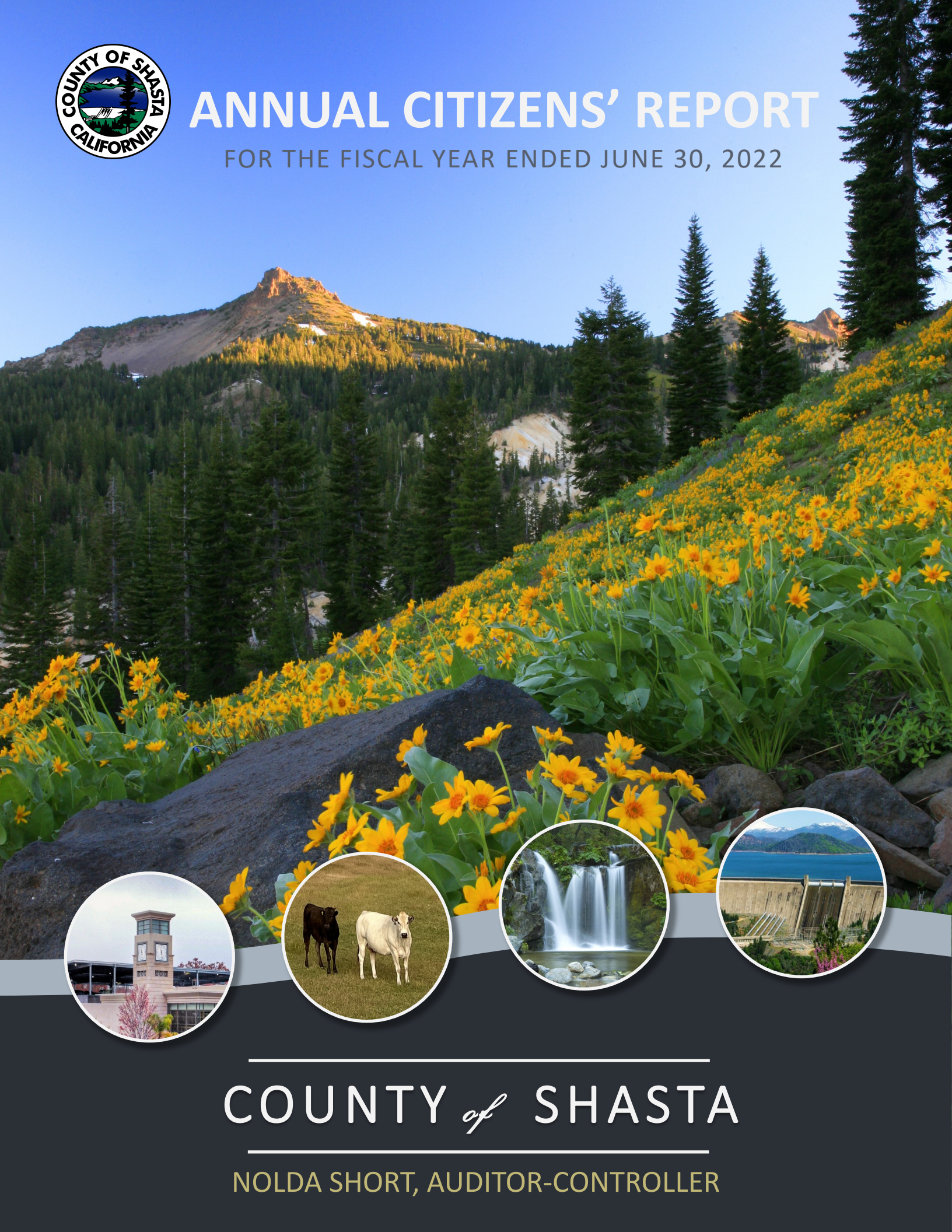




ANNUAL CITIZENS' REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



COUNTY *of* SHASTA

NOLDA SHORT, AUDITOR-CONTROLLER

Inside the Citizens' Report

Table of Contents

Auditor-Controller's Message _____	2
Auditor-Controller Highlights _____	3
Shasta County Information _____	4
Financial Summary and Trends _____	6
County Revenues _____	8
County Expenses _____	9
CalPERS Pension _____	10
Other Post Employment Benefits (OPEB) _____	11
Facts (Statistics) _____	12

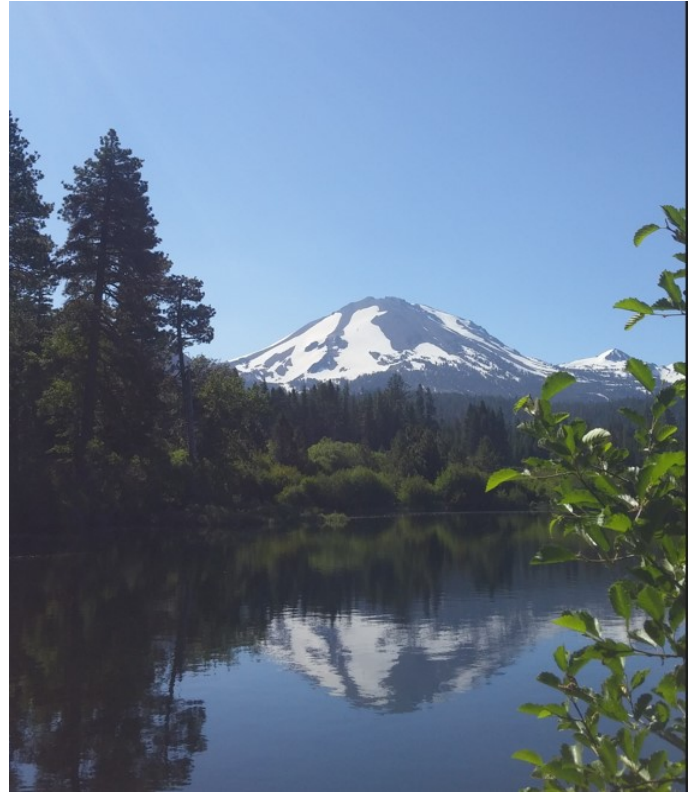
What is This?

