

\$4,560,000
Certificates of Participation
Trinity County Public Facilities Corporation Certificates of Participation
Series 2005
Dated: May 20, 2005
Maturity Date: January 15, 2026
CUSIP No.: 896467AM9

FILING OF ANNUAL FINANCIAL REPORT

In compliance with Section 3 of the Continuing Disclosure Agreement dated as of May 1, 2005, executed and delivered by the County of Trinity (the "County") and Digital Assurance Certification, L.L.C., on March 28, 2013, the County caused to be filed its audited financial statements for the fiscal year ended June 30, 2012.

On May 28, 2013, the Board of Supervisors of the County approved the County of Trinity Comprehensive Annual Financial Report for the Fiscal Year ending, June 30, 2012, including the report of the independent auditors. The Comprehensive Annual Financial Report including the Single Audit is attached hereto as Appendix A.

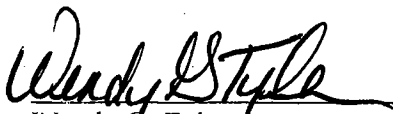
Dated: March 20, 2013

COUNTY OF TRINITY, State of California

By: 

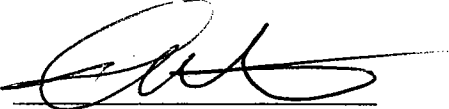
Debra Chapman,
Chairman of the Board of Supervisors,
County of Trinity, State of California

ATTEST:



Wendy G. Tyler
County Administrator Officer/
Clerk of the Board of Supervisors,
County of Trinity, State of California

APPROVED AS TO FORM AND LEGAL EFFECT:



David Prentice, County Counsel
County of Trinity, State of California

Exhibit A

Comprehensive Annual Financial Report

June 30, 2012

County of Trinity, California
Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2012



MARILYN HORN
Auditor-Controller





Mission Statement

Trinity County government shall serve the public with integrity in an effective and efficient manner in order to create and sustain a safe, healthy, and productive environment. We will accomplish this by:

- Conducting the public's business in an open, responsible and accessible manner;
- Striving for operational excellence;
- Partnering with citizens, business and governmental agencies;
- Planning for the county's changing needs and public expectations;
- Developing and maintaining a stable and secure financial environment within county government that promotes and encourages community economic well being;
- Supporting the responsible management and utilization of the county's natural resources in a sustainable manner while conserving our natural environment for present and future generations;
- Recognizing and promoting the county's historical legacy;
- Acknowledging that County employees and community volunteers are the foundation on which our services are delivered.



COUNTY OF TRINITY
ANNUAL FINANCIAL REPORT
June 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-vi
Organizational Chart	vii
Board of Supervisors and Other County Officials	viii
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities	16-17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets – Governmental Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	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 Fund Net Assets	23
Statement of Revenues, Expenses and Changes in Fund Net Assets	24
Statement of Cash Flows	25-26
Fiduciary Funds:	
Statement of Fiduciary Net Assets	27
Statement of Changes in Fiduciary Net Assets	28
Notes to the Basic Financial Statements	29-58

COUNTY OF TRINITY

**ANNUAL FINANCIAL REPORT
June 30, 2012**

TABLE OF CONTENTS (Continued)

	<u>Page</u>
FINANCIAL SECTION (continued)	
Required Supplementary Information:	
Budgetary Basis of Accounting	59
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Budgetary Comparison Schedule:	
General Fund	60-65
Road Fund	66
Human Services Fund	67
HOME Grant Fund	68
Notes to Required Supplementary Information	69
Supplementary Financial Information:	
Combining and Individual Fund Statements:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	71-75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	76-80
Nonmajor Enterprise Fund:	
Combining Statement of Fund Net Assets	81
Statement of Revenues, Expenses and Changes in Fund Net Assets	82
Statement of Cash Flows	83-84
Internal Service Funds:	
Combining Statement of Fund Net Assets	85
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	86
Statement of Cash Flows	87-88
STATISTICAL SECTION (UNAUDITED)	
Government-Wide Net Assets by Component	89
Changes in Net Assets	90-91
Governmental Activities Tax Revenues by Source	92
Fund Balances, Governmental Funds	93-94
Assessed Value and Estimated Actual Value of Taxable Property	95
Direct and Overlapping Property Tax Rates	96
Ten Principal Property Taxpayers	97
Assessed Value of Taxable Property	98
Outstanding Lease and Debt Obligations	99
County Taxable Retail Sales and Total Taxable Sales	100
Major Employers	101



TRINITY COUNTY

WENDY G. TYLER, County Administrative Officer
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PHONE (530) 623-1382

MARILYN HORN, Auditor-Controller
P.O. BOX 1230, WEAVERVILLE, CALIFORNIA 96093-1613
PHONE (530) 623-1317

March 29, 2013

The Honorable Board of Supervisors
County of Trinity
P.O. Box 1613
Weaverville, CA 96093

To the Honorable Board of Supervisors and Citizens of the County of Trinity:

It is our pleasure to present the County of Trinity Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. California law requires that every local government publish a complete set of audited financial statements. This report is published to fulfill that requirement.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the data presented are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of the County of Trinity.

Gallina, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County of Trinity's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A serves to complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

One of the State's original twenty-seven counties, the County was established by an act of the State Legislature on February 18, 1850.

The County is a general law county divided into five supervisorial districts on the basis of registered voters and populations. Policy making and legislative authority rests with the five-member County Board of Supervisors who serve a staggered four-year term. Also elected by the citizens of Trinity County to a four-year term are the Auditor-Controller, Assessor-Clerk Recorder-Elections, District Attorney, Sheriff and Treasurer-Tax Collector. Additional management consists of five department heads appointed by the Board of Supervisors, one appointed by the Trinity County Superior Court, and one appointed by the University of California. A County Administrative Officer appointed by the Board of Supervisors manages the day-to-day business affairs of the County.

