

# COUNTY *of* SHASTA



## **ANNUAL CITIZENS' REPORT** FOR THE YEAR ENDED JUNE 30, 2021



NOLDA SHORT, AUDITOR-CONTROLLER



# Inside the Citizens' Report

## Table of Contents

Auditor-Controller's Message _____	2
Shasta County Information _____	3
Financial Summary and Trends _____	5
County Revenues _____	7
County Expenses _____	8
CalPERS Pension _____	9
Other Post Employment Benefits (OPEB) _____	10

## 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, 2021 and covers the County's fiscal operations for the previous twelve month period, hereafter referred to as Fiscal Year (FY) 2020-21.



## Financial Data Sources

While the Citizens' Report is not audited, the financial information in this report has been compiled from the County's audited 2020-21 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.co.shasta.ca.us/index/auditor\\_index/financial\\_reports/audit\\_reports.aspx](https://www.co.shasta.ca.us/index/auditor_index/financial_reports/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 am pleased to present the County's Financial Highlights report, also known as the Popular Annual Financial Report (PAFR) or Citizen's Report, for fiscal year July 1, 2020 through June 30, 2021. Although our primary day-to-day role 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 to serve the residents of Shasta County by ensuring integrity and promoting transparency in government accounting.

## Financial Highlights

At the close of the most recent fiscal year, *net position* of the County was \$119,184,510. Additional details on Net Position are presented on Page 5.

In FY 2020-21, government-wide revenues increased \$60.6 million, while expenses increased \$11.7 million. The most notable increases in expenses and revenues were attributed to the immediate response to the Covid-19 pandemic. Other revenue increases are noted on page 5. Additionally, the County's assets increased \$93.9 million, while liabilities increased \$56.4 million. \$19.7 million of the asset increase and \$17.5 million of the liability increase is associated with the implementation of GASB 87, Leases.

## Economic Overview

Prior to the 2020 pandemic, Shasta County saw multiple year increases in property tax values and positive employment figures that indicated the County was continuing to recover from the "Great Recession." Despite the Covid-19 pandemic, property values are still up \$4.8 billion (inclusive of Proposition 8 adjustments) from the peak in 2008 and subsequent drop. Unemployment rates however continue to mirror state and national trends. The full impact of the pandemic on employment rates is still unfolding.

The most significant problem that will affect the County's future financial health is the unfunded liabilities relating to pensions and retiree healthcare. The retiree healthcare liability (OPEB) has been addressed by creating an alternate retiree health plan for new employees that began January 1, 2017. The new plan is anticipated to eliminate the liability over the next 17 years if nothing else changes. Likewise, progress is being made in addressing the unfunded retirement liability as the

County and bargaining units continue to talk about the importance of sharing in a plan to meet future obligations. Beginning in the Fall of 2019, employee bargaining units voted to increase employee contributions to CalPERS retirement by 1%. Per the agreement, this will result in an additional 1% being contributed directly to reduce the unfunded liability.

Although the County is seeing modest increases in property tax receipts (discretionary revenues), with the Covid-19 pandemic continuing through 2022, the County continues 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 revenue. Most notably, the County's annual contribution for CalPERS retirement is expected to grow by more than 50% over the next 10 years, and historically, healthcare costs have risen by an average of 6% each year. Looking forward it is important to note that healthcare plans have been restructured by CalPERS in FY 21/22 and healthcare rates for most plans are projected to increase by 22% in 2022 and 11% in 2023. Conversations are already taking place on how to address the increase, including some difficult conversations with labor partners and employees.

Ultimately, with the anticipated increase in CalPERS, the increasingly difficult challenge will be balancing the current needs, with the service levels being provided, and the long-term health of the County.

This report has been compiled by staff in the Auditor-Controller's office. Our dedicated, professional, and well educated staff strives to provide transparency and excellent service to citizens of the County, Special Districts, Schools, and County Departments.

Thank you for your continued support of our office and we look forward to providing the same level of high quality service in the future.