The Citizens' Report is an annual report prepared by the Shasta County Auditor-Controller's office to provide financial data in a format that is easily understood by individuals not fluent in finance or governmental accounting.

The Auditor-Controller's office is dedicated to promoting transparency and fiscal accountability in local government. The Citizens' Report plays an important role in the mission to provide citizens and stakeholders with easy access to County financial information.

Covered in this Report

This report covers the fiscal year ended June 30, 2022 and covers the County's fiscal operations for the previous twelve month period, hereafter referred to as Fiscal Year (FY) 2021-22.



Financial Data Sources

While the Citizens' Report is not audited, the financial information in this report has been compiled from the County's audited 2021-22 Annual Comprehensive Financial Report (ACFR), which is a more detailed and comprehensive presentation of the financial condition of the County. The ACFR was prepared in accordance with generally accepted accounting principles (GAAP) and has been audited by a certified public accountant that presented the County with an unmodified (clean) opinion.

The ACFR and Citizens' Report can be accessed at:

https://www.shastacounty.gov/auditor-controller/page/audit_reports.aspx

Demographic Data Sources

The following sources were used for the nonfinancial information:

California Franchise Tax Board, California Employment Development Department, Zillow.com (housing information), and the US Bureau of Labor Statistics.

Auditor-Controller's Message

Dear Shasta County Residents...

I would like to start by recognizing that the successful completion of the Popular Annual Financial Report (PAFR) or Citizen's Report is a group effort and that there are several individuals on the Financial Reporting and Internal Audit team deserving of special recognition for their months of cooperation, research, analysis, and expertise in ensuring completion of Shasta County's critical financial records.

Michelle Gambill, Chief Deputy Auditor
Frank Costa, Auditor Accountant Supervisor
Wendy Donovan, Auditor Accountant Senior
Sharon Muto, Auditor Accountant
Clarice Davis, Auditor Accountant

Although the primary day-to-day role of the Auditor-Controller's office is to provide a broad range of financial accounting, auditing, and reporting services to all County departments, agencies, and various special districts within the County, we are also honored that the residents of Shasta County have entrusted us with ensuring integrity, transparency, and accountability in government accounting.

This citizen's report covers the fiscal year July 1, 2021, through June 30, 2022.

Financial Highlights

At the close of the most recent fiscal year, net position of the County was \$181,010,091. Additional details on Net Position are presented on Page 6.

In FY 2021-22, government-wide revenues decreased \$5.4 million, and expenses decreased \$23.7 million. The most notable decreases in expenses and revenues were attributed to the termination of revenues and expenses related to the Covid-19 pandemic. Additionally, the County's assets increased \$31.4 million during the year, while liabilities decreased \$107.5 million. It is important to keep in mind that although the liabilities decreased significantly for fiscal year 2022, which is normally a good thing, due to inflated returns in the market, the county will most likely not realize the full gain on those investment earnings.

Economic Overview

Prior to the 2019 COVID-19 pandemic, Shasta County saw steady increases in property tax values and positive employment figures, despite a series of wildfires

beginning in 2018. The county has yet to fully recover from the wildfires and rebuilding and restoration of property taxes has been slower than expected. As the pandemic moves to an end, economists report that the California economy shows several key factors indicative of a recession, however they hesitate to predict that a recession is coming primarily due to the fact that the statewide unemployment rates remain low, and personal spending was up in 2022 (largely due to COVID economic relief). Despite reports from economists, locally Shasta County is struggling to find applicants to fill vacant positions, and is experiencing issues with inflated costs and shortages in the supply chain.

Although the County saw modest increases in discretionary revenues (property tax, sales tax, etc.) in fiscal year 2021-22, future increases may not continue at the same pace if a recession ensues. Additionally, once COVID-19 funding such as CARES, ARPA, and other economic impact payments stop, and other related benefits are exhausted, the county will mostly like see other impacts as well. Going forward, the state is predicting a significant budget deficit for the next few years. The County needs to continue to adhere to conservative spending due to economic uncertainty at the State and Federal level. Looking to the future, conservative spending alone will not be enough, as expenditure growth will outpace increases in revenues.

The County's unfunded liabilities relating to pensions and retiree healthcare is still the most significant problem that will affect the County's future financial health. Conversations need to continue to take place on how to address this issue, including some difficult conversations with labor partners and employees. Ultimately, the increasingly difficult challenge for Shasta County will be balancing the current needs of the county, the needs of our employees and retirees, the service levels being provided, and the long-term health of the County.

Thank you for your continued support of our office as we promote transparency and fiscal accountability in government.

Nelda Shaw



Department Highlights:

Auditor-Controller's Office



Who we serve:

The Auditor-Controller is the main financial officer of the County. The Auditor-Controller performs duties under the legal authority prescribed in the California Government Code. The Auditor-Controller is an elected official that is responsible for providing a broad range of financial accounting, auditing and reporting services to all County departments, agencies, and various special districts within Shasta County whose funds are kept in the County treasury.

