-	140,466	356,219	5,728,044
Total Expenditures	<u>421,053,259</u>	<u>2,800</u>	<u>43,351,763</u>	<u>19,712,141</u>	<u>484,119,963</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	(1,665,480)	598,918	(5,224,168)	278,156	(6,012,574)
OTHER FINANCING SOURCES (USES)					
Lease Issuance	1,114,229	-	9,550	-	1,123,779
SBITA Issuance	1,369,865	-	-	-	1,369,865
Transfers In	-	-	3,138,557	2,037,396	5,175,953
Transfers Out	(7,146,331)	(38,861)	(714,064)	(130,318)	(8,029,574)
Total Other Financing Sources (Uses)	<u>(4,662,237)</u>	<u>(38,861)</u>	<u>2,434,043</u>	<u>1,907,078</u>	<u>(359,977)</u>
NET CHANGES IN FUND BALANCES					
	(6,327,717)	560,057	(2,790,125)	2,185,234	(6,372,551)
Fund Balances - Beginning of Year	<u>137,373,071</u>	<u>17,969,190</u>	<u>(4,845,765)</u>	<u>10,440,069</u>	<u>160,936,565</u>
FUND BALANCES - END OF YEAR	<u>\$ 131,045,354</u>	<u>\$ 18,529,247</u>	<u>\$ (7,635,890)</u>	<u>\$ 12,625,303</u>	<u>\$ 154,564,014</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF
ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Change to Fund Balance - Total Governmental Funds \$ (6,372,551)

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

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

Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	\$ 35,036,432	
Less: Current Year Depreciation and Amortization	<u>(28,271,503)</u>	6,764,929

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		29,964,984
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Long-term debt proceeds provide resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Payments on Notes Payable	62,135	
Principal Payments on Leases and SBITAs	<u>5,665,909</u>	5,728,044

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.

Issuance of New Lease & SBITAs'	(2,493,644)	
Change in Total OPEB Liability and Deferred Inflows/Outflows	(361,359)	
Changes in Net Pension Liability and Deferred Inflows/Outflows	(15,947,912)	
Change in Compensated Absences	<u>657,850</u>	(18,145,065)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.		<u>3,180,897</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 21,121,238</u></u>
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See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	Business -Type Activities - Enterprise Fund	Governmental Activities Internal Service Funds
	Aviation	Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ -	\$ 23,965,929
Departmental Cash Funds	400	-
Accounts Receivable	4,406,430	504,231
Interest Receivable	-	-
Inventory	102,978	-
Lease Receivable	12,847	-
Prepaid Expenses and Other Assets	-	4,942
Total Current Assets	4,522,655	24,475,102
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	6,047,363	5,916,335
Depreciable, Net	45,044,984	12,393,453
Right-to-Use Assets, Net	2,323	158,326
SBITA Assets, Net	-	4,793,782
Total Noncurrent Assets	51,094,670	23,261,896
Total Assets	55,617,325	47,736,998
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension	837,072	-
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,404,204	1,436,258
Accrued Salaries and Benefits	44,241	137,413
Due to Other Funds	151,866	60,970
Interest Payable	-	173
Lease Liability	1,104	73,319
SBITA Liability	-	1,000,781
Compensated Absences	122,397	244,007
Provision for Estimated Claims	-	2,050,011
Total Current Liabilities	2,723,812	5,002,932
Noncurrent Liabilities:		
Lease Liability	1,209	90,922
SBITA Liability	-	3,364,581
Compensated Absences	183,595	214,408
Net Pension Liability	2,875,739	-
Total Noncurrent Liabilities	3,060,543	3,669,911
Total Liabilities	5,784,355	8,672,843
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension	34,565	-
Deferred Leases	12,496	-
Total Deferred Inflows of Resources	47,061	-
NET POSITION		
Net Investment in Capital Assets	48,855,415	18,732,293
Unrestricted	1,767,566	20,331,862
Total Net Position	\$ 50,622,981	\$ 39,064,155

See accompanying Notes to Basic Financial Statements.

COUNTY OF HUMBOLDT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business -Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Funds
OPERATING REVENUES		
Charges for Services	\$ 2,792,949	\$ 60,886,225
Other Revenue	11,930	1,721,891
Total Operating Revenues	2,804,879	62,608,116
OPERATING EXPENSES		
Salaries and Benefits	2,175,428	6,506,317
Services and Supplies	3,458,289	52,668,370
Claims Expense	-	4,520,782
Depreciation and Amortization	3,383,501	3,354,610
Total Operating Expenses	9,017,218	67,050,079
OPERATING LOSS	(6,212,339)	(4,441,963)
NONOPERATING REVENUE (EXPENSES)		
Interest Income/(Expense)	1,072,023	1,806,959
Grant Income	-	397,216
Insurance Proceeds	-	2,290,547
Gain/(Loss) on Sale of Capital Assets	-	(74,065)
Total Nonoperating Revenue (Expenses)	1,072,023	4,420,657
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(5,140,316)	(21,306)
Capital Contributions	17,592,116	273,709
Transfers In	-	2,928,494
Transfers Out	(74,873)	-
Total Contributions and Transfers	17,517,243	3,202,203
CHANGE IN NET POSITION	12,376,927	3,180,897
Net Position - Beginning of Year	38,246,054	35,883,258
NET POSITION - END OF YEAR	\$ 50,622,981	\$ 39,064,155

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Customers and Other Funds	\$ 3,186,319	\$ -
Cash Receipts from Internal Fund Services Provided	-	62,218,801
Cash Paid to Suppliers for Goods and Services	(2,806,541)	(57,064,466)
Cash Paid to Employees for Services	(1,974,641)	(6,416,607)
Net Cash Used by Operating Activities	(1,594,863)	(1,262,272)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from/ (payments to) Other Funds	(74,873)	2,928,494
Payments Received on Interfund Borrowing	151,866	34,823
Operating Grants Received	-	670,925
Insurance Proceeds Received	-	2,290,547
Net Cash Provided by Noncapital Financing Activities	76,993	5,924,789
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants	14,583,482	-
Proceeds from Sale of Capital Assets	-	33,585
Cash Paid for Purchase of Capital Assets	(18,371,378)	(3,188,316)
Principal Paid on Leases	(2,222)	(229,963)
Principal Paid on SBITAs	-	(1,100,222)
Interest Paid on Capital Debt	(211)	(296)
Net Cash Used by Capital and Related Financing Activities	(3,790,329)	(4,485,212)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received/Paid	1,072,041	1,806,959
Net Cash Provided by Investing Activities	1,072,041	1,806,959
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(4,236,158)	1,984,264
Cash and Cash Equivalents - Beginning of Year	4,236,558	21,981,665
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 400	\$ 23,965,929
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF FUND NET POSITION		
Cash and Investments	\$ -	\$ 23,965,929
Department Cash Funds	400	-
Total Cash and Cash Equivalents	\$ 400	\$ 23,965,929

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Aviation	Internal Service Funds
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	\$ (6,212,339)	\$ (4,441,963)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,383,501	3,354,610
Changes in Assets and Liabilities:		
(Increase) Decrease in:		
Receivables	381,440	(389,315)
Prepays	-	(4,942)
Deferred Outflows of Resources	8,624	-
Increase (Decrease) in:		
Accounts Payable	651,748	13,021
Accrued Salaries and Benefits	13,128	48,402
Compensated Absences	32,717	21,794
Claims Payable	-	136,121
Net Pension Liability	169,970	-
Deferred Inflows of Resources	(23,652)	-
Net Cash Provided (Used) by Operating Activities	\$ (1,594,863)	\$ (1,262,272)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Transfer of Capital Assets to Governmental Activities	\$ -	\$ (699,143)

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	Private-Purpose Trust Fund	Investment Trust Fund	Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Pooled Cash and Investments	\$ 442,411	\$ 403,692,229	\$ 12,136,570
Accounts Receivable	18,747	345,270	256,766
Due from Other Governments	-	-	-
Taxes Receivable	-	-	8,798,862
Total Assets	<u>461,158</u>	<u>404,037,499</u>	<u>21,192,198</u>
LIABILITIES			
Accounts Payable	4,111	967,932	6,253,909
Total Liabilities	<u>4,111</u>	<u>967,932</u>	<u>6,253,909</u>
NET POSITION			
Restricted for:			
Pool Participants	-	403,069,567	-
Individuals, Organizations, and Other Governments	<u>457,047</u>	<u>-</u>	<u>14,938,289</u>
Total Net Position	<u>\$ 457,047</u>	<u>\$ 403,069,567</u>	<u>\$ 14,938,289</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF HUMBOLDT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024**

	Private-Purpose Trust Fund	Investment Trust Fund	Custodial Funds
ADDITIONS			
Contributions to Pooled Investments	\$ -	\$ 540,450,443	\$ 217,745
Investment Income	19,880	17,656,262	371,838
Property Tax Collected	-	-	386,987,792
Other Income	56,948	-	1,687,862
Total Additions	<u>76,828</u>	<u>558,106,705</u>	<u>389,265,237</u>
DEDUCTIONS			
Distributions from Pooled Investments	-	553,690,222	-
Property Taxes Distributed	-	-	359,610,864
Administrative Expenses	37,853	-	30,638,550
Total Deductions	<u>37,853</u>	<u>553,690,222</u>	<u>390,249,414</u>
CHANGE IN NET POSITION	38,975	4,416,483	(984,177)
Net Position - Beginning	<u>418,072</u>	<u>398,653,084</u>	<u>15,922,466</u>
NET POSITION - END OF YEAR	<u>\$ 457,047</u>	<u>\$ 403,069,567</u>	<u>\$ 14,938,289</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

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

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

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

Fortuna Fire Protection District

The Fortuna Fire Protection District (District) was established in 1904 to provide fire protection and other emergency services. The District is governed by a five-member Board of Commissioners. The District is required to be reported as a component unit because the County's Board of Supervisors appoints all five members of the District's governing body and can remove members at will. The District should be discretely presented because the board is not substantially the same as the County's. Separately issued financial statements are available for the District by contacting the following office: Fortuna Fire Hall Department Headquarters, 320 South Fortuna Blvd., Fortuna, CA 95540. The District is currently not included in the County's government-wide financial statements because the financial statements for the year ended June 30, 2024 did not disclose information for legal entities required to be reported as part of the District.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Description of the Reporting Entity (Continued)

Blended Component Units

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

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

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

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

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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

The County reports the following major enterprise funds:

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

The County reports the following additional fund types:

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

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

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

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

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

D. Cash and Cash Equivalents

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

E. Restricted Cash and Investments

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Property Tax

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

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

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

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

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Loans Receivable

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

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

H. Inventories and Prepaids

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

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

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital and Right-to-Use Assets

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

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital and Right-to-Use Assets (Continued)

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

The estimated useful lives are as follows:

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

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

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has two items, pension and OPEB, which qualify for reporting in this category.