Sincerely,

Nolda Short,  
Auditor-Controller  
County of Shasta





# 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	Jean Arnaz	530-245-6659	AuditorAccountsPayable@co.shasta.ca.us
Financial Reporting (Mgr)	Michelle Gambill	530-245-6664	AuditorReporting@co.shasta.ca.us
Financial Reporting	Frank Costa	530-225-5125	AuditorReporting@co.shasta.ca.us
Assistant Auditor-Controller	Rich Vietheer	530-245-6660	rvietheer@co.shasta.ca.us
Auditor-Controller	Nolda Short	530-225-6657	nshort@co.shasta.ca.us

# Shasta County Information

The County of Shasta was established in 1850 as a general law county and was 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 31<sup>st</sup> most populous county in the State with a population of approximately 177,797 as of January 1, 2021. 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.co.shasta.ca.us/index/bos\\_index/districts\\_map.aspx](https://www.co.shasta.ca.us/index/bos_index/districts_map.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.

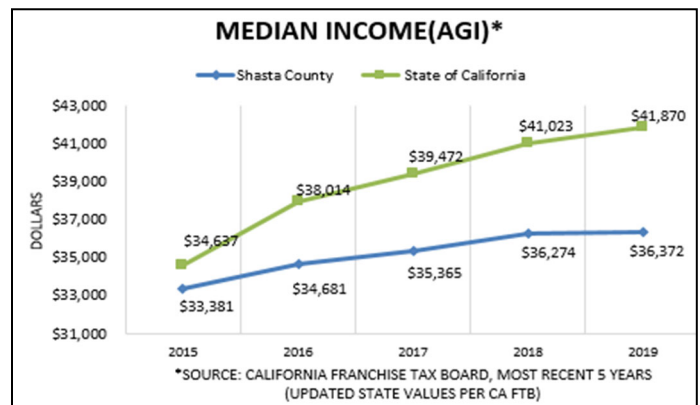
## Demographics and Economy

Median income of \$36,372, as reported by the Franchise Tax Board, increased 0.27% from 2018 to 2019 (the most recent data from FTB) for the residents of Shasta County. Shasta County 2019 median income was approximately 15.12% lower than the State median. Shasta County ranked 37<sup>th</sup> out of 58 counties when comparing annual income in 2019; in 2017 the County was ranked 36<sup>th</sup>, representing a slight decline.



## County Staff and Services

The County employed approximately 2,148 full-time equivalent employees during the 2020-21 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 2020-21, the County continued the energy retrofit project. The project is expected to be completed by the end of FY 2021-22.

The project includes 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.)

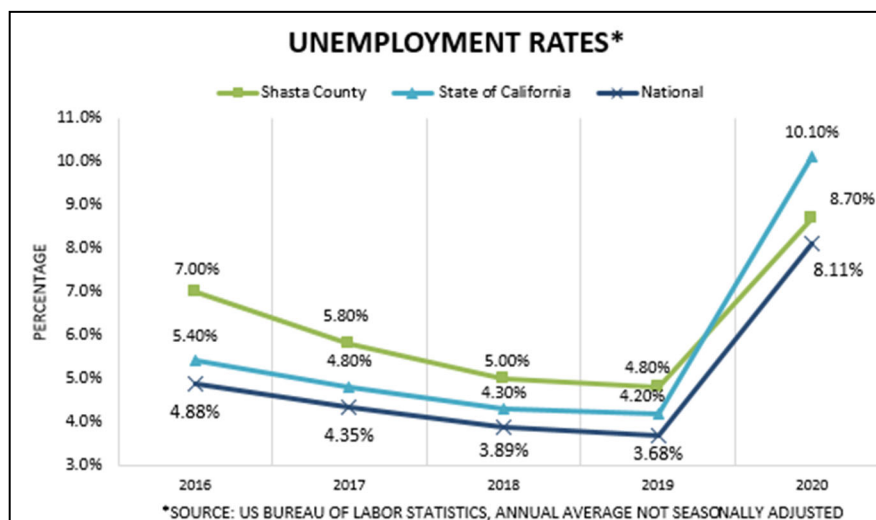
## Employment

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 2020 was 8.7%, which is lower than the State rate of 10.1%. While Shasta County's unemployment rate is lower than the State average, it is higher than the average for three of the six adjacent counties (Lassen, Trinity, and Modoc) which was 7.9%.