While ensuring that County departments have all necessary accounting functions provided to maintain operations, the Auditor-Controller also ensures that those functions are compliant with all federal, state, and local regulations. In addition to County departments, the office provides cash management services (in conjunction with the Treasurer's office) to the various school districts located within the County; of particular importance is the collection of taxes and payments related to all school debt issuance. These cash management (and tax collection) functions are required by government code and assist the various schools in safeguarding public resources.

Accounting services are also provided to various independent districts located within the County. These independent (separate Board from the Board of Supervisors) districts are comprised of fire districts, cemetery districts, and vector control districts. The cost for these accounting services is borne by the County per direction from the Board of Supervisors.

The public's trust in government is essential to an entity's success and the Auditor-Controller's office strives to provide timely, accurate information for public use. Whether providing information through public records requests or producing the award winning Annual Comprehensive Financial Report (ACFR), the Auditor-Controller's office holds the public interest to the highest level.

The Auditor-Controller's office is committed to working with integrity and professionalism to provide the citizens, the other County departments, and the agencies of Shasta County with accurate and timely financial reports and services.

Contacts: Contact information provided below for the respective area/function:

Property Tax / Payroll (Mgr)	Debbie Edwards	530-245-6615	AuditorPropertyTax@co.shasta.ca.us
Payroll	Jennifer Lamprecht	530-245-6663	AuditorPayroll@co.shasta.ca.us
Systems and Accounting (Mgr)	Kyla Brower	530-245-6651	AuditorSecurity@co.shasta.ca.us
Systems and AP/AR	Tania Gunari	530-225-5541	AuditorAccountsPayable@co.shasta.ca.us
Financial Reporting (Mgr)	Michelle Gambill	530-245-6664	AuditorReporting@co.shasta.ca.us
Financial Reporting	Jean Arnaz	530-245-6659	AuditorReporting@co.shasta.ca.us
Assistant Auditor-Controller	Rich Vietheer	530-245-6660	rvietheer@co.shasta.ca.us
Auditor-Controller	Nolda Short	530-245-6657	nshort@co.shasta.ca.us

Shasta County Information

The County of Shasta was established in 1850 as a general law county and is one of the State's original 27 counties. The County is located at the northern end of the Sacramento Valley and covers approximately 3,850 square miles and contains more than 2.46 million acres. The County is the 30th most populous county in the State with a population of approximately 180,531 as of January 1, 2022. The City of Redding is the County seat. The County occupies the northern reaches of the Sacramento Valley, with portions extending into the southern reaches of the Cascade Range. The County was named after Mount Shasta as it was originally within the County, but is now part of Siskiyou County, to the north. Residents residing in the County are represented by members of the Board of Supervisors that correspond to districts within the County.

Supervisors and their district maps can be located at :
<https://www.shastacounty.gov/board-supervisors.aspx>

County Administration

Shasta County policy and legislative authority resides with the County Board of Supervisors, referred to as the Board. The Board serves staggered four-year terms with each member representing one of five distinct districts.

The County Executive Officer assists the Board in managing and directing the various County departments. The Sheriff-Coroner, Assessor-Recorder, Auditor-Controller, Treasurer-Tax Collector, District Attorney, and County Clerk-Registrar of Voters are elected department heads. The other County department heads are appointed by the County Executive Officer or the Board.

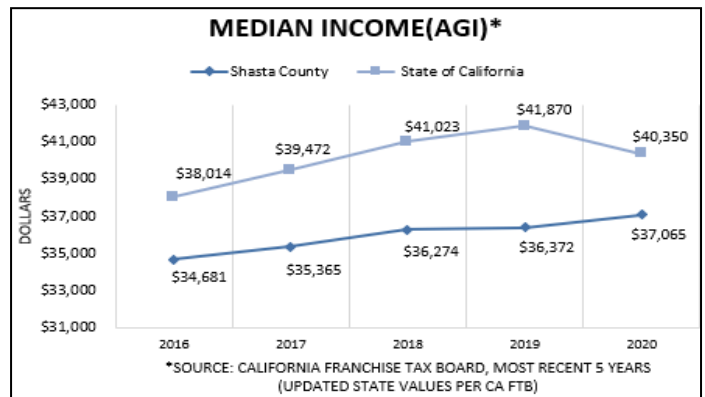
Demographics and Economy

Median income of \$37,065, as reported by the Franchise Tax Board, increased 1.91% from 2019 to 2020 (the most recent data from FTB) for the residents of Shasta County. Shasta County 2020 median income was approximately 8.14% lower than the State median. Shasta County ranked 33rd out of 58 counties when comparing annual income in 2020; in 2019 the County ranked 36th, representing a slight increase over the prior year.



County Staff and Services

The County employed approximately 2,189 full-time equivalent employees during the 2021-22 fiscal year. The County services generally fall into one of seven categories: General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Recreation. Citizens residing in the unincorporated areas of the County receive most of their governmental services from the County. Citizens within the incorporated areas of the County receive some County services such as Social Services, Behavioral Health, and some Public Safety services.



Energy Retrofit Project

During FY 2021-22, the County completed the energy retrofit project.

The project included the installation of fifteen solar arrays with a combined generation capacity of 2.1 MW, substitution of LED lighting at fifteen sites, replacement of HVAC equipment at seven sites, and upgrades to HVAC controls at various sites.

Estimated expenses financed through a long-term capital lease of \$21.2 million, are expected to be recovered in energy savings over the next thirty years, with an additional net savings of approximately \$9.3 million.