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

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

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

L. Pensions

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

M. Interfund Transactions

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

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Leases & Software Based Information Technology Arrangements (SBITAs)

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

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

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

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position/Fund Balance

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

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

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2024, fund balances for governmental funds consist of the following categories:

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position/Fund Balance (Continued)

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

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

Fund Balance Policy

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

P. Estimates

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

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

For the fiscal year ended June 30, 2024, the County implemented the following Governmental Accounting Standards Board (GASB) Statement:

Governmental Accounting Standards Board Statement No. 100

In June of 2022, the GASB issued GASB Statement No. 100, Accounting Changes and Error Corrections. This standard requires the effects on beginning balances for each accounting change or error correction to be disclosed by reporting unit in a tabular format that reconciles beginning balances as previously reported to beginning balances adjusted or restated. The requirements of this statement are effective for the County's fiscal year ending June 30, 2024 and there is no impact to the financial statements.

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS

At June 30, 2024, total County cash and investments were as follows:

Cash:	
Cash on Hand and Imprest Cash	\$ 26,255
Cash held Outside the Treasurer's Pool	433,593
Deposits	<u>12,080,823</u>
Total Cash and Deposits	12,540,671
Investments:	
In Treasurer's Pool	598,862,444
With Fiscal Agent	<u>11,485,500</u>
Total Investments	610,347,944
In Transit:	
Outstanding Checks	<u>(14,631,161)</u>
Total	<u><u>\$ 608,257,454</u></u>

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

Primary Government:	
Governmental Activities	\$ 191,985,844
Business-Type Activities	400
Investment Trust Fund	403,692,229
Custodial Funds	12,136,570
Private-Purpose Trust Fund	<u>442,411</u>
Total	<u><u>\$ 608,257,454</u></u>

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 CASH AND INVESTMENTS (Continued)

Investments

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

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

At June 30, 2024, the County had the following investments:

	<u>Interest Rate</u>	<u>Maturities</u>	<u>Carrying Value</u>	<u>WAM (Years)</u>
Investment Pool:				
U.S. Government Agencies	0.36 - 6.15	7/02/2024 - 6/11/2029	\$ 389,161,755	3.36
Negotiable CDs	0.30 - 3.10	9/03/2024 - 9/29/2028	2,826,861	1.22
Municipal Bonds	1.32 - 3.38	5/15/2027 - 5/15/2028	4,676,740	1.49
U.S. Treasury Notes	0.25 - 4.88	7/15/2024 - 10/31/2028	105,507,076	2.91
Medium Term Corporate Notes	1.20 - 3.95	7/30/2026 - 5/12/2028	38,305,002	3.84
California Asset Management Program	Variable	On Demand	27,164,078	
CalTrust	Variable	On Demand	30,160,660	
Local Agency investment Fund	Variable	On Demand	29,214	
Money Market Funds	Variable	On Demand	1,031,058	
Total Investment Pool			598,862,444	
Investments Outside Investment Pool:				
Cash Held with Fiscal Agent:				
Money Market Mutual Funds	Variable	On Demand	11,485,500	
Total Investments			\$ 610,347,944	

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

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements

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

Level 1 – Investments reflect prices quoted in active markets;

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

Level 3 – Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2024:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Observable Inputs (Level 3)</u>
Debt Securities:				
U.S. Government Agencies	\$ 389,161,755	\$ -	\$ 389,161,755	\$ -
Negotiable CDs	2,826,861	-	2,826,861	-
Municipal Bonds	4,676,740	-	4,676,740	-
U.S. Treasury Notes	105,507,076	-	105,507,076	-
Medium Term Corporate Notes	38,305,002	-	38,305,002	-
Total Investments Measured at Fair Value	540,477,434	<u>\$ -</u>	<u>\$ 540,477,434</u>	<u>\$ -</u>
Bank Accounts				
Money Market Fund	\$ 1,031,058	\$ 1,031,058		
Investment Measured at Amortized Cost:				
California Asset Mgmt Program	27,164,078			
CalTrust	30,160,660			
Local Agency Investment Fund	29,214			
PARS	11,485,500			
Total Investments	<u>\$ 610,347,944</u>			

Interest Rate Risk

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk

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

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2024.

	<u>Standard & Poor's Rating</u>	<u>% of Portfolio</u>
U.S. Government Agency Securities	AA+	64.98 %
Municipal Bonds	AAA	0.78
U.S. Treasury Notes	Aaa	17.62
Medium Term Corporate Notes	AA-	6.40
Negotiable Certificates of Deposit	Unrated	0.47
California Asset Management Program	Unrated	4.54
CalTrust	Unrated	5.04
Local Agency Investment Fund	Unrated	0.01
Money Market Funds	Unrated	0.17
Total		<u><u>100.00 %</u></u>

At June 30, 2024, the County had the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

	<u>Fair Value Holdings</u>	<u>Percentage Holdings</u>
Federal Home Loan Bank	\$ 147,959,068	24.71 %
Federal National Mortgage Association	70,473,744	11.96
Federal Farm Credit Bank	57,398,820	9.58
Federal Home Loan Mortgage Corporation	53,706,647	8.97

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

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

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

Local Agency Investment Fund

At June 30, 2024, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$29,214, 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 \$179.39 billion. The PMIA portfolio includes 5.89% invested in medium-term asset-backed securities and short-term asset-backed commercial paper.

California Asset Management Program CAMP

CAMP is a program created through a joint powers agency as a pooled short-term portfolio and cash management vehicle for California public agencies under California Government Code Section 53601(p). CAMP is governed by a seven-member Board of Trustees comprised of finance directors and treasurers of California public agencies. The total amount invested by all public agencies in CAMP was \$20,217,280,235 as of June 30, 2024, respectively.

CalTRUST

At June 30, 2024, the County's investment position in the Investment Trust of California (CalTRUST) was \$30,160,660, which is the same as the value of the pool shares which is determined on an amortized cost basis. The assets are invested in the CalTRUST Liquidity Fund. The total amount invested by all public agencies in CalTRUST on that day was \$4.1 billion. CalTRUST is a Joint Powers Authority that offers three local government investment funds."

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2024:

Statement of Net Position

Net Position Held for Pool Participants	<u>\$ 598,862,444</u>
Equity of External Pool Participants	\$ 403,069,567
Equity of Internal Pool Participants	<u>195,792,877</u>
Total Net Position	<u>\$ 598,862,444</u>

Statement of Changes in Net Position

Net Position at July 1, 2023	\$ 599,496,807
Net Change in Investments by Pool Participants	<u>(634,363)</u>
Net Position at June 30, 2024	<u>\$ 598,862,444</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2024 is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Road Fund	\$ 6,238,707
	Nonmajor Governmental Funds	545,530
	Internal Service Funds	60,970
	Aviation	151,866
	Total	<u>\$ 6,997,073</u>

The due to/from other funds account balances consists of interfund cash transactions to eliminate cash deficits at June 30, 2024 for reporting purposes and short-term loans between funds. The road fund is expecting to receive a substantial amount of reimbursements from FEMA in the coming years to cover the costs of repair projects caused by disasters. Until then, the general fund is funding the road deficit.

Transfers

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

<u>Transfer from</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 7,146,331
Headwaters Mitigation Fund	-	38,861
Road Fund	3,138,557	714,064
Nonmajor Governmental Funds	2,037,396	130,318
Aviation	-	74,873
Communications Internal Service Fund	230,000	-
ADA Compliance Internal Service Fund	2,698,494	-
Total	<u>\$ 8,104,447</u>	<u>\$ 8,104,447</u>

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Retirements	Transfers	Adjustments	Balance June 30, 2024
Governmental Activities						
Capital Assets, Not Being Depreciated:						
Land	\$ 11,561,821	\$ 1,323,062	\$ -	\$ -	\$ -	\$ 12,884,883
Construction in Progress	67,026,898	25,291,320	(149,892)	(10,231,352)	4,033,960	85,970,934
Total Capital Assets, Not Being Depreciated	78,588,719	26,614,382	(149,892)	(10,231,352)	4,033,960	98,855,817
Capital Assets, Being Depreciated:						
Infrastructure	646,927,307	-	-	3,499,430	-	650,426,737
Structures and Improvements	125,228,489	-	-	6,731,922	(62,044)	131,898,367
Equipment	54,149,159	6,045,100	(3,666,119)	-	(273,709)	56,254,431
Total Capital Assets, Being Depreciated	826,304,955	6,045,100	(3,666,119)	10,231,352	(335,753)	838,579,535
Less Accumulated Depreciation for:						
Infrastructure	(464,723,078)	(15,279,059)	-	-	-	(480,002,137)
Structures and Improvements	(83,983,733)	(5,245,387)	-	-	-	(89,229,120)
Equipment	(35,482,559)	(3,765,280)	3,081,776	-	-	(36,166,063)
Total Accumulated Depreciation	(584,189,370)	(24,289,726)	3,081,776	-	-	(605,397,320)
Total Capital Assets, Being Depreciated, Net	242,115,585	(18,244,626)	(584,343)	10,231,352	(335,753)	233,182,215
Lease Assets, Being Amortized:						
Structures and Improvements	47,379,282	1,104,173	(2,394,487)	-	-	46,088,968
Equipment	1,801,710	19,606	(791,809)	-	-	1,029,507
SBITAs	6,831,922	2,767,690	(607,143)	-	-	8,992,469
Total Lease Assets, Being Amortized	56,012,914	3,891,469	(3,793,439)	-	-	56,110,944
Less Lease Assets Accumulated Amortization for:						
Structures and Improvements	(9,820,683)	(4,851,017)	2,394,487	-	-	(12,277,213)
Equipment	(1,019,910)	(431,288)	791,809	-	-	(659,389)
SBITAs	(1,146,258)	(2,054,082)	607,143	-	-	(2,593,197)
Total Accumulated Amortization	(11,986,851)	(7,336,387)	3,793,439	-	-	(15,529,799)
Total Lease Assets, Being Amortized, Net	44,026,063	(3,444,918)	-	-	-	40,581,145
Governmental Activities Capital Assets, Net	<u>\$ 364,730,367</u>	<u>\$ 4,924,838</u>	<u>\$ (734,235)</u>	<u>\$ -</u>	<u>\$ 3,698,207</u>	<u>\$ 372,619,177</u>

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 CAPITAL ASSETS (CONTINUED)

Capital asset activity for business-type activities for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Retirements	Transfers	Adjustments	Balance June 30, 2024
Business-Type Activities						
Capital Assets, Not Being Depreciated:						
Land	\$ 1,976,177	\$ -	\$ -	\$ -	\$ -	\$ 1,976,177
Construction in Progress	5,472,628	16,891,952	-	(18,293,394)	-	4,071,186
Total Capital Assets, Not Being Depreciated	7,448,805	16,891,952	-	(18,293,394)	-	6,047,363
Capital Assets, Being Depreciated:						
Infrastructure	36,071,188	-	-	18,293,394	-	54,364,582
Structures and Improvements	27,571,000	-	-	-	62,045	27,633,045
Equipment	1,856,101	1,187,801	-	-	229,580	3,273,482
Total Capital Assets, Being Depreciated	65,498,289	1,187,801	-	18,293,394	291,625	85,271,109
Less Accumulated Depreciation for:						
Infrastructure	(18,528,011)	(3,039,582)	-	-	-	(21,567,593)
Structures and Improvements	(17,931,881)	(111,866)	-	-	-	(18,043,747)
Equipment	(385,111)	(229,674)	-	-	-	(614,785)
Total Accumulated Depreciation	(36,845,003)	(3,381,122)	-	-	-	(40,226,125)
Total Capital Assets, Being Depreciated, Net	28,653,286	(2,193,321)	-	18,293,394	291,625	45,044,984
Lease Assets, Being Amortized:						
Equipment	8,299	-	(3,654)	-	-	4,645
Total Lease Assets, Being Amortized	8,299	-	(3,654)	-	-	4,645
Less Lease Asset Accumulated Amortization for:						
Equipment	(3,597)	(2,379)	3,654	-	-	(2,322)
Total Accumulated Amortization	(3,597)	(2,379)	3,654	-	-	(2,322)
Total Lease Assets, Being Amortized, Net	4,702	(2,379)	-	-	-	2,323
Business-Type Activities Capital Assets, Net	<u>\$ 36,106,793</u>	<u>\$ 14,696,252</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,625</u>	<u>\$ 51,094,670</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation and Amortization