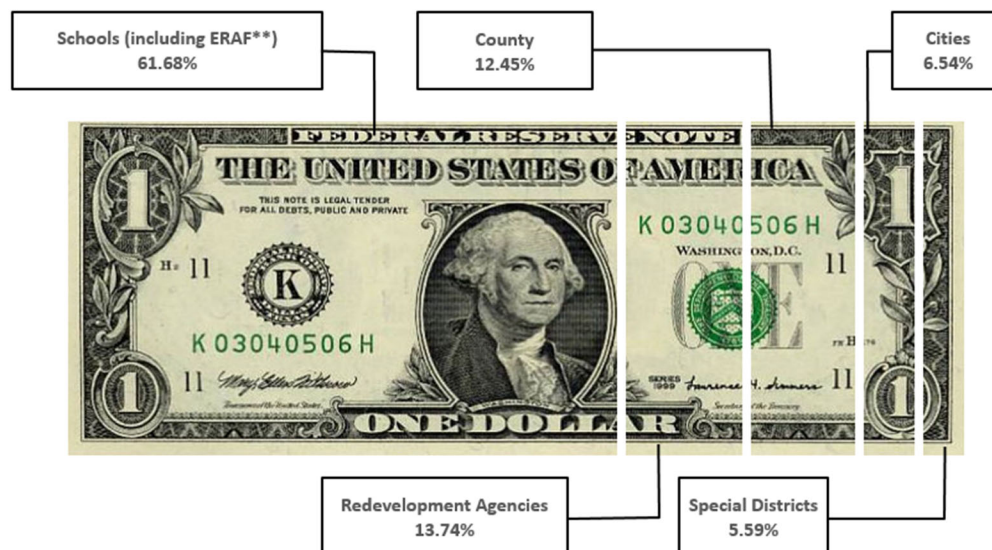
Overall economic job growth is predicted to increase 6.3% from 2017-2022, led by retail sales growth of 7.0%. The fastest growing job sector over the same period is expected to be Health and Education. As a result of the expected growth, the personal income is expected to rise by 9.9%.

## Median Home Prices

The median home prices increased from \$284,000 to \$335,000 from 2020 to 2021, an increase of 18%. 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 2020-21 the County's net position was \$119.2 million. However, the unrestricted portion of the net position was a deficit of \$206.4 million, largely attributable to long-term liabilities associated with pensions (\$266.3 million) and post-employment healthcare (\$135.1 million).

## Net Position

At the end of FY 2020-21, the County's Net Position increased by \$43.5 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 sales and use tax revenue
- Increased operating grant and contribution revenues
- Increased miscellaneous revenue with the majority related to a PG&E Fire Settlement

During the year, the County's total assets and deferred outflows increased by \$97.1 million and liabilities and deferred inflows increased by \$53.2 million resulting in an overall increase in net position \$43.5 million after beginning balance restatement.

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

<b>Net Position</b>			
<b>(in thousands)</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Current and Other Assets	\$ 412,802	\$ 355,794	\$ 57,008
Capital and Lease Assets	241,883	205,030	36,853
<b>Total Assets</b>	<b>654,685</b>	<b>560,824</b>	<b>93,861</b>
Deferred Outflows of Resources	61,619	58,391	3,228
<b>Total Assets and Deferred Outflows of Resources</b>	<b>716,304</b>	<b>619,215</b>	<b>97,089</b>
Current and Other Liabilities	71,518	33,653	37,865
Long-Term Liabilities	492,465	471,583	20,882
<b>Total Liabilities</b>	<b>563,983</b>	<b>505,236</b>	<b>58,747</b>
Deferred Inflows of Resources	33,137	38,678	(5,541)
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>597,120</b>	<b>543,914</b>	<b>53,206</b>
Invested in Capital Assets, Net of Related Debt	183,450	169,458	13,992
Restricted	142,115	137,083	5,032
Unrestricted	(206,380)	(231,236)	24,856
<b>Total Net Position (As Restated)</b>	<b>\$ 119,185</b>	<b>\$ 75,712</b>	<b>\$ 43,473</b>