Shasta County Information (Cont.)

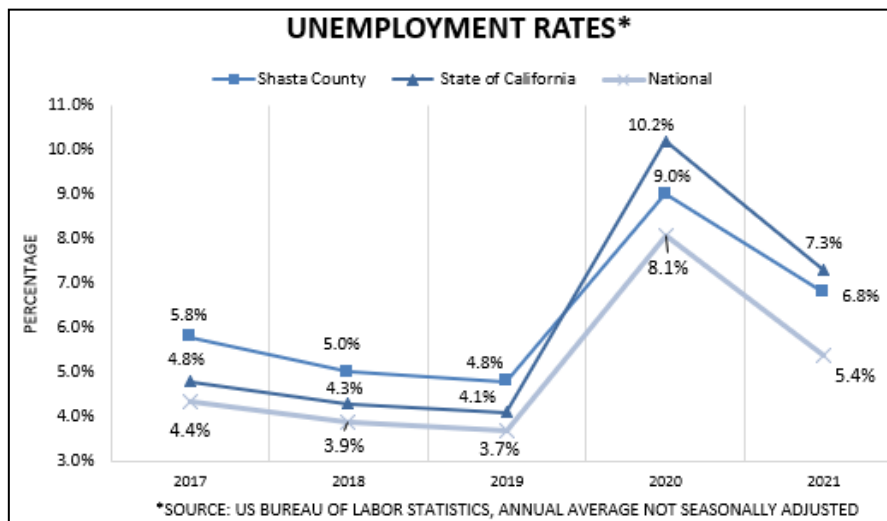
Employment

Shasta County's employment rate has recovered to pre-recession levels, but the number of people in the workforce has not recovered, indicating that the County is still recovering from the recession and the subsequent pandemic. Average unemployment in the County for 2021 was 6.8%, which is lower than the State rate of 7.3%. While Shasta County's unemployment rate is lower than the State average, it is higher than the average for two of the six adjacent counties (Lassen and Trinity) which averaged 6.1%.

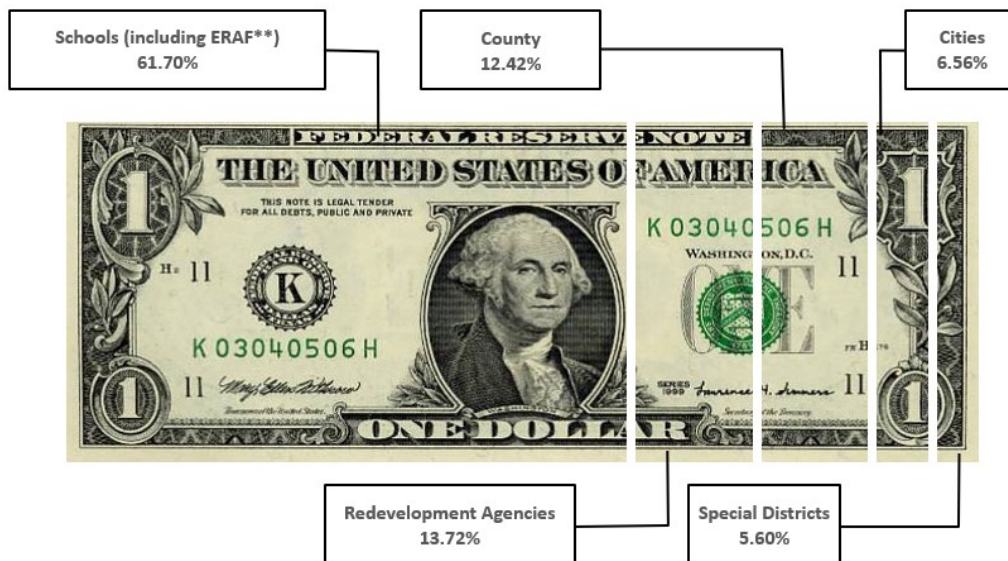
Shasta County's economic forecast by the Department of Transportation predicts overall job growth to increase an average of 1.0% between 2022-2026, with an expected increase of 4,700 jobs between 2021-2026. The fastest growing job sector over the same period is expected to be Health and Education.

Median Home Prices

The median home prices increased from \$335,000 to \$383,588 from 2021 to 2022, an increase of 14.5%. County-wide home sales have been assisted by historically low mortgage rates and low inventory.



Where your property tax* dollars go:



*Excludes voter approved debt for schools and special districts.

**ERAF-Educational Revenue Augmentation Fund.

Financial Summary and Trends

Overview

The following section provides a general description of the financial condition of Shasta County as well as how the County utilizes resources.

Statement of Net Position

Assets are resources owned or controlled by Shasta County (real estate, equipment, cash investments, etc.)

Deferred Outflows/Inflows of resources are the consumption (outflow) or acquisition (inflow) of resources in the current period that are applicable to future periods.

Liabilities are debts of Shasta County, whether due currently or in the future.

Net Position is the sum of assets and deferred outflows less the sum of liabilities and deferred inflows.

Net investment in capital assets represents the value of property owned by the County (real and personal) less depreciation and any debt related to the same property. The County's capital assets cannot be used to provide services or satisfy debt, therefore other resources need to be provided to satisfy those needs.

Restricted Net Position represents resources that have limitations placed on them by external sources. Examples are grants for Behavioral Health or Public Safety. Grantors, contributors, laws and regulations, legislation passed by federal, state or local governments can all place requirements on restricted assets.