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

General Government	\$ 5,352,491
Public Protection	1,861,407
Public Ways and Facilities	15,188,104
Health and Sanitation	1,199,461
Public Assistance	4,301,332
Education	292,096
Recreation and Culture	76,612
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Asset	3,354,610
Total Depreciation Expense - Governmental Functions	\$ 31,626,113

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

Aviation	\$ 3,383,501
----------	--------------

NOTE 5 LEASES

Lease Payable

The County leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. These leases expire at various dates through 2041 with interest rates that range from 0.20 to 9.59%.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 4,086,014	\$ 453,337	\$ 1,104	\$ 222
2026	3,998,762	407,746	1,209	116
2027	3,549,069	363,067	-	-
2028	2,830,238	322,745	-	-
2029	2,241,454	290,080	-	-
2030 - 2034	9,868,475	1,019,972	-	-
2035 - 2039	8,700,117	359,187	-	-
2040 - 2041	437,667	4,882	-	-
Present Value of Minimum Lease Payments	\$ 35,711,796	\$ 3,221,016	\$ 2,313	\$ 338

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 LEASES (CONTINUED)

Leases Receivable

The County, acting as a lessor, leases three assets under long-term, noncancelable lease agreements. The leases have receipts that range from \$1,446 to \$11,376 and an interest rate of 0.90%. The leases expire at various dates through 2030. During the year ended June 30, 2024, the County recognized \$18,549 in lease revenue, pursuant to these contracts. Total minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 12,409	\$ 640	\$ 5,644	\$ 143
2026	12,755	527	5,754	92
2027	13,107	411	1,449	41
2028	13,468	292	-	-
2029	13,837	169	-	-
2030-2034	10,597	44	-	-
Present Value of Minimum Lease Payments	<u>\$ 76,173</u>	<u>\$ 2,083</u>	<u>\$ 12,847</u>	<u>\$ 276</u>

NOTE 6 SBITAS

As of June 30, 2024, the County had 17 active subscriptions. The subscriptions have payments that range from \$7,490 to \$718,737 and interest rates that range from 0.00% to 2.85%. As of June 30, 2024, the total combined value of the subscription liability is \$5,802,791, and the total combined value of the short-term subscription liability is \$1,747,268. The combined value of the right to use asset, as of 06/30/2024 of \$8,992,469 with accumulated amortization of \$2,593,197. Total future minimum payments under the agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,747,270	\$ 152,022
2026	1,513,015	106,714
2027	1,218,592	67,479
2028	1,152,033	35,758
2029	171,881	3,890
Present Value of Minimum Lease Payments	<u>\$ 5,802,791</u>	<u>\$ 365,863</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LONG-TERM LIABILITIES

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

	Balance June 30, 2023	Additions	Deletions	Adjustments	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities						
Direct Borrowings:						
Notes Payable	\$ 133,242	\$ -	\$ 62,135	\$ -	\$ 71,107	\$ 60,732
Compensated Absences	20,100,647	13,211,714	13,847,770	-	19,464,591	7,785,837
Leases Liability	39,531,643	1,123,779	4,943,626	-	35,711,796	4,086,014
SBITA Liability	5,087,569	2,767,690	2,052,468	-	5,802,791	1,747,270
Liability for Unpaid Claims	1,913,890	4,510,488	4,374,367	-	2,050,011	2,050,011
Total Governmental Activities Long-Term Liabilities	<u>\$ 66,766,991</u>	<u>\$ 21,613,671</u>	<u>\$ 25,280,366</u>	<u>\$ -</u>	<u>\$ 63,100,296</u>	<u>\$ 15,729,864</u>
Business-Type Activities						
Leases Liability	\$ 4,535	\$ -	\$ 2,222	\$ -	\$ 2,313	\$ 1,104
Compensated Absences	273,275	76,250	43,533	-	305,992	122,397
Total Business-Type Activities Long-Term Liabilities	<u>\$ 277,810</u>	<u>\$ 76,250</u>	<u>\$ 45,755</u>	<u>\$ -</u>	<u>\$ 308,305</u>	<u>\$ 123,501</u>

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

Notes Payable

The County has finance purchase agreements for various road equipment with interest rates ranging from 1.80% to 2.91%. As of June 30, 2024, annual debt service requirements for notes payable are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 60,732	\$ 1,369
2026	10,375	108
Total	<u>\$ 71,107</u>	<u>\$ 1,477</u>

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 NET POSITION/FUND BALANCES

Classification

Fund balances are presented in the following categories: nonspendable, restricted, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2024 is as follows:

	General Fund	Headwaters Fund	Road Fund	Other Governmental Funds	Total
Nonspendable:					
Prepays and Inventory	\$ 368,897	\$ -	\$ 487	\$ 3,264	\$ 372,648
Total Nonspendable	368,897	-	487	3,264	372,648
Restricted for:					
Public Projection	42,856,568	-	-	5,805,925	48,662,493
Public Ways and Facilities	9,507,578	-	-	-	9,507,578
Health and Sanitation	35,156,152	-	-	-	35,156,152
Public Assistance	1,503,789	-	-	-	1,503,789
Education	583,210	-	-	936,171	1,519,381
Economic Development	20,424,904	18,529,247	-	-	38,954,151
Pensions (PARS)	11,485,500	-	-	-	11,485,500
Debt Service	-	-	-	6,447,463	6,447,463
Total Restrictions	121,517,701	18,529,247	-	13,189,559	153,236,507
Assigned for:					
General Reserve	8,094,847	-	-	-	8,094,847
General Government	1,063,909	-	-	-	1,063,909
Total Assigned	9,158,756	-	-	-	9,158,756
Unassigned					
	-	-	(7,636,377)	(567,520)	(8,203,897)
Total Fund Balance	<u>\$ 131,045,354</u>	<u>\$ 18,529,247</u>	<u>\$ (7,635,890)</u>	<u>\$ 12,625,303</u>	<u>\$ 154,564,014</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 PENSION PLANS

A. General Information about the Pension Plans

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	7.84%	8.00%
Required Employer Contribution Rates	11.250%	15.970%
	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	11.06%	13.75%/13.00%
Required Employer Contribution Rates	19.550%	19.550%

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Employees Covered – At June 30, 2024, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	2,291	415
Inactive Employees Entitled to but not yet Receiving Benefits	1,812	347
Active Employees	1,716	262
Total	5,819	1,024

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

B. Net Pension Liability

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

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

	Miscellaneous	Safety
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	3.01% - 10.65% (1)	3.01% - 10.65% (1)
Investment Rate of Return	6.90% (2)	6.90% (2)
Mortality	Derived using CalPERS’ Membership Data for all Funds	
Postretirement Benefit	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.30% Thereafter	

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 PENSION PLANS (CONTINUED)

B. Net Pension Liability (Continued)

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

Discount Rate – The discount rate used to measure the total pension liability was 6.90% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 6.90% investment return assumption used in this accounting valuation is net of administrative expenses, which did not have a material impact.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 PENSION PLANS (CONTINUED)

B. Net Pension Liability (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

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

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

(b) Figures are based on the 2021-22 Asset Liability Management study.

C. Changes in the Net Pension Liability

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

	Miscellaneous Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2023	\$ 877,415,121	\$ 616,426,644	\$ 260,988,477
Changes in the Year:			
Service Cost	18,372,406	-	18,372,406
Interest on the Total Pension Liability	60,227,876	-	60,227,876
Changes in Assumptions	1,407,532	-	1,407,532
Changes in Benefits	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(48,488,815)	(48,488,815)	-
Changes of Assumptions	-	-	-
Differences Between Expected and Actual Experience	10,015,389	-	10,015,389
Plan to Plan Resource Movement	-	13,639	(13,639)
Contribution - Employer	-	31,393,087	(31,393,087)
Contribution - Employee	-	10,793,134	(10,793,134)
Net Investment Income	-	38,363,734	(38,363,734)
Administrative Expenses	-	(452,820)	452,820
Change of Allocation	(912,073)	(640,776)	(271,297)
Net Changes	<u>40,622,315</u>	<u>30,981,183</u>	<u>9,641,132</u>
Balance at June 30, 2024 (Measurement Date June 30, 2023)	<u>\$ 918,037,436</u>	<u>\$ 647,407,827</u>	<u>\$ 270,629,609</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 PENSION PLANS (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

	Safety Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2023	\$ 273,150,598	\$ 187,471,054	\$ 85,679,544
Changes in the Year:			
Service Cost	5,493,599	-	5,493,599
Interest on the Total Pension Liability	18,879,264	-	18,879,264
Changes of benefit terms	212,703		212,703
Differences Between Expected and Actual Experience	4,482,122	-	4,482,122
Benefit Payments, Including Refunds of Employee Contributions	(13,959,404)	(13,959,404)	-
Plan to Plan Resource Movement	-	(14,192)	14,192
Contribution - Employer	-	9,366,497	(9,366,497)
Contribution - Employee	-	2,649,627	(2,649,627)
Net Investment Income	-	11,645,709	(11,645,709)
Administrative Expenses	-	(137,857)	137,857
Net Changes	<u>15,108,284</u>	<u>9,550,380</u>	<u>5,557,904</u>
Balance at June 30, 2024 (Measurement Date June 30, 2023)	<u>\$ 288,258,882</u>	<u>\$ 197,021,434</u>	<u>\$ 91,237,448</u>

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

	1% Decrease in Discount Rate 5.90%	Discount Rate 6.90%	1% Increase in Discount Rate 7.90%
Miscellaneous	\$ 386,006,027	\$ 270,629,609	\$ 174,839,383
Safety	131,874,585	91,237,448	58,232,247

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

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2024, the County recognized total pension expense of \$57,302,257, including \$41,885,909 and \$15,416,348 for its miscellaneous and safety plans, respectively. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 32,400,919	\$ -
Differences Between Actual and Expected Experience	6,885,580	3,252,841
Changes in Assumptions	10,217,206	-
Net Differences Between Projected and Actual Earnings on Plan Investments	29,271,333	-
Total	\$ 78,775,038	\$ 3,252,841

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 9,365,560	\$ -
Differences Between Actual and Expected Experience	3,683,318	677,438
Changes in Assumptions	4,183,485	-
Net Differences Between Projected and Actual Earnings on Plan Investments	8,950,107	-
Total	\$ 26,182,470	\$ 677,438

The County reported \$41,766,479 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Miscellaneous	Safety
2025	\$ 13,348,317	\$ 5,728,369
2026	8,134,828	3,595,837
2027	20,863,705	6,573,716
2028	774,428	241,550

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

Postretirement Coverage

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

Healthcare Premiums

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

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

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Actuarial Assumptions

The Net OPEB Liability was determined using an actuarial valuation as of June 30, 2023, using the following assumptions:

Actuarial Assumption	June 30, 2023 Measurement Date
Actuarial Valuation Date	June 30, 2023
Discount Rate	3.86%
	Unfunded, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as the valuation date.
Inflation	2.30%
Mortality Rates:	Based on CalPERS tables.
Salary Increases	2.80%. Additional merit-based on CalPERS merit salary increase tables.
Healthcare Cost Trend Rates	7.40% Pre-Medicare, trending down to 4.04% over 56 years. 4.20% Medicare, trending down to 4.04% over 56 years

C. Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Active Employees	2,007
Inactive Employees Currently Receiving Benefits	551
Total	<u>2,558</u>

D. Changes in the Total OPEB Liability

The table below shows the changes in the total OPEB liability as of June 30, 2024.