# 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 Net Position was restated due to the adoption of new accounting guidance by implementing the provisions of GASB Statement 84, *Fiduciary Activities*.

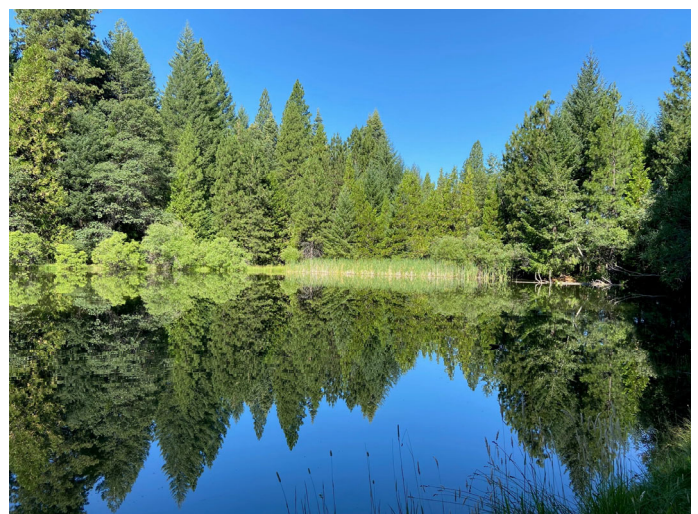
The table below represents the activities of Shasta County:

<b>Total Activities</b>			
<b>(in thousands)</b>			
	<u>FY 2021</u>	<u>FY 2020</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 38,772	\$ 39,889	\$ (1,117)
Operating Grants/Contributions	320,265	271,498	48,767
Capital Grants/Contributions	5,406	4,241	1,165
Property Taxes	31,624	30,094	1,530
Sales and Use Taxes	5,148	4,479	669
Other Taxes	3,565	2,636	929
Interest and Investment Earnings	4,010	5,972	(1,962)
Miscellaneous	15,727	5,119	10,608
<b>Total Revenues</b>	<u>\$ 424,517</u>	<u>\$ 363,928</u>	<u>\$ 60,589</u>
<b>Expenses</b>			
General Government	\$ 17,865	\$ 17,437	\$ 428
Public Protection	108,277	107,262	1,015
Public Ways and Facilities	20,095	21,546	(1,451)
Health and Sanitation	96,199	76,457	19,742
Public Assistance	130,709	136,236	(5,527)
Education	1,784	2,015	(231)
Recreation	163	207	(44)
Interest on Debt	1,610	1,019	591
Enterprise Funds	4,342	7,183	(2,841)
<b>Total Expenses</b>	<u>\$ 381,044</u>	<u>\$ 369,362</u>	<u>\$ 11,682</u>
Excess/(Deficiency) Before Transfers	\$ 43,473	\$ (5,434)	\$ 48,907
Transfers	-	-	-
Special Items	-	(1,743)	1,743
Change in Position	43,473	(7,177)	50,650
Net Position - Beginning, As Restated	75,713	82,480	(6,767)
<b>Net Position - Ending</b>	<u>\$ 119,186</u>	<u>\$ 75,303</u>	<u>\$ 43,883</u>

## Long Term Debt

At the end of the current fiscal year, the County had total debt obligation outstanding of \$37.8 million. Of this amount, \$22.7 million comprises bonds that are secured by the County's lease rental payments and other dedicated sources of revenue, \$13.9 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.