Unrestricted Net Position is the balance of Net Position and represents resources that may be used to satisfy ongoing obligations to residents and creditors. In FY 2021-22 the County's net position was \$181.0 million. However, the unrestricted portion of the net position was a deficit of \$157.8 million, largely attributable to long-term liabilities associated with pensions (\$166.0 million) and post-employment healthcare (\$106.3 million).

Net Position

At the end of FY 2021-22, the County's Net Position increased by \$61.8 million in comparison with the prior year. The change in net position represents a variety of activity during the year (increases and decreases), comprised mainly of:

- Increased property tax revenue
- Increased charges for services revenue
- Increased operating grant and contribution revenues
- Decrease in expenses related to Public Protection, Health and Sanitation, and Public Assistance

During the year, the County's total assets and deferred outflows increased by \$31.3 million and liabilities and deferred inflows decreased by \$30.5 million resulting in an overall increase in net position \$61.8 million.

The table below represents the long-term financial position of Shasta County:

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Change</u>
Current and Other Assets	\$ 438,988	\$ 412,802	\$ 26,186.00
Capital and Lease Assets	247,074	241,883	5,191
Total Assets	686,062	654,685	31,377
Deferred Outflows of Resources	61,556	61,619	(63)
Total Assets and Deferred Outflows of Resources	747,618	716,304	31,314
Current and Other Liabilities	96,338	71,518	24,820
Long-Term Liabilities	360,122	492,465	(132,343)
Total Liabilities	456,460	563,983	(107,523)
Deferred Inflows of Resources	110,148	33,137	77,011
Total Liabilities and Deferred Inflows of Resources	566,608	597,120	(30,512)
Net Investment in Capital Assets	189,094	183,450	5,644
Restricted	149,716	142,115	7,601
Unrestricted	(157,800)	(206,380)	48,580
Total Net Position	\$ 181,010	\$ 119,185	\$ 61,825

Financial Summary and Trends

Statement of Activities

The Statement of Activities serves as the counterpart to the Statement of Net Position, it represents the revenues and expenses that the government realized and ultimately are reflected in the Net Position. Net position may serve over time as a useful indicator of a government's financial position.

The table below represents the activities of Shasta County:



Total Activities (in thousands)

	FY 2022	FY 2021	Change
Revenues			
Program Revenues:			
Charges for Services	\$ 42,498	\$ 38,772	\$ 3,726
Operating Grants/Contributions	334,333	320,265	14,068
Capital Grants/Contributions	4,112	5,406	(1,294)
Property Taxes	33,858	31,624	2,234
Sales and Use Taxes	5,849	5,148	701
Other Taxes	3,191	3,565	(374)
Interest and Investment Earnings	(9,882)	4,010	(13,892)
Miscellaneous	5,186	15,727	(10,541)
Total Revenues	\$ 419,145	\$ 424,517	\$ (5,372)
Expenses			
General Government	\$ 19,423	\$ 17,865	\$ 1,558
Public Protection	92,419	108,277	(15,858)
Public Ways and Facilities	22,321	20,095	2,226
Health and Sanitation	86,393	96,199	(9,806)
Public Assistance	124,803	130,709	(5,906)
Education	1,743	1,784	(41)
Recreation	171	163	8
Interest on Debt	1,557	1,610	(53)
Enterprise Funds	8,490	4,342	4,148
Total Expenses	\$ 357,320	\$ 381,044	\$ (23,724)
Excess/(Deficiency) Before Transfers	\$ 61,825	\$ 43,473	\$ 18,352
Transfers	-	-	-
Change in Position	61,825	43,473	18,352
Net Position - Beginning	119,185	75,712	43,473
Net Position - Ending	\$ 181,010	\$ 119,185	\$ 61,825



Long Term Debt

At the end of the current fiscal year, the County had a total debt obligation outstanding of \$35.0 million. Of this amount, \$20.5 million comprises bonds that are secured by the County's lease rental payments and other dedicated sources of revenue, \$13.6 million capital lease obligation for the energy retrofit (additional details on page 3), and \$0.6 million of special assessment debt secured by property subject to the assessment. The remainder of the County's debt represents loans secured solely by specified revenue sources. Other long-term obligations, not included in the debt schedule below, include compensated absences (accrued vacation and sick leave), workers' compensation and general liability insurance claims liability, the landfill closure/post closure care costs liability, pension, and other post-employment healthcare costs.