	Increase (Decrease)
	<u>Total OPEB Liability</u>
Balance at June 30, 2023 (Valuation Date June 30, 2023)	\$ 39,589,304
Changes Recognized for the Measurement Period:	
Service Cost	2,085,918
Interest	1,505,492
Benefit Payments	(988,994)
Change of Assumptions	(3,138,216)
Difference Between Expected and Actual Experience	5,292,594
Implicit Rate Subsidy Fulfilled	(762,905)
Net Changes	<u>3,993,889</u>
Balance at June 30, 2024 (Measurement Date June 30, 2023)	<u>\$ 43,583,193</u>

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$2,260,525. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in gain/loss, and actuarial assumptions or method. At June 30, 2024, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 1,909,166	\$ -
Change of Assumptions	5,659,538	9,898,410
Differences Between Expected and Actual Experience	4,717,312	7,489,094
Total	\$ 12,286,016	\$ 17,387,504

The \$1,909,166 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources or deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2025	\$ (1,330,885)
2026	(1,330,885)
2027	(1,309,314)
2028	(1,276,975)
2029	(644,348)
Remaining	(1,118,247)

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

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

	1% Decrease (2.86%)	Current Rate (3.86%)	1% Increase (4.86%)
Total OPEB Liability	\$ 49,212,713	\$ 43,583,193	\$ 38,886,572

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The following presents the net OPEB liability of the County, as well as what the County net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	Current Healthcare Cost		
	1% Decrease 6.40%	Trend Rates 7.40%	1% Increase 8.40%
	\$ 41,905,545	\$ 43,583,193	\$ 43,561,127
Total OPEB Liability	\$ 41,905,545	\$ 43,583,193	\$ 43,561,127

NOTE 11 RISK MANAGEMENT

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

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

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

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

	2024			
	Balance at June 30, 2023	Current Year Claims and Changes in Estimates	Claims Payments	Balance at June 30, 2024
Property Liability and Auto	\$ 1,646,000	\$ 3,236,858	\$ (3,123,858)	\$ 1,759,000
Dental	162,666	1,283,924	(1,264,410)	182,180
Unemployment	105,224	(10,294)	13,901	108,831
Total	\$ 1,913,890	\$ 4,510,488	\$ (4,374,367)	\$ 2,050,011

**COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 RISK MANAGEMENT (CONTINUED)

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

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

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

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

NOTE 12 JOINT VENTURES

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

The County participated in the following JPAs at June 30, 2024:

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

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

COUNTY OF HUMBOLDT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 JOINT VENTURES (CONTINUED)

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

NOTE 13 COMMITMENTS AND CONTINGENCIES

A. Grants

The County participates in a number of federal and state grant programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs, including the year ended June 30, 2024, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County believes that such disallowances, if any, would not have a material effect on the financial statements.

B. Legal Actions

In the opinion of County Counsel, there are potential liabilities as of June 30, 2024 which could result in monetary rewards against the County if unfavorable decisions are rendered. The County does not make provisions for potential awards.

C. Construction Commitments

The County had entered into contracts for the construction of certain projects. At June 30, 2024, there were outstanding commitments of \$40,317,845 for road, bridge, and building projects.

NOTE 14 DEFICIT FUND BALANCE/NET POSITION

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

	Accumulated Deficit
Road	\$ 7,635,890
Northcoast Resource Partnership	565,606
Central Services	81,218

The deficit fund balance in the Road Fund is primarily the result of several outstanding reimbursement claims to FEMA at June 30 for disaster-related expenditures incurred during the year. The deficit in the Northcoast Resources Partnership Fund and Central Services Fund will be financed through future revenues of the funds.

REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2024

Last 10 Fiscal Years

	Safety Plans									
	June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 5,493,599	\$ 5,374,983	\$ 5,244,262	\$ 5,087,733	\$ 4,813,680	\$ 4,982,401	\$ 4,640,621	\$ 4,080,379	\$ 4,164,088	\$ 4,185,384
Interest on Total Pension Liability	18,879,264	17,882,231	17,261,540	16,412,358	15,656,673	14,860,932	14,038,633	13,624,602	13,034,283	12,485,789
Changes of Assumptions	-	9,412,841	-	-	-	(606,417)	12,184,884	-	(3,323,361)	-
Changes of benefit terms	212,703	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	4,482,122	(1,524,236)	2,237,666	1,157,011	1,594,555	2,510,714	(3,324,947)	(1,272,685)	(1,673,748)	-
Benefit payments, Including Refunds of Employee Contributions	(13,959,404)	(13,163,770)	(12,270,527)	(11,608,200)	(10,782,512)	(9,666,050)	(8,841,462)	(8,358,315)	(7,976,174)	(7,539,487)
Net Change in Total Pension Liability	15,108,284	17,982,049	12,472,941	11,048,902	11,282,396	12,081,580	18,697,729	8,073,981	4,225,088	9,131,686
Total Pension Liability - Beginning	273,150,598	255,168,549	242,695,608	231,646,706	220,364,310	208,282,730	189,585,001	181,511,020	177,285,932	168,154,246
Total Pension Liability - Ending	288,258,882	273,150,598	255,168,549	242,695,608	231,646,706	220,364,310	208,282,730	189,585,001	181,511,020	177,285,932
Plan Fiduciary Net Position:										
Plan-to-Plan Resource Movement	(14,192)	43,663	(73,342)	(959)	(47,699)	(362)	18,284	(957)	63,796	-
Contributions - Employer	9,366,497	7,990,527	7,905,205	7,010,817	6,102,650	5,565,876	5,249,061	4,757,426	4,429,607	4,123,350
Contributions - Employee	2,649,627	2,226,470	2,719,911	2,444,951	2,209,040	2,174,222	1,909,048	1,496,334	1,439,592	1,562,669
Net Investment Income	11,645,709	(15,524,220)	38,265,186	8,137,337	10,247,510	12,286,593	14,835,660	695,008	2,952,599	20,056,375
Benefit Payments, Including Refunds of Employee Contributions	(13,959,404)	(13,163,770)	(12,270,527)	(11,608,200)	(10,782,512)	(9,666,050)	(8,841,462)	(8,358,315)	(7,976,174)	(7,539,487)
Administrative Expense	(137,857)	(128,342)	(169,470)	(231,054)	(111,524)	(228,413)	(197,263)	(82,337)	(151,945)	-
Other Miscellaneous	-	-	-	-	362	(433,761)	-	-	-	-
Net Change in Plan Fiduciary Net Position	9,550,380	(18,555,672)	36,376,963	5,752,892	7,617,827	9,698,105	12,973,328	(1,492,841)	757,475	18,202,907
Plan Fiduciary Net Position - Beginning	187,471,054	206,026,726	169,649,763	163,896,871	156,279,044	146,580,939	133,607,611	135,100,452	134,342,977	116,140,070
Plan Fiduciary Net Position - Ending	197,021,434	187,471,054	206,026,726	169,649,763	163,896,871	156,279,044	146,580,939	133,607,611	135,100,452	134,342,977
Net Pension Liability - Ending	\$ 91,237,448	\$ 85,679,544	\$ 49,141,823	\$ 73,045,845	\$ 67,749,835	\$ 64,085,266	\$ 61,701,791	\$ 55,977,390	\$ 46,410,568	\$ 42,942,955
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.35%	68.63%	80.74%	69.90%	70.75%	70.92%	70.38%	70.47%	74.43%	75.78%
Covered Payroll	\$ 18,174,531	\$ 17,994,585	\$ 18,816,872	\$ 18,048,008	\$ 16,702,569	\$ 17,149,943	\$ 15,975,698	\$ 15,694,368	\$ 15,854,736	\$ 15,327,146
Net Pension Liability as a Percentage of Covered Payroll	502.01%	476.14%	261.16%	404.73%	405.63%	373.68%	386.22%	356.67%	292.72%	280.18%

Change in Assumptions:

The discount rate to measure the net pension liability was 7.65% as of June 30, 2014, 2015 and 2016, was reduced to 7.15% as of June 30, 2017, and reduced again to 6.90% as of June 30, 2022. The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016 and 2017 and was reduced to 2.50% as of June 30, 2018.