	<b>Long-Term Debt</b>	
	<u>2021</u>	<u>2020</u>
	<u>Total</u>	
Lease Revenue Bonds	\$ 22,675,000	\$ 24,810,000
Special Assessment Bonds	609,700	629,800
Capital Financing	13,918,665	14,416,303
Notes Payable	2,997,553	3,172,414
Debt Obligation	40,200,918	43,028,517
Unamortized Bond Premium	327,087	357,513
<b>Total Debt</b>	<u>40,528,005</u>	<u>43,386,030</u>
Less Current Portion	(2,724,019)	(2,827,598)
<b>Net Long-Term Debt</b>	<u>\$ 37,803,986</u>	<u>\$ 40,558,432</u>



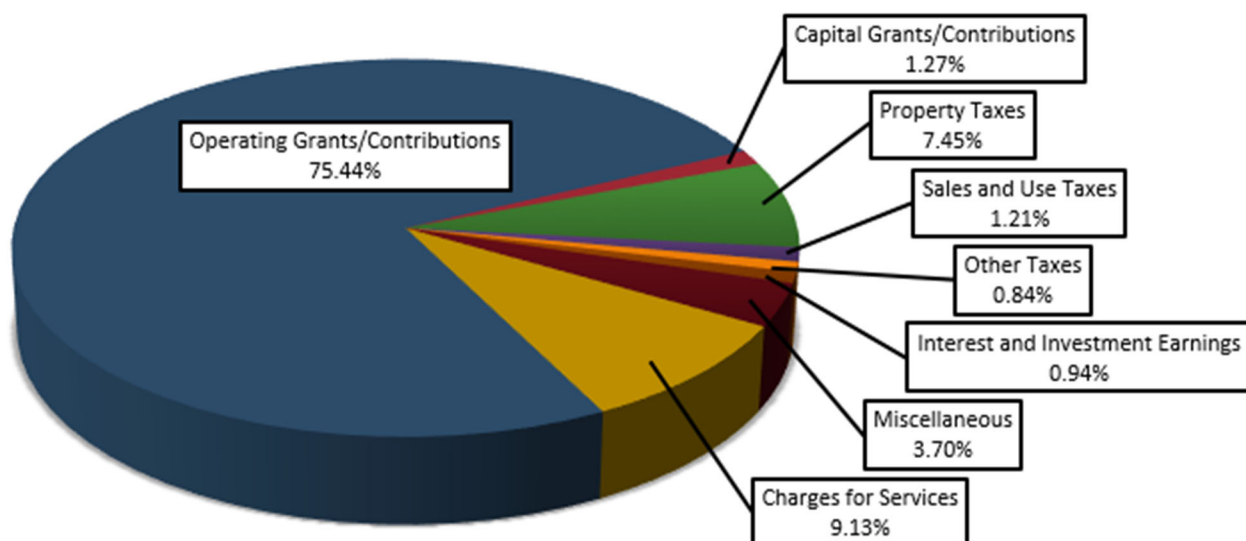


# County Revenues

## Total Revenues

The County's total revenues for FY 2020-21 were \$425 million, an increase of approximately \$60.6 million or 16.6% 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. Less than 8% of the County's revenues came from property taxes. Information on discretionary revenues are located in the 2020-21 Adopted Budget Book (pages i-ii) available here: <https://co.shasta.ca.us/docs/liabarries/cao-docs/2019-2020-adopted-budget/2020-2021-adopted-budget.pdf>