Long-Term Debt

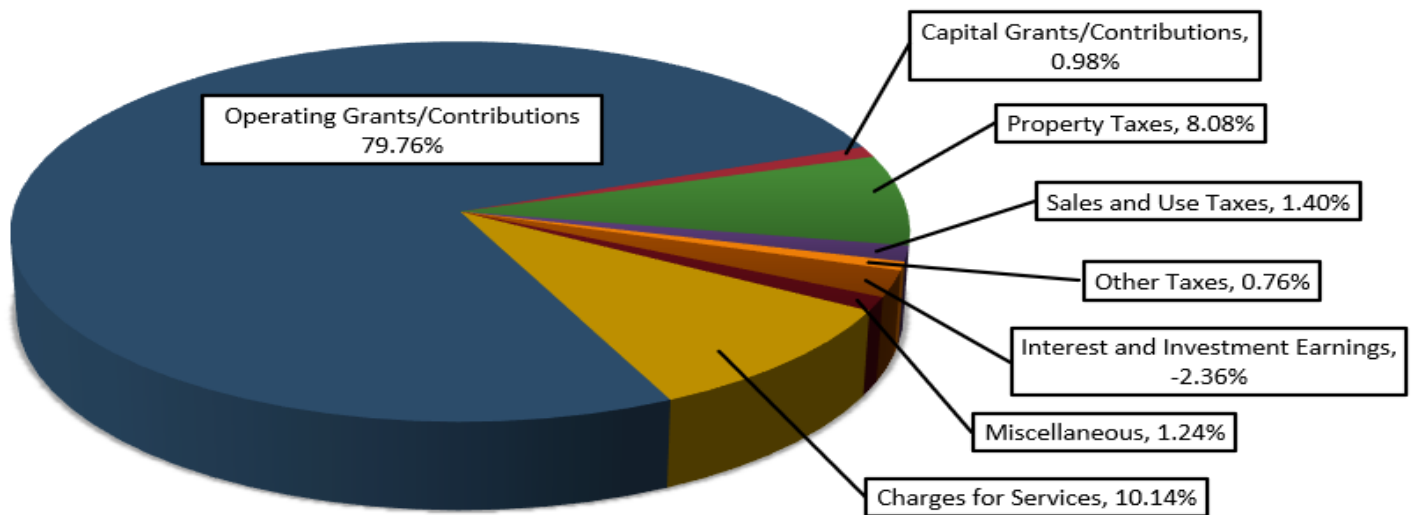
	Total	
	2022	2021
Lease Revenue Bonds	\$ 20,475,000	\$ 22,675,000
Special Assessment Bonds	589,500	609,700
Capital Financing	13,591,085	13,918,665
Notes Payable	2,821,316	2,997,553
Debt Obligation	37,476,901	40,200,918
Unamortized Bond Premium	296,660	327,087
Total Debt	37,773,561	40,528,005
Less Current Portion	(2,813,948)	(2,724,019)
Net Long-Term Debt	\$ 34,959,613	\$ 37,803,986

County Revenues

Total Revenues

The County's total revenues for FY 2021-22 were \$419 million, a decrease of approximately \$5.4 million or -1.3% from the prior year. These revenues are derived from two broad categories: program revenues and general revenues. Program revenues include grants and charges for services. General revenues include taxes, investment returns, and miscellaneous revenues. Just over 8% of the County's revenues came from property taxes. Information on discretionary revenues are located in the 2021-22 Adopted Budget Book (pages i-ii) available here: <https://shastacounty.gov/county-administrative-office/page/2021-2022-adopted-budget>

Revenues by Source—Governmental and Business-Type Activities



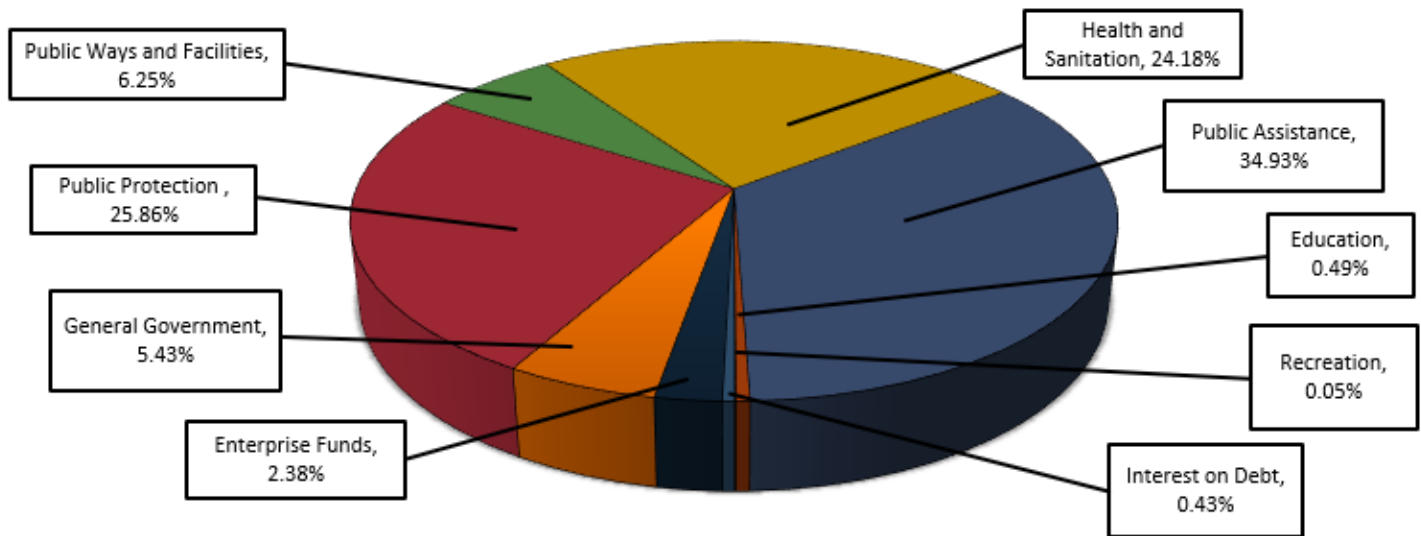
Source	Amount	Description
Charges for Services	\$42.5 million	Charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided.
Operating Grants & Contributions	\$334.3 million	Mandatory and voluntary nonexchange/exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. These programs include Public Protection, Public Assistance, and Mental Health.
Capital Grants & Contributions	\$4.1 million	Grants that are restricted for the construction, purchase, or renovation of capital assets for a particular program.
Property Taxes	\$33.9 million	Revenues based on the assessed value of real property (land, buildings), personal property (boats, aircraft), and business property (equipment, inventory) located within Shasta County.
Sales, Use, & Other Taxes	\$9.0 million	Sales and Use tax, Transient Occupancy Tax (tax on temporary lodging within the County), and other miscellaneous taxes.
Investment Earnings	-\$9.9 million	Earnings from the Treasurer's investments of the County Treasury pool per approved investment policy.
Miscellaneous	\$5.2 million	Revenues comprised of reimbursements, various miscellaneous revenues, and settlements.