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2024

Last 10 Fiscal Years	Miscellaneous Plans									
	June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:										
Service Cost	\$ 18,372,406	\$ 18,700,520	\$ 17,230,177	\$ 16,724,245	\$ 15,913,192	\$ 15,973,515	\$ 14,807,223	\$ 13,541,216	\$ 14,413,398	\$ 14,832,034
Interest on Total Pension Liability	60,227,876	57,491,846	56,150,398	54,203,857	51,564,138	49,302,934	44,815,103	44,217,175	42,412,478	40,445,800
Changes of Assumptions	-	24,839,032	-	-	-	(4,905,718)	34,895,188	-	(9,694,226)	-
Changes of benefit terms	1,407,532	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	10,015,389	(7,845,107)	(181,033)	5,345,041	4,909,914	11,848,842	(6,283,979)	(5,632,041)	(2,886,636)	-
Benefit payments, Including Refunds of Employee Contributions	(48,488,815)	(45,284,276)	(42,869,803)	(41,358,723)	(39,203,377)	(36,338,982)	(32,334,940)	(30,746,413)	(28,451,183)	(26,255,798)
Change of Allocation	(912,073)	862,279	(1,661,438)	3,972,317	(759,824)	29,955,265	(6,679,562)	2,431,847	-	-
Net Change in Total Pension Liability	40,622,315	48,764,294	28,668,301	38,886,737	32,424,043	65,835,856	49,219,033	23,811,784	15,793,831	29,022,036
Total Pension Liability - Beginning	877,415,121	828,650,827	799,982,526	761,095,789	728,671,746	662,835,890	613,616,857	589,805,073	574,011,242	544,989,205
Total Pension Liability - Ending	918,037,436	877,415,121	828,650,827	799,982,526	761,095,789	728,671,746	662,835,890	613,616,857	589,805,073	574,011,241
Plan Fiduciary Net Position:										
Contributions - Employer	31,393,087	28,561,037	27,591,424	25,044,531	21,899,254	20,258,811	17,968,022	17,903,857	17,054,037	17,041,711
Contributions - Employee	10,793,134	9,516,757	10,958,305	10,187,645	9,290,884	9,206,174	7,488,725	5,790,381	5,870,207	6,421,943
Net Investment Income	38,363,734	(51,120,973)	125,533,528	26,722,508	33,333,355	40,029,368	46,381,283	2,264,291	9,592,039	62,764,661
Benefit Payments, Including Refunds of Employee Contributions	(48,488,815)	(45,284,276)	(42,869,803)	(41,358,723)	(39,203,377)	(36,338,982)	(32,334,940)	(30,746,413)	(28,451,182)	(26,255,798)
Plan-to-Plan Resource Movement	13,639	(42,004)	70,482	924	45,696	(1,176)	(16,776)	888	12,495	-
Administrative Expense	(452,820)	(420,620)	(553,197)	(754,352)	(362,028)	(743,049)	(616,193)	(260,230)	(478,678)	-
Other Expense	-	-	-	-	1,175	(1,411,063)	-	-	-	-
Change of Allocation	(640,776)	701,888	(1,152,515)	2,778,257	(529,552)	20,617,871	(4,593,111)	1,753,319	-	-
Net Change in Plan Fiduciary Net Position	30,981,183	(58,088,191)	119,578,224	22,620,790	24,475,407	51,617,954	34,277,010	(3,293,907)	3,598,918	59,972,517
Plan Fiduciary Net Position - Beginning	616,426,644	674,514,835	554,936,611	532,315,821	507,840,414	456,222,460	421,945,450	425,239,357	421,640,439	361,667,922
Plan Fiduciary Net Position - Ending	647,407,827	616,426,644	674,514,835	554,936,611	532,315,821	507,840,414	456,222,460	421,945,450	425,239,357	421,640,439
Net Pension Liability - Ending	\$ 270,629,609	\$ 260,988,477	\$ 154,135,992	\$ 245,045,915	\$ 228,779,968	\$ 220,831,332	\$ 206,613,430	\$ 191,671,407	\$ 164,565,716	\$ 152,370,802
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.52%	70.25%	81.40%	69.37%	69.94%	69.69%	68.83%	68.76%	72.10%	73.46%
Covered Payroll	\$ 105,104,939	\$ 104,064,296	\$ 104,059,344	\$ 99,182,279	\$ 92,488,019	\$ 90,543,756	\$ 85,210,721	\$ 83,148,866	\$ 86,528,224	\$ 83,737,864
Net Pension Liability as a Percentage of Covered Payroll	257.49%	250.80%	148.12%	247.07%	247.36%	243.89%	242.47%	230.52%	190.19%	181.96%

Change in Assumptions:

The discount rate to measure the net pension liability was 7.65% as of June 30, 2014, 2015 and 2016, was reduced to 7.15% as of June 30, 2017, and was reduced again to 6.90% as of June 30, 2022. The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016 and 2017 and was reduced to 2.50% as of June 30, 2018.

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
YEAR ENDED JUNE 30, 2024**

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

		Safety									
		June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution		\$ 9,365,560	\$ 9,366,497	\$ 7,990,527	\$ 7,905,205	\$ 7,010,817	\$ 6,102,650	\$ 5,565,876	\$ 5,249,061	\$ 4,757,426	\$ 4,429,607
Contributions Related to the Actuarially Determined Contribution		9,365,560	9,366,497	7,990,527	7,905,205	7,010,817	6,102,650	5,565,876	5,249,061	4,757,426	4,429,607
Contribution Deficiency (Excess)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll		\$ 18,356,276	\$ 18,174,531	\$ 17,994,585	\$ 18,816,872	\$ 18,048,008	\$ 16,702,569	\$ 17,149,943	\$ 15,975,698	\$ 15,694,368	\$ 15,854,736
Contributions as a Percentage of Covered Payroll		51.02 %	51.54 %	44.41 %	42.01 %	41.58 %	36.54 %	32.45 %	32.86 %	30.31 %	27.94 %
		Miscellaneous									
		June 30, 2023	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution		\$ 32,400,919	\$ 31,393,087	\$ 29,689,228	\$ 28,711,159	\$ 26,006,782	\$ 22,859,347	\$ 21,127,933	\$ 19,582,944	\$ 19,300,602	\$ 18,460,286
Contributions Related to the Actuarially Determined Contribution		32,400,919	31,393,087	29,689,228	28,711,159	26,006,782	22,859,347	21,127,933	19,582,944	19,300,602	18,460,286
Contribution Deficiency (Excess)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll		\$ 106,155,988	\$ 105,104,939	\$ 104,064,296	\$ 104,059,344	\$ 99,182,279	\$ 92,488,019	\$ 90,543,756	\$ 85,210,731	\$ 83,148,866	\$ 86,258,224
Contributions as a Percentage of Covered Payroll		30.52%	29.87%	28.53%	27.59%	27.37%	24.72%	23.33%	22.98%	23.21%	21.40%

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
SCHEDULE OF CHANGES TO TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2024

Last 10 Fiscal Years*	Reporting Year						
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability:							
Service Cost	\$ 2,085,918	\$ 2,855,657	\$ 2,886,043	\$ 2,435,502	\$ 2,663,260	\$ 2,647,674	\$ 2,573,681
Interest on Total OPEB Liability	1,505,492	934,961	1,181,287	1,304,262	1,628,808	1,509,753	1,429,674
Difference Between Expected and Actual Experience	5,292,594	(202,444)	(5,474,505)	(6,972)	(8,445,721)	(37,773)	-
Change of Assumptions	(3,138,216)	(9,085,475)	3,473,352	3,914,441	2,752,055	(425,810)	-
Benefit Payments	(988,994)	(791,239)	(937,968)	(875,740)	(802,876)	(751,789)	(733,082)
Implicit Rate Subsidy Fulfilled	(762,905)	(715,984)	(666,212)	(623,486)	(1,089,129)	(1,057,288)	(1,021,534)
Net Change in Total OPEB Liability	3,993,889	(7,004,524)	461,997	6,148,007	(3,293,603)	1,884,767	2,248,739
Total OPEB Liability - Beginning	39,589,304	46,593,828	46,131,831	39,983,824	43,277,427	41,392,660	39,143,921
Total OPEB Liability - Ending	<u>\$ 43,583,193</u>	<u>\$ 39,589,304</u>	<u>\$ 46,593,828</u>	<u>\$ 46,131,831</u>	<u>\$ 39,983,824</u>	<u>\$ 43,277,427</u>	<u>\$ 41,392,660</u>
Covered Employee Payroll	\$ 126,466,234	\$ 93,040,478	\$ 87,869,026	\$ 113,979,904	\$ 107,433,257	\$ 106,830,722	\$ 103,971,506
Net OPEB Liability as a Percentage of Covered Employee Payroll	34.46%	42.55%	53.03%	40.47%	37.22%	40.51%	39.81%

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

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

Change in Assumptions:

The discount rate to measure the total OPEB liability was 3.5% as of June 30, 2018, 3.62% as of June 30, 2019, 3.13% as of June 30, 2020, 2.45% as of June 30, 2021, reduced to 1.92% as of June 30, 2022, increased to 3.69% as of June 30, 2023, and increased to 3.86% in 2024.

See accompanying Notes to Required Supplementary Information.

COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 77,848,250	\$ 77,848,250	\$ 88,439,505	\$ 10,591,255
Licenses and Permits	3,582,136	3,582,136	3,469,742	(112,394)
Fines, Forfeits, and Penalties	661,980	661,980	992,036	330,056
Use of Money and Property	659,200	659,200	5,759,622	5,100,422
Aid from Other Governments	306,790,298	316,529,345	264,516,515	(52,012,830)
Charges for Services	50,267,902	51,578,081	28,922,560	(22,655,521)
Other Revenue	4,520,576	697,742	2,720,762	2,023,020
Total Revenues	<u>444,330,342</u>	<u>451,556,734</u>	<u>394,820,742</u>	<u>(56,735,992)</u>
EXPENDITURES				
Current:				
General Government	24,378,234	31,015,745	18,235,021	12,780,724
Public Protection	126,702,991	127,869,435	104,723,588	23,145,847
Public Way and Facilities	2,737,921	2,737,921	2,625,670	112,251
Health and Sanitation	119,013,969	122,469,489	104,096,064	18,373,425
Public Assistance	177,306,628	171,659,810	156,666,066	14,993,744
Education	295,735	295,735	237,278	58,457
Recreation and Culture	1,882,260	1,876,260	1,430,349	445,911
Capital Outlay	26,438,053	30,226,575	10,877,504	19,349,071
Contingencies	1,367,785	312,853	-	312,853
Total Expenditures	<u>480,123,576</u>	<u>488,463,823</u>	<u>398,891,540</u>	<u>89,572,283</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,793,234)	(36,907,089)	(4,070,798)	32,836,291
OTHER FINANCING SOURCES (USES)				
Transfers In	21,738,020	19,548,340	-	(19,548,340)
Transfers Out	(9,139,328)	(9,771,328)	(7,207,070)	2,564,258
Total Other Financing Sources (Uses)	<u>12,598,692</u>	<u>9,777,012</u>	<u>(7,207,070)</u>	<u>(16,984,082)</u>
NET CHANGE IN FUND BALANCES	(23,194,542)	(27,130,077)	(11,277,868)	15,852,209
Budgetary Fund Balances - Beginning of Year	<u>15,308,685</u>	<u>15,308,685</u>	<u>15,308,685</u>	<u>-</u>
BUDGETARY FUND BALANCES - END OF YEAR	<u><u>\$ (7,885,857)</u></u>	<u><u>\$ (11,821,392)</u></u>	<u><u>\$ 4,030,817</u></u>	<u><u>\$ 15,852,209</u></u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
 BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS (CONTINUED)
 GENERAL FUND
 YEAR ENDED JUNE 30, 2024**

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

Sources/Inflows of Resources

Actual Amounts from the Budgetary Comparison Schedule	\$ 394,820,742
Receipts from Funds Reclassified from County Custodial Funds, Not Budgeted	<u>24,567,037</u>

Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 419,387,779</u></u>
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Uses/Outflows of Resources

Actual Amounts from the Budgetary Comparison Schedule	\$ 398,891,540
Disbursements from Funds Reclassified from County Custodial Funds, Not Budgeted	<u>22,161,719</u>

Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 421,053,259</u></u>
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See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,250,104	\$ 4,250,104	\$ 4,720,607	\$ 470,503
Licenses and Permits	103,000	103,000	78,208	(24,792)
Use of Money and Property	-	-	(418,063)	(418,063)
Aid from Other Governments	38,525,779	38,525,779	32,931,562	(5,594,217)
Charges for Services	925,221	925,221	676,766	(248,455)
Other Revenue	523,060	523,060	138,515	(384,545)
Total Revenues	<u>44,327,164</u>	<u>44,327,164</u>	<u>38,127,595</u>	<u>(6,199,569)</u>
EXPENDITURES				
Current:				
Public Way and Facilities	24,625,917	23,658,917	26,651,801	(2,992,884)
Capital Outlay	19,844,994	21,559,893	16,559,496	5,000,397
Debt Service:				
Principal	-	-	140,466	(140,466)
Interest	-	-	-	-
Total Expenditures	<u>44,470,911</u>	<u>45,218,810</u>	<u>43,351,763</u>	<u>1,867,047</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(143,747)	(891,646)	(5,224,168)	(4,332,522)
OTHER FINANCING SOURCES (USES)				
Capital Leases	-	-	9,550	9,550
Transfers In	143,747	891,646	3,138,557	2,246,911
Transfers Out	-	-	(714,064)	(714,064)
Total Other Financing Sources (Uses)	<u>143,747</u>	<u>891,646</u>	<u>2,434,043</u>	<u>1,542,397</u>
NET CHANGE IN FUND BALANCES	-	-	(2,790,125)	(2,790,125)
Budgetary Fund Balances - Beginning of Year	<u>(4,845,765)</u>	<u>(4,845,765)</u>	<u>(4,845,765)</u>	<u>-</u>
BUDGETARY FUND BALANCES - END OF YEAR	<u>\$ (4,845,765)</u>	<u>\$ (4,845,765)</u>	<u>\$ (7,635,890)</u>	<u>\$ (2,790,125)</u>

See accompanying Notes to Required Supplementary Information.