### Revenues by Source—Governmental and Business-Type Activities



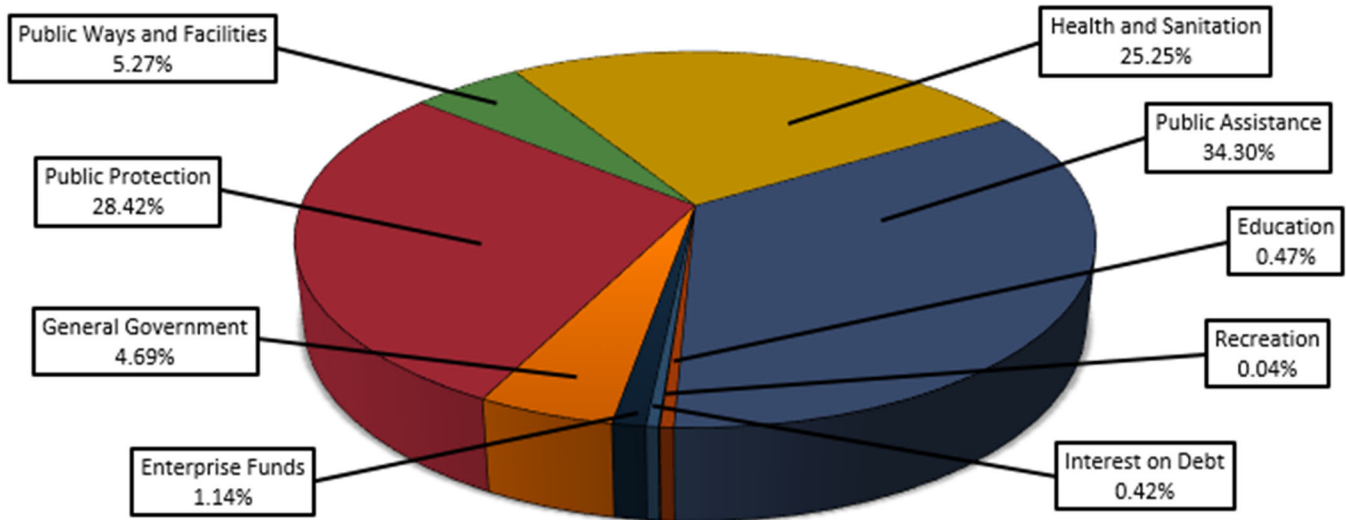
Source	Amount	Description
Charges for Services	\$38.8 million	Charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided.
Operating Grants & Contributions	\$320.3 million	Mandatory and voluntary nonexchange/exchange transactions with other 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	\$5.4 million	Grants that are restricted for the construction, purchase, or renovation of capital assets for a particular program.
Property Taxes	\$31.6 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	\$8.7 million	Sales and use tax, Transient Occupancy Tax (tax on temporary lodging within the County), and other miscellaneous taxes.
Investment Earnings	\$4.0 million	Earnings from the Treasurer's investments of the County Treasury pool per approved investment policy.
Miscellaneous	\$15.7 million	Revenues comprised of reimbursements, various miscellaneous revenues, and settlements.

# County Expenses

## Total Expenses

The County's total expenses for FY 2020-21 were \$381 million, an increase of approximately \$11.7 million or 3.2% 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	\$17.9 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	\$108.3 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	\$20.1 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	\$96.2 million	Public Health, Mental Health, Drug and Alcohol Programs, and Environmental Health are the primary departments in this category. Approximately 4.0% of these expenses are funded by the General Fund.
Public Assistance	\$130.7 million	Public Assistance is comprised of Social Services, Indigent Care, Economic Assistance, and Housing. Approximately 7.1% of these expenses are funded by the General Fund.
Education	\$1.8 million	Education expenses are primarily the County contribution to the library system.
Recreation	\$0.1million	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	\$4.3 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 2,010 active employees, 2,801 inactive employees or beneficiaries currently receiving benefits, and 1,750 inactive employees entitled to, but not receiving benefits. As of June 30, 2020, the average retired employee or beneficiary annual compensation was \$19,207.