County Expenses

Total Expenses

The County's total expenses for FY 2021-22 were \$357 million, a decrease of approximately \$23.7 million or -6.2% from the prior year. Expenses comprise the cost of County operations and are presented below based on function.

Expenses by Function—Governmental and Business-Type Activities



Function	Amount	Description
General Government	\$19.4 million	General Government expenses are generated by the Board of Supervisors, County Administrative Office, County Counsel, Clerk of the Board, Auditor-Controller, Assessor, Treasurer-Tax Collector, etc. Most functions considered part of the general government fall into this category.
Public Protection	\$92.4 million	Public Protection departments consists of the Sheriff, Jail Operations, Probation, Public Defender, District Attorney, Planning, Building, Child Support, etc. Functions deemed to protect the public generally fall into this category.
Public Ways and Facilities	\$22.3 million	Public Ways and Facilities includes all operations of the Roads Department as well as the operations of the various County Permanent Road Divisions (owner supported agreements for the maintenance of private roads).
Health and Sanitation	\$86.4 million	Public Health, Mental Health, Drug and Alcohol Programs, and Environmental Health are the primary departments in this category. Approximately 4.2% of these expenses are funded by the General Fund.
Public Assistance	\$124.8 million	Public Assistance is comprised of Social Services, Indigent Care, Economic Assistance, and Housing. Approximately 7.2% of these expenses are funded by the General Fund.
Education	\$1.7 million	Education expenses are primarily the County contribution to the library system.
Recreation	\$0.2million	Expenses related to County parks and Veterans facilities.
Interest on Debt	\$1.6 million	Interest on debt is related to the Shasta County Administrative Center bonds, the Courthouse Improvement bonds, and Energy Retrofit projects.
Enterprise Funds	\$8.5 million	Expenses related to providing services in the various County Service Areas, Permanent Road Divisions, Solid Waste Operations, Transit, and Fall River Mills Airport.

CalPERS Pension

Pension

All qualified permanent and probationary employees are eligible to participate in Shasta County's separate Safety (sworn peace officers) and Miscellaneous (all other) pension plans. The plans are agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers.

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

Members

There are 2,007 active employees, 2,886 inactive employees or beneficiaries currently receiving benefits, and 1,816 inactive employees entitled to, but not receiving benefits. As of June 30, 2021, the average retired employee or beneficiary annual compensation was \$19,586.

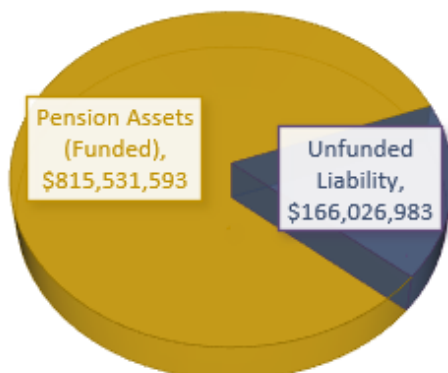
Net Pension Liability (NPL)

The County's NPL is measured as the total pension liability less the plans assets. The total liability is determined by an actuarial study which is on file in the Auditor's office. This study calculates the liability based on age, retirement age, mortality, inflation, and earnings on plan assets. The actuarial study also determines the amount of employee and employer contributions for the corresponding time period. Recent State legislation has placed reforms on pensions in order to preserve the fund for future generations.

As of June 30, 2021, the County's total pension liability (Safety and Miscellaneous) was \$981,558,576, with plan assets of \$815,531,593, resulting in a NPL of \$166,026,983. This represents a 37.7% decrease of the NPL as of June 30, 2020. Also as of June 30, 2021, employer contributions were \$31,165,512, employee contributions were \$9,354,909, and investment earnings were \$152,626,311. The same period also saw interest charges (on the total pension liability) of \$66,630,237 and benefit payments of \$53,232,845. The Safety Plan was considered funded at 77.6% and the Miscellaneous Plan was funded at 85.2%. A plan is considered 100% funded when sufficient assets are on hand to pay all current and future retiree pension costs.

A more comprehensive look at the County retirement plan can be viewed in the County Annual Comprehensive Financial Report for the year ending June 30, 2022.

CALPERS PENSION STATUS



Pension Plan	FY 21-22 ACFR	FY 20-21 ACFR	FY 19-20 ACFR	FY 18-19 ACFR
Total Pension Liability	981.6 million	939.2 million	905 million	852 million
Plan Ending Net Position	815.5 million	673.7 million	653.8 million	624.8 million
Net Pension Liability	166.0 million	266.3 million	251.3 million	227.2 million
Percent Funded as of June 30	83.1%	71.7%	72.2%	73.3%

Other Post Employment Benefits (OPEB)

Other Post Employment Benefits (OPEB)

The County of Shasta Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the County. The plan provides healthcare benefits to eligible retirees and their dependents. The Plan does not issue a financial report.