**COUNTY OF HUMBOLDT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

General Budget Policies

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

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

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

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

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

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NONMAJOR GOVERNMENTAL FUNDS

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

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

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**COUNTY OF HUMBOLDT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue			
	Family Support	Courthouse Construction	County Library	Fish and Game Propagation
ASSETS				
Cash and Investments	\$ 2,607,394	\$ 2,091,660	\$ 1,202,987	\$ 18,152
Receivables	3,886	-	62,281	-
Prepays	-	-	1,350	-
Lease Receivable	-	-	-	-
Total Assets	<u>\$ 2,611,280</u>	<u>\$ 2,091,660</u>	<u>\$ 1,266,618</u>	<u>\$ 18,152</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 30,390	\$ -	\$ 111,616	\$ -
Salaries and Benefits Payable	73,287	-	63,772	-
Unearned Revenue	-	-	153,709	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>103,677</u>	<u>-</u>	<u>329,097</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
Deferred Inflows related to Leases	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	1,350	-
Restricted	2,507,603	2,091,660	936,171	18,152
Unassigned	-	-	-	-
Total Fund Balances	<u>2,507,603</u>	<u>2,091,660</u>	<u>937,521</u>	<u>18,152</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,611,280</u>	<u>\$ 2,091,660</u>	<u>\$ 1,266,618</u>	<u>\$ 18,152</u>

**COUNTY OF HUMBOLDT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>Special Revenue</u>		<u>Debt Service</u>	
	Northcoast Resource Partnership	Special Districts Under County	Debt Service	Total
		Board of Supervisors		
ASSETS				
Cash and Investments	\$ -	\$ 1,221,013	\$ 6,447,463	\$ 13,588,669
Receivables	1,858,849	-	-	1,925,016
Prepays	1,914	-	-	3,264
Lease Receivable	-	7,039	-	7,039
	<u>-</u>	<u>7,039</u>	<u>-</u>	<u>7,039</u>
Total Assets	<u>\$ 1,860,763</u>	<u>\$ 1,228,052</u>	<u>\$ 6,447,463</u>	<u>\$ 15,523,988</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 786,869	\$ 32,814	\$ -	\$ 961,689
Salaries and Benefits Payable	10,827	-	-	147,886
Unearned Revenue	-	-	-	153,709
Due to Other Funds	545,530	-	-	545,530
Total Liabilities	<u>1,343,226</u>	<u>32,814</u>	<u>-</u>	<u>1,808,814</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	1,083,143	-	-	1,083,143
Deferred Inflows related to Leases	-	6,728	-	6,728
Total Deferred Inflow of Resources	<u>1,083,143</u>	<u>6,728</u>	<u>-</u>	<u>1,089,871</u>
FUND BALANCE				
Nonspendable	1,914	-	-	3,264
Restricted	-	1,188,510	6,447,463	13,189,559
Unassigned	(567,520)	-	-	(567,520)
Total Fund Balances	<u>(565,606)</u>	<u>1,188,510</u>	<u>6,447,463</u>	<u>12,625,303</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,860,763</u>	<u>\$ 1,228,052</u>	<u>\$ 6,447,463</u>	<u>\$ 15,523,988</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	Special Revenue			
	Family Support	Courthouse Construction	County Library	Fish and Game Propagation
REVENUES				
Taxes	\$ -	\$ -	\$ 3,718,993	\$ -
Fines, Forfeitures, and Penalties	-	198,233	-	2,873
Use of Money and Property	101,869	86,475	73,199	822
Intergovernmental	5,072,090	-	183,451	-
Charges for Services	-	-	18,244	-
Miscellaneous	188	-	413,100	-
Total Revenues	<u>5,174,147</u>	<u>284,708</u>	<u>4,406,987</u>	<u>3,695</u>
EXPENDITURES				
Current:				
Public Protection	3,846,148	-	-	19
Education	-	-	4,865,897	-
Capital Outlay	92,468	-	67,267	-
Debt Service:				
Principal	337,720	-	18,499	-
Interest and Other Charges	-	-	-	-
Total Expenditures	<u>4,276,336</u>	<u>-</u>	<u>4,951,663</u>	<u>19</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	897,811	284,708	(544,676)	3,676
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	369,600	-
Transfers Out	(300)	(76,546)	(53,472)	-
Total Other Financing Sources (Uses)	<u>(300)</u>	<u>(76,546)</u>	<u>316,128</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	897,511	208,162	(228,548)	3,676
Fund Balances - Beginning of Year	<u>1,610,092</u>	<u>1,883,498</u>	<u>1,166,069</u>	<u>14,476</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,507,603</u>	<u>\$ 2,091,660</u>	<u>\$ 937,521</u>	<u>\$ 18,152</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	Special Revenue		Debt Service	
	Northcoast Resource Partnership	Special Districts	Debt Service	Total
		Under County Board of Supervisors		
REVENUES				
Taxes	\$ -	\$ 476,580	\$ -	\$ 4,195,573
Fines, Forfeitures, and Penalties	-	-	-	201,106
Use of Money and Property	39,485	46,312	(141,566)	206,596
Intergovernmental	9,677,554	9,600	-	14,942,695
Charges for Services	7,198	-	-	25,442
Miscellaneous	-	5,526	71	418,885
Total Revenues	9,724,237	538,018	(141,495)	19,990,297
EXPENDITURES				
Current:				
Public Protection	10,069,824	414,299	-	14,330,290
Education	-	-	-	4,865,897
Capital Outlay	-	-	-	159,735
Debt Service:				
Principal	-	-	-	356,219
Interest and Other Charges	-	-	-	-
Total Expenditures	10,069,824	414,299	-	19,712,141
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(345,587)	123,719	(141,495)	278,156
OTHER FINANCING SOURCES (USES)				
Transfers In	20,000	-	1,647,796	2,037,396
Transfers Out	-	-	-	(130,318)
Total Other Financing Sources (Uses)	20,000	-	1,647,796	1,907,078
NET CHANGE IN FUND BALANCES	(325,587)	123,719	1,506,301	2,185,234
Fund Balances - Beginning of Year	(240,019)	1,064,791	4,941,162	10,440,069
FUND BALANCES - END OF YEAR	\$ (565,606)	\$ 1,188,510	\$ 6,447,463	\$ 12,625,303

INTERNAL SERVICE FUNDS

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**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024**

	Heavy Equipment	Information Technology	Central Services	Communications
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 686,236	\$ 3,095,216	\$ -	\$ 1,771,523
Accounts Receivable	295,712	-	-	3,273
Prepaid Expenses and Other Assets	-	-	-	4,942
Total Current Assets	<u>981,948</u>	<u>3,095,216</u>	<u>-</u>	<u>1,779,738</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	56,869	-	5,859,466
Depreciable, Net of Depreciation	3,249,757	222,714	-	119,026
Righ-to-Use, Net of Amortization	40,999	-	-	112,428
SBITA, Net of Amortization	-	4,793,782	-	-
Total Noncurrent Assets	<u>3,290,756</u>	<u>5,073,365</u>	<u>-</u>	<u>6,090,920</u>
Total Assets	<u>4,272,704</u>	<u>8,168,581</u>	<u>-</u>	<u>7,870,658</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	94,613	310,845	481	4,525
Accrued Payroll and Benefits	22,580	53,610	7,689	5,011
Due to Other Funds	-	-	60,970	-
Interest Payable	-	-	-	173
Lease Liability	13,236	-	-	58,505
SBITA Liability	-	1,000,781	-	-
Compensated Absences	29,840	74,597	4,831	3,040
Provision for Estimated Claims	-	-	-	-
Total Current Liabilities	<u>160,269</u>	<u>1,439,833</u>	<u>73,971</u>	<u>71,254</u>
Noncurrent Liabilities:				
Lease Liability	28,615	-	-	59,035
SBITA Liability	-	3,364,581	-	-
Compensated Absences	44,759	111,896	7,247	4,560
Total Noncurrent Liabilities	<u>73,374</u>	<u>3,476,477</u>	<u>7,247</u>	<u>63,595</u>
Total Liabilities	<u>233,643</u>	<u>4,916,310</u>	<u>81,218</u>	<u>134,849</u>
NET POSITION				
Net Investment in Capital Assets	3,248,905	708,003	-	5,973,380
Unrestricted	790,156	2,544,268	(81,218)	1,762,429
Total Net Position	<u>\$ 4,039,061</u>	<u>\$ 3,252,271</u>	<u>\$ (81,218)</u>	<u>\$ 7,735,809</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2024**