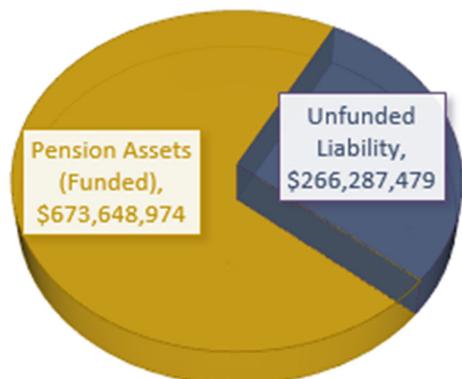
## Net Pension Liability (NPL)

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, 2020, the County’s total pension liability (Safety and Miscellaneous) was \$939,936,453, with plan assets of \$673,648,974, resulting in a NPL of \$266,287,479. This represents a 6.0% increase over the NPL as of June 30, 2019. Also as of June 30, 2020, employer contributions were \$27,658,911, employee contributions were \$8,242,481, and investment earnings were \$32,629,754. The same period also saw interest charges (on the total pension liability) of \$63,804,651 and benefit payments of \$52,125,916. The Safety Plan was considered funded at 64.9% and the Miscellaneous Plan was funded at 71.7%. 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, 2021.

## CALPERS PENSION STATUS



Pension Plan	FY 20-21	FY 19-20	FY 18-19	FY 17-18
<b>Total Pension Liability</b>	939.2 million	905 million	852 million	828.8 million
<b>Plan Ending Net Position</b>	673.7 million	653.8 million	624.8 million	596.8 million
<b>Net Pension Liability</b>	266.3 million	251.3 million	227.2 million	231.9 million
<b>Percent Funded as of June 30</b>	71.7%	72.2%	73.3%	72.0%

# 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, 2019, (the valuation date on the most recent actuarial performed), there are 1,764 active participants and 1,277 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 2038/39.

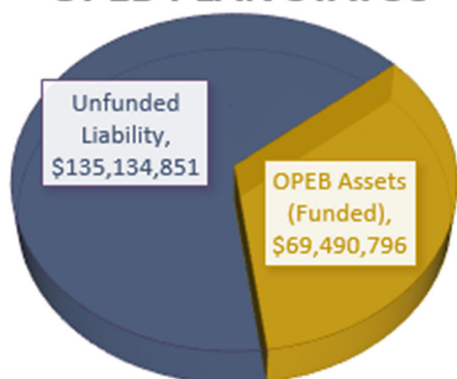
## Net OPEB Liability

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, 2020, the County's total OPEB liability was \$204,625,796, with plan assets of \$69,490,796, resulting in a Net OPEB Liability of \$135,134,851. This represents a 6.0% decrease from the Net OPEB Liability as of June 30, 2019. 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, 2021 were \$14,937,709.

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, 2021.

### OPEB PLAN STATUS



OPEB Plan	FY 20-21	FY 19-20	FY 18-19	FY 17-18
Total OPEB Liability	204.6 million	207.4 million	234.5 million	225.6 million
Plan Ending Net Position	69.5 million	63.6 million	56.8 million	49.7 million
Net OPEB Liability	135.1 million	143.8 million	177.8 million	175.9 million
Percent Funded as of June 30	34.0%	30.7%	24.2%	22.0%



# 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, 2020. 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 seventh consecutive year the County has received this prestigious award from GFOA since the first application submitted for FY 2013-14
- 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, 2020. The County has received this award for 22 consecutive years, since the State implemented the award program in 1997.

## Accomplishments

- Successfully early implemented Governmental Accounting Standards Board (GASB) Statement 84 for Fiduciary Funds & Statement 87 for Leases.
- The Auditor's Office updated various County policies to include important language about not expending resources carelessly, extravagantly, or to no purpose (fraud, waste, or abuse).

## Fun Facts (Statistics):

**All numbers are for the Fiscal Year ending June 30, 2021:**

Number of Invoices Audited for Payment:	66,170
Number of Timecards Audited and Payroll Checks Issued:	53,830
Number of Deposits Audited and Posted:	9,285
Number of Journal Entries Audited and Posted:	5,229
Number of Funds Managed (excluding 285 school funds):	257
Number of Other Audits Performed in FY 20/21	177
• Transit Occupancy Tax Audits (amounts identified as recoverable \$49,268)	
• Retention Audits	
• Imprest Cash Audits	
• Grant Audits	
• Internal Audits	