The County provides retiree healthcare benefits to employees retiring from the County. Medical coverage is provided through CalPERS healthcare program (PEMHCA) except for County Trades and Crafts/Teamsters is provided through the union sponsored plan. The County pays a portion of retiree healthcare premiums that vary by bargaining unit and length of service according to bargaining agreements. Also under requirements of state and local law, the County pays the medical insurance coverage for employees that retire due to disability. No vision or life insurance benefits are provided.

The County has prefunded a portion of its OPEB benefits in Public Agency Retirement Services Trust (PARS). PARS is an Internal Revenue Code Section 115 trust designed for agencies to accumulate resources for future obligations. PARS invests the funds per the Trust agreement with the County.

Members

As of June 30, 2020, (the valuation date on the most recent actuarial performed), there are 1,890 active participants and 1,339 inactive employees or beneficiaries currently receiving benefits. All new hires after January 1, 2018, will be eligible to participate in a County sponsored 401(a) plan in lieu of retiree healthcare benefits. Eligible employees must participate in a deferred compensation plan to be eligible for participation in the 401(a) plan. New hires will only be eligible for the CalPERS Minimum Required Contribution towards healthcare. The implementation of the 401(a) plan is projected to allow the County to be fully funded by 2036/37.

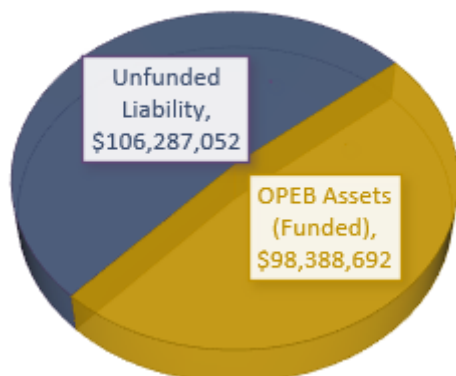
Net OPEB Liability

The County's Net OPEB Liability is measured as the total OPEB liability less the plan's assets, similar to the pension calculation. The total liability is determined by an actuarial study which is on file in the Auditor's office. This study calculates the liability based on age, mortality, health care inflation rates, and earnings on plan assets.

As of June 30, 2021, the County's total OPEB liability was \$204,675,744, with plan assets of \$98,388,692, resulting in a Net OPEB Liability of \$106,287,052. This represents a 21.3% decrease from the Net OPEB Liability as of June 30, 2020. The County funds the OPEB plan on a pay-as-you-go basis as well as funding the PARS trust with a 4% of covered-employee payroll contribution. Pay-as-you-go funding means that all current retiree health care costs are paid directly from current County resources. Total contributions (pay-as-you-go and trust contributions) for the year ended June 30, 2022 were \$16,262,891.

A more comprehensive look at the County OPEB plan can be viewed in the County Annual Comprehensive Financial Report for the year ending June 30, 2022.

OPEB PLAN STATUS



OPEB Plan	FY 21-22 ACFR	FY 20-21 ACFR	FY 19-20 ACFR	FY 18-19 ACFR
Total OPEB Liability	204.6 million	204.6 million	207.4 million	234.5 million
Plan Ending Net Position	98.4 million	69.5 million	63.6 million	56.8 million
Net OPEB Liability	106.3 million	135.1 million	143.8 million	177.8 million
Percent Funded as of June 30	48.1%	34.0%	30.7%	24.2%

Facts (Statistics)

Awards

- Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report for fiscal year ended June 30, 2021. The Certificate of Achievement for Excellence in Financial Reporting Program recognizes local governments that succeed in going beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports and demonstrate the spirit of transparency and full disclosure. This was the eight consecutive year the County has received this prestigious award from GFOA since the first application submitted for FY 2013-14
- The State of California Office of the Controller bestowed on Shasta County, the Award for Counties' Financial Transactions Reporting for the professionalism demonstrated by the County in preparing accurate and timely financial reports for the fiscal year ended June 30, 2021. The County has received this award for 23 consecutive years, since the State implemented the award program in 1997.

Accomplishments

- Implemented Debtbook, a software used to track and account for GASB 87 leases and the future GASB 96 SBITAs.
- After adding important language about not expending resources carelessly, extravagantly, or to no purpose (fraud, waste, or abuse) last FY, the Auditor's Office is continuing to provide additional education and reviews.
- The whistleblower process was updated to include sending an annual reminder to all county staff, posting a flyer at each department location, and adding a flyer in the new employee packets.
- Started implementation of a Procurement Card module within the finance system. This will improve processing time, will allow real time data to be more current, and will allow the workload to be distributed. This will have a positive affect countywide and is expected to be completed in FY 23/24.
- Continued to increase the number of internal audit samplings completed. This year we will be adding an audit sampling process for a detailed review of cell phone bills, including reviewing for redundancy. We will also be continuing to select more contracts to sample for a detailed fiscal contract compliance audits.
- 100% of invoices properly received and documented, were paid within 7-10 calendar days from receipt in the Auditor's office.

Fun Facts (Statistics):

All numbers are for the Fiscal Year ending June 30, 2022:

Number of Invoices Audited for Payment:	64,966
Number of Timecards Audited and Payroll Checks Issued:	53,346
Number of Deposits Audited and Posted:	9,173
Number of Journal Entries Audited and Posted:	4,821
Number of Funds Managed (excluding 285 school funds):	257
Rebates received for using electronic payment methods (Calcard and Epayables)	\$99,732
Number of Other Audits Performed in FY 21/22	134
• Transit Occupancy Tax Audits (amounts identified as recoverable \$9,303)	
• Retention Audits	
• Imprest Cash Audits	
• Grant Audits	
• Internal Audits	