	Motor Pool	ADA Compliance	Insurance Funds	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,500,970	\$ 2,299,467	\$ 13,612,517	\$ 23,965,929
Accounts Receivable	169,131	-	36,115	504,231
Prepaid Expenses and Other Assets	-	-	-	4,942
Total Current Assets	<u>2,670,101</u>	<u>2,299,467</u>	<u>13,648,632</u>	<u>24,475,102</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	-	-	-	5,916,335
Depreciable, Net of Depreciation	8,746,543	55,413	-	12,393,453
Righ-to-Use, Net of Amortization	-	-	4,899	158,326
SBITA, Net of Amortization	-	-	-	4,793,782
Total Noncurrent Assets	<u>8,746,543</u>	<u>55,413</u>	<u>4,899</u>	<u>23,261,896</u>
Total Assets	11,416,644	2,354,880	13,653,531	47,736,998
LIABILITIES				
Current Liabilities:				
Accounts Payable	260,760	286,716	478,318	1,436,258
Accrued Payroll and Benefits	16,063	9,841	22,619	137,413
Due to Other Funds	-	-	-	60,970
Interest Payable	-	-	-	173
Lease Liability	-	-	1,578	73,319
SBITA Liability	-	-	-	1,000,781
Compensated Absences	23,353	7,277	101,069	244,007
Provision for Estimated Claims	-	-	2,050,011	2,050,011
Total Current Liabilities	<u>300,176</u>	<u>303,834</u>	<u>2,653,595</u>	<u>5,002,932</u>
Noncurrent Liabilities:				
Lease Liability	-	-	3,272	90,922
SBITA Liability	-	-	-	3,364,581
Compensated Absences	35,030	10,916	-	214,408
Total Noncurrent Liabilities	<u>35,030</u>	<u>10,916</u>	<u>3,272</u>	<u>3,669,911</u>
Total Liabilities	<u>335,206</u>	<u>314,750</u>	<u>2,656,867</u>	<u>8,672,843</u>
NET POSITION				
Net Investment in Capital Assets	8,746,543	55,413	49	18,732,293
Unrestricted	<u>2,334,895</u>	<u>1,984,717</u>	<u>10,996,615</u>	<u>20,331,862</u>
Total Net Position	<u>\$ 11,081,438</u>	<u>\$ 2,040,130</u>	<u>\$ 10,996,664</u>	<u>\$ 39,064,155</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Heavy Equipment	Information Technology	Central Services	Communications
OPERATING REVENUES				
Charges for Services	\$ 2,891,865	\$ 7,157,822	\$ 427,966	\$ 436,661
Miscellaneous Revenues	591,836	-	25,159	39,165
Total Operating Revenues	<u>3,483,701</u>	<u>7,157,822</u>	<u>453,125</u>	<u>475,826</u>
OPERATING EXPENSES				
Salaries and Benefits	1,103,342	2,440,763	348,047	221,511
Services and Supplies	1,580,897	3,066,481	150,364	64,284
Self-Insurance Claims	-	-	-	-
Depreciation and Amortization	573,684	1,173,588	-	100,414
Total Operating Expenses	<u>3,257,923</u>	<u>6,680,832</u>	<u>498,411</u>	<u>386,209</u>
NET OPERATING INCOME (LOSS)	225,778	476,990	(45,286)	89,617
NONOPERATING REVENUES (EXPENSES)				
Interest Income/(Expense)	30,166	(67,889)	1,337	(38,924)
Grant Income	-	12,494	5,215	-
Insurance Proceeds	-	-	-	-
Gain/(Loss) on Sale of Capital Assets	(8,892)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>21,274</u>	<u>(55,395)</u>	<u>6,552</u>	<u>(38,924)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	247,052	421,595	(38,734)	50,693
Transfers In	-	-	-	230,000
Capital Contributions	-	-	-	-
Total Contributions and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,000</u>
CHANGE IN NET POSITION	247,052	421,595	(38,734)	280,693
Net Position - Beginning of Year	<u>3,792,009</u>	<u>2,830,676</u>	<u>(42,484)</u>	<u>7,455,116</u>
NET POSITION - END OF YEAR	<u>\$ 4,039,061</u>	<u>\$ 3,252,271</u>	<u>\$ (81,218)</u>	<u>\$ 7,735,809</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Motor Pool	ADA Compliance	Insurance Funds	Total
OPERATING REVENUES				
Charges for Services	\$ 4,335,631	\$ 563,489	\$ 45,072,791	\$ 60,886,225
Miscellaneous Revenues	101,735	-	963,996	1,721,891
Total Operating Revenues	<u>4,437,366</u>	<u>563,489</u>	<u>46,036,787</u>	<u>62,608,116</u>
OPERATING EXPENSES				
Salaries and Benefits	790,726	454,454	1,147,474	6,506,317
Services and Supplies	2,525,276	3,174,414	42,106,654	52,668,370
Self-Insurance Claims	-	-	4,520,782	4,520,782
Depreciation and Amortization	1,498,197	5,458	3,269	3,354,610
Total Operating Expenses	<u>4,814,199</u>	<u>3,634,326</u>	<u>47,778,179</u>	<u>67,050,079</u>
NET OPERATING INCOME (LOSS)	(376,833)	(3,070,837)	(1,741,392)	(4,441,963)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,794,647	81,483	6,139	1,806,959
Grant Income	-	-	379,507	397,216
Insurance Proceeds	-	-	2,290,547	2,290,547
Gain/(Loss) on Sale of Capital Assets	(65,173)	-	-	(74,065)
Total Nonoperating Revenues (Expenses)	<u>1,729,474</u>	<u>81,483</u>	<u>2,676,193</u>	<u>4,420,657</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,352,641	(2,989,354)	934,801	(21,306)
Transfers In	-	2,698,494	-	2,928,494
Capital Contributions	273,709	-	-	273,709
Total Contributions and Transfers	<u>273,709</u>	<u>2,698,494</u>	<u>-</u>	<u>3,202,203</u>
CHANGE IN NET POSITION	1,626,350	(290,860)	934,801	3,180,897
Net Position - Beginning of Year	<u>9,455,088</u>	<u>2,330,990</u>	<u>10,061,863</u>	<u>35,883,258</u>
NET POSITION - END OF YEAR	<u>\$ 11,081,438</u>	<u>\$ 2,040,130</u>	<u>\$ 10,996,664</u>	<u>\$ 39,064,155</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Heavy Equipment</u>	<u>Information Technology</u>	<u>Central Services</u>	<u>Communications</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services Provided	\$ 3,194,952	\$ 7,221,631	\$ 453,125	\$ 472,553
Cash Paid to Suppliers for Goods and Services	(1,615,401)	(2,866,435)	(150,760)	(83,024)
Cash Paid to Employees	<u>(1,078,709)</u>	<u>(2,420,839)</u>	<u>(343,790)</u>	<u>(212,906)</u>
Net Cash Provided (Used) by Operating Activities	500,842	1,934,357	(41,425)	176,623
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from Other Funds	-	-	-	230,000
Payments Received on Interfund Borrowing	-	-	34,823	-
Operating Grants Received	-	12,494	5,215	-
Insurance Proceeds Received	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	-	12,494	40,038	230,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	-	33,585	-	-
Purchase of Capital Assets	(611,107)	(240,531)	-	(600,453)
Principal Paid on Leases	(168,763)	-	-	(57,981)
Principal Paid on SBITAs	-	(1,100,222)	-	-
Interest Paid on Capital Debt	<u>(77)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Used by Capital and Related Financing Activities	(779,947)	(1,307,168)	-	(658,434)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	<u>30,166</u>	<u>(67,889)</u>	<u>1,337</u>	<u>(38,924)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(248,939)	571,794	(50)	(290,735)
Cash and Cash Equivalents - Beginning of Year	<u>935,175</u>	<u>2,523,422</u>	<u>50</u>	<u>2,062,258</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 686,236</u>	<u>\$ 3,095,216</u>	<u>\$ -</u>	<u>\$ 1,771,523</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Transfer of Capital Assets (to) from Governmental Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	Motor Pool	ADA Compliance	Insurance Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services Provided	\$ 4,268,235	\$ 563,489	\$ 46,044,816	\$ 62,218,801
Cash Paid to Suppliers for Goods and Services	(2,487,592)	(3,194,014)	(46,667,240)	(57,064,466)
Cash Paid to Employees	(783,134)	(451,604)	(1,125,625)	(6,416,607)
Net Cash Provided (Used) by Operating Activities	997,509	(3,082,129)	(1,748,049)	(1,262,272)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from Other Funds	-	2,698,494	-	2,928,494
Payments Received on Interfund Borrowing	-	-	-	34,823
Operating Grants Received	273,709	-	379,507	670,925
Insurance Proceeds Received	-	-	2,290,547	2,290,547
Net Cash Provided by Noncapital Financing Activities	273,709	2,698,494	2,670,054	5,924,789
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from Sale of Capital Assets	-	-	-	33,585
Purchase of Capital Assets	(1,736,225)	-	-	(3,188,316)
Principal Paid on Leases	-	-	(3,219)	(229,963)
Principal Paid on SBITAs	-	-	-	(1,100,222)
Interest Paid on Capital Debt	-	-	(219)	(296)
Net Cash Used by Capital and Related Financing Activities	(1,736,225)	-	(3,438)	(4,485,212)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	1,794,647	81,483	6,139	1,806,959
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	1,329,640	(302,152)	924,706	1,984,264
Cash and Cash Equivalents - Beginning of Year	1,171,330	2,601,619	12,687,811	21,981,665
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,500,970</u>	<u>\$ 2,299,467</u>	<u>\$ 13,612,517</u>	<u>\$ 23,965,929</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Transfer of Capital Assets (to) from Governmental Activities	<u>\$ 35,293</u>	<u>\$ (734,436)</u>	<u>\$ -</u>	<u>\$ (699,143)</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Heavy Equipment</u>	<u>Information Technology</u>	<u>Central Services</u>	<u>Communications</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 225,778	\$ 476,990	\$ (45,286)	\$ 89,617
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	573,684	1,173,588	-	100,414
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	(288,749)	63,809	-	(3,273)
Prepaid Expenses and Other Assets	-	-	-	(4,942)
Increase (decrease) in:				
Payables	(34,504)	200,046	(396)	(13,798)
Accrued Salaries and Benefits	7,376	18,604	3,455	2,741
Compensated Absences	17,257	1,320	802	5,864
Claims Payable	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 500,842</u>	<u>\$ 1,934,357</u>	<u>\$ (41,425)</u>	<u>\$ 176,623</u>

**COUNTY OF HUMBOLDT
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Motor Pool</u>	<u>ADA Compliance</u>	<u>Insurance Funds</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (376,833)	\$ (3,070,837)	\$ (1,741,392)	\$ (4,441,963)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,498,197	5,458	3,269	3,354,610
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Receivables	(169,131)	-	8,029	(389,315)
Prepaid Expenses and Other Assets	-	-	-	(4,942)
Increase (decrease) in:				
Payables	37,684	(19,600)	(156,411)	13,021
Accrued Salaries and Benefits	5,409	3,672	7,145	48,402
Compensated Absences	2,183	(822)	(4,810)	21,794
Claims Payable	-	-	136,121	136,121
Net Cash Provided (Used) by Operating Activities	<u>\$ 997,509</u>	<u>\$ (3,082,129)</u>	<u>\$ (1,748,049)</u>	<u>\$ (1,262,272)</u>

INSURANCE FUNDS

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**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION
INSURANCE FUNDS
JUNE 30, 2024**

	Dental	County Insurance	Workers' Compensation
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,464,859	\$ 299,657	\$ 2,261,825
Accounts Receivable	-	-	-
Capital Assets:			
Right-to-Use, Net of Amortization	-	4,899	-
Total Assets	1,464,859	304,556	2,261,825
LIABILITIES			
Current Liabilities:			
Accounts Payable	65,998	4,582	1,215
Accrued Payroll and Benefits	-	22,619	-
Interest Payable	-	-	-
Lease Liability	-	1,578	-
Liability for Compensated Absences	-	101,069	-
Provision for Estimated Claims	182,180	-	-
Total Current Liabilities	248,178	129,848	1,215
Noncurrent Liabilities:			
Lease Liability	-	3,272	-
Total Noncurrent Liabilities	-	3,272	-
Total Liabilities	248,178	133,120	1,215
NET POSITION			
Net Investment in Capital Assets	-	49	-
Unrestricted	1,216,681	171,387	2,260,610
Total Net Position	\$ 1,216,681	\$ 171,436	\$ 2,260,610

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
INSURANCE FUNDS
JUNE 30, 2024**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 5,283,578	\$ 3,212,610	\$ 203,967
Accounts Receivable	-	-	-
Capital Assets:			
Right-to-Use, Net of Amortization	-	-	-
Total Assets	<u>5,283,578</u>	<u>3,212,610</u>	<u>203,967</u>
 LIABILITIES			
Current Liabilities:			
Accounts Payable	312,242	-	81,181
Accrued Payroll and Benefits	-	-	-
Interest Payable	-	-	-
Lease Liability	-	-	-
Liability for Compensated Absences	-	-	-
Provision for Estimated Claims	1,759,000	-	108,831
Total Current Liabilities	<u>2,071,242</u>	<u>-</u>	<u>190,012</u>
 Noncurrent Liabilities:			
Lease Liability	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 Total Liabilities	<u>2,071,242</u>	<u>-</u>	<u>190,012</u>
 NET POSITION			
Net Investment in Capital Assets	-	-	-
Unrestricted	3,212,336	3,212,610	13,955
 Total Net Position	<u>\$ 3,212,336</u>	<u>\$ 3,212,610</u>	<u>\$ 13,955</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
INSURANCE FUNDS
JUNE 30, 2024**

	Purchased Insurance Premium	Employee Benefits	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 680,751	\$ 205,270	\$ 13,612,517
Accounts Receivable	36,115	-	36,115
Capital Assets:			
Right-to-Use, Net of Amortization	-	-	4,899
Total Assets	716,866	205,270	13,653,531
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	13,100	478,318
Accrued Payroll and Benefits	-	-	22,619
Interest Payable	-	-	-
Lease Liability	-	-	1,578
Liability for Compensated Absences	-	-	101,069
Provision for Estimated Claims	-	-	2,050,011
Total Current Liabilities	-	13,100	2,653,595
Noncurrent Liabilities:			
Lease Liability	-	-	3,272
Total Noncurrent Liabilities	-	-	3,272
Total Liabilities	-	13,100	2,656,867
NET POSITION			
Net Investment in Capital Assets	-	-	49
Unrestricted	716,866	192,170	10,996,615
Total Net Position	\$ 716,866	\$ 192,170	\$ 10,996,664

**COUNTY OF HUMBOLDT
 COMBINING SCHEDULE OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 INSURANCE FUNDS
 YEAR ENDED JUNE 30, 2024**

	<u>Dental</u>	<u>County Insurance</u>	<u>Workers' Compensation</u>
OPERATING REVENUES			
Charges for Services	\$ 1,700,393	\$ 1,291,084	\$ 8,599,396
Miscellaneous Revenues	124	1,069	1,980
Total Operating Revenues	<u>1,700,517</u>	<u>1,292,153</u>	<u>8,601,376</u>
OPERATING EXPENSES			
Salaries and Benefits	-	909,298	-
Services and Supplies	277,618	281,014	7,399,613
Self-Insurance Claims	1,283,924	-	-
Depreciation and Amortization	-	3,269	-
Total Operating Expenses	<u>1,561,542</u>	<u>1,193,581</u>	<u>7,399,613</u>
NET OPERATING INCOME (LOSS)	138,975	98,572	1,201,763
NONOPERATING REVENUES (EXPENSES)			
Interest Income/(Expense)	57,087	(10,342)	(217,619)
Grant Income	-	15,000	364,507
Insurance Proceeds	-	-	-
Total Nonoperating Revenues (Expenses)	<u>57,087</u>	<u>4,658</u>	<u>146,888</u>
CHANGE IN NET POSITION	196,062	103,230	1,348,651
Net Position - Beginning of Year	<u>1,020,619</u>	<u>68,206</u>	<u>911,959</u>
NET POSITION - END OF YEAR	<u>\$ 1,216,681</u>	<u>\$ 171,436</u>	<u>\$ 2,260,610</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
OPERATING REVENUES			
Charges for Services	\$ 8,573,987	\$ 21,856,536	\$ 267,352
Miscellaneous Revenues	948,912	136	10,294
Total Operating Revenues	<u>9,522,899</u>	<u>21,856,672</u>	<u>277,646</u>
OPERATING EXPENSES			
Salaries and Benefits	-	-	238,176
Services and Supplies	9,187,589	22,224,663	100,600
Self-Insurance Claims	3,236,858	-	-
Depreciation and Amortization	-	-	-
Total Operating Expenses	<u>12,424,447</u>	<u>22,224,663</u>	<u>338,776</u>
NET OPERATING INCOME (LOSS)	(2,901,548)	(367,991)	(61,130)
NONOPERATING REVENUES (EXPENSES)			
Interest Income/(Expense)	41,550	166,507	11,506
Grant Income	-	-	-
Insurance Proceeds	2,290,547	-	-
Total Nonoperating Revenues (Expenses)	<u>2,332,097</u>	<u>166,507</u>	<u>11,506</u>
CHANGE IN NET POSITION	(569,451)	(201,484)	(49,624)
Net Position - Beginning of Year	<u>3,781,787</u>	<u>3,414,094</u>	<u>63,579</u>
NET POSITION - END OF YEAR	<u>\$ 3,212,336</u>	<u>\$ 3,212,610</u>	<u>\$ 13,955</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2024**

	Purchased Insurance Premium	Insurance Benefits	Total
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Charges for Services	\$ 2,330,572	\$ 453,471	\$ 45,072,791
Miscellaneous Revenues	-	1,481	963,996
Total Operating Revenues	<u>2,330,572</u>	<u>454,952</u>	<u>46,036,787</u>
OPERATING EXPENSES			
Salaries and Benefits	-	-	1,147,474
Services and Supplies	2,210,963	424,594	42,106,654
Self-Insurance Claims	-	-	4,520,782
Depreciation and Amortization	-	-	3,269
Total Operating Expenses	<u>2,210,963</u>	<u>424,594</u>	<u>47,778,179</u>
NET OPERATING INCOME (LOSS)	119,609	30,358	(1,741,392)
NONOPERATING REVENUES (EXPENSES)			
Interest Income/(Expense)	(39,570)	(2,980)	6,139
Grant Income	-	-	379,507
Insurance Proceeds	-	-	2,290,547
Total Nonoperating Revenues (Expenses)	<u>(39,570)</u>	<u>(2,980)</u>	<u>2,676,193</u>
CHANGE IN NET POSITION	80,039	27,378	934,801
Net Position - Beginning of Year	<u>636,827</u>	<u>164,792</u>	<u>10,061,863</u>
NET POSITION - END OF YEAR	<u>\$ 716,866</u>	<u>\$ 192,170</u>	<u>\$ 10,996,664</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Dental</u>	<u>County Insurance</u>	<u>Workers' Compensation</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 1,700,517	\$ 1,292,153	\$ 8,617,057
Cash Paid to Suppliers for Goods and Services	(1,518,853)	(278,616)	(7,400,532)
Cash Paid to Employees	19,514	(906,963)	-
Net Cash Provided (Used) by Operating Activities	201,178	106,574	1,216,525
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to Other Funds	-	-	-
Operating Grants Received	-	15,000	364,507
Insurance Proceeds Received	-	-	-
Net Cash Provided by Investing Activities	-	15,000	364,507
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	-	(3,219)	-
Interest Paid on Capital Debt	-	(219)	-
Net Cash Used by Capital and Related Financing Activities	-	(3,438)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	57,087	(10,342)	(217,619)
Net Cash Provided (Used) by Investing Activities	57,087	(10,342)	(217,619)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	258,265	107,794	1,363,413
Cash and Cash Equivalents - Beginning of Year	1,206,594	191,863	898,412
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,464,859</u>	<u>\$ 299,657</u>	<u>\$ 2,261,825</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 9,522,899	\$ 21,856,672	\$ 277,646
Cash Paid to Suppliers for Goods and Services	(12,527,307)	(22,224,663)	(70,543)
Cash Paid to Employees	-	-	(238,176)
Net Cash Provided (Used) by Operating Activities	<u>(3,004,408)</u>	<u>(367,991)</u>	<u>(31,073)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to Other Funds	-	-	-
Operating Grants Received	-	-	-
Insurance Proceeds Received	<u>2,290,547</u>	<u>-</u>	<u>-</u>
Net Cash Provided by Investing Activities	2,290,547	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	-	-	-
Interest Paid on Capital Debt	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Used by Capital and Related Financing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	<u>41,550</u>	<u>166,507</u>	<u>11,506</u>
Net Cash Provided (Used) by Investing Activities	<u>41,550</u>	<u>166,507</u>	<u>11,506</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(672,311)	(201,484)	(19,567)
Cash and Cash Equivalents - Beginning of Year	<u>5,955,889</u>	<u>3,414,094</u>	<u>223,534</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,283,578</u>	<u>\$ 3,212,610</u>	<u>\$ 203,967</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2024**

	Purchased Insurance Premium	Employee Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 2,322,920	\$ 454,952	\$ 46,044,816
Cash Paid to Suppliers for Goods and Services	(2,219,104)	(427,622)	(46,667,240)
Cash Paid to Employees	-	-	(1,125,625)
Net Cash Provided (Used) by Operating Activities	103,816	27,330	(1,748,049)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to Other Funds	-	-	-
Operating Grants Received	-	-	379,507
Insurance Proceeds Received	-	-	2,290,547
Net Cash Provided by Investing Activities	-	-	2,670,054
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal Paid on Capital Debt	-	-	(3,219)
Interest Paid on Capital Debt	-	-	(219)
Net Cash Used by Capital and Related Financing Activities	-	-	(3,438)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received (Paid)	(39,570)	(2,980)	6,139
Net Cash Provided (Used) by Investing Activities	(39,570)	(2,980)	6,139
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	64,246	24,350	924,706
Cash and Cash Equivalents - Beginning of Year	616,505	180,920	12,687,811
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 680,751	\$ 205,270	\$ 13,612,517

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2024**

	Dental	County Insurance	Workers' Compensation
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 138,975	\$ 98,572	\$ 1,201,763
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	3,269	-
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	-	15,681
Increase (Decrease) in:			
Payables	42,689	2,398	(919)
Accrued Salaries and Benefits	-	7,145	-
Liability for Compensated Absences	-	(4,810)	-
Claims Payable	19,514	-	-
Net Cash Provided (Used) by Operating Activities	\$ 201,178	\$ 106,574	\$ 1,216,525

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Liability</u>	<u>Medical</u>	<u>Unemployment</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (2,901,548)	\$ (367,991)	\$ (61,130)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	-	-
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	-	-	-
Increase (Decrease) in:			
Payables	(215,860)	-	26,450
Accrued Salaries and Benefits	-	-	-
Liability for Compensated Absences	-	-	-
Claims Payable	113,000	-	3,607
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,004,408)</u>	<u>\$ (367,991)</u>	<u>\$ (31,073)</u>

**COUNTY OF HUMBOLDT
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
INSURANCE FUNDS
YEAR ENDED JUNE 30, 2024**

	Purchased Insurance Premium	Employee Benefits	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 119,609	\$ 30,358	\$ (1,741,392)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation and Amortization	-	-	3,269
Changes in Assets and Liabilities:			
(Increase) Decrease in:			
Accounts Receivable	(7,652)	-	8,029
Increase (Decrease) in:			
Payables	(8,141)	(3,028)	(156,411)
Accrued Salaries and Benefits	-	-	7,145
Liability for Compensated Absences	-	-	(4,810)
Claims Payable	-	-	136,121
Net Cash Provided (Used) by Operating Activities	\$ 103,816	\$ 27,330	\$ (1,748,049)



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