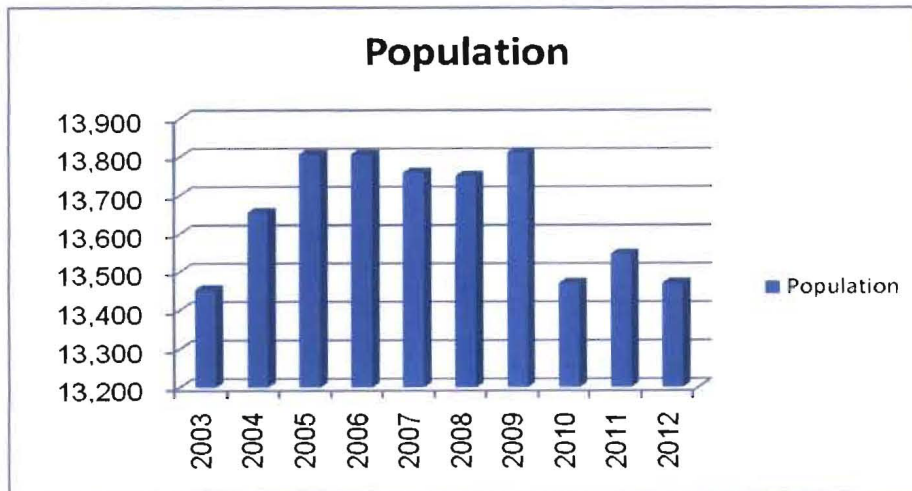
California counties are a political subdivision of the State of California and serve the needs of the citizens within the boundaries of each individual county. Trinity County serves the needs of the local citizens by providing public safety, sanitation, health and social services, the construction and maintenance of highways, streets, and infrastructure assets, cultural and recreational opportunities, public improvements, planning and zoning, and general administrative services.

The County is required by state law to adopt a final budget no later than October 2nd. This annual budget serves as a foundation for the County's financial planning and control. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The legal level of budgetary control is maintained at the fund, department, and income come level with more stringent control over capital assets. The Board must approve amendments or transfers of appropriations between funds or departments. Supplemental appropriations necessary and normally financed by unanticipated revenues during the fiscal year must also be approved by the Board.

County Geography and Demographics

Trinity County is a large, rugged and mountainous, heavily forested Northern California county bordered by the counties of Humboldt, Mendocino, Shasta, Siskiyou and Tehama and covers an area of approximately 2 million acres of land.

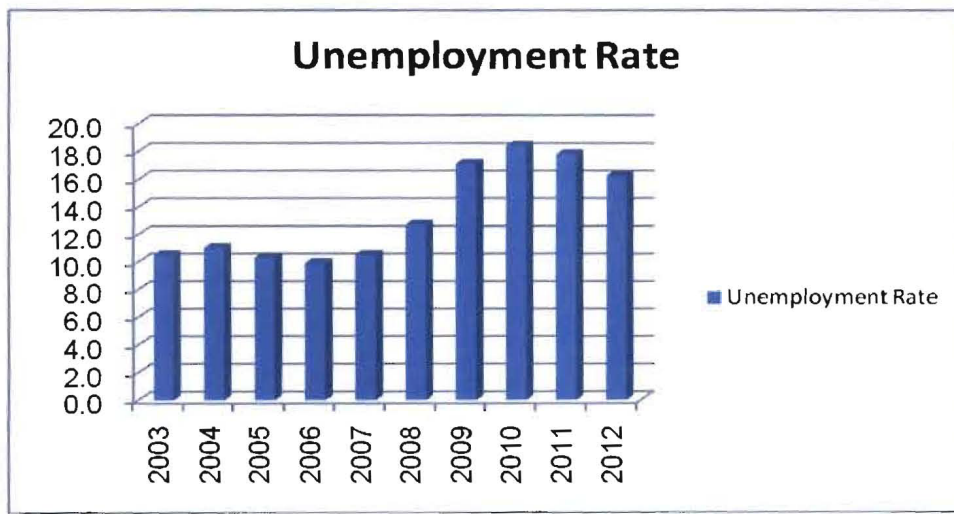
The State Department of Finance estimated Trinity County's population as of July 1, 2012 to be 13,470 a slight decrease of 76 since 2011.



Economic Condition and Outlook

Trinity County’s economy has been historically based on agriculture, timber and tourism, all of which continue to be an integral part of our community and important contributors to the County’s tax base.

For the fiscal year ending June 30, 2012, revenue sources remained fairly consistent with previous years and fund balances available for appropriation. We anticipate the County will continue to be challenged to meet the demands for public services and maintain a structurally balanced budget.



As of June 2012 the County's unemployment rate was 15.7%. The statewide average at the same time was 10.7%. The County unemployment rate during June of the previous years was 16.7%, an indicator of a modestly improving unemployment rate in the County, yet still well above the statewide average.

Trinity County continues a proven track record of balancing its annual budgets, even during the most difficult times. State imposed revenue reductions, unfunded mandates, and the depressed national and state economies continued to present challenges to local governments throughout California and Trinity County was no exception to that rule.

County department heads, both elected and appointed, work cooperatively and successfully with the County Administrative Officer and Board of Supervisors on budget and fiscal matters. County leaders are continually seeking opportunities for improving efficiencies within our organization.

County Budget Overview

The sluggish national and state economies continue to present extraordinary challenges to local governments throughout California, and the County of Trinity is no exception. Important discretionary revenues such as property taxes remain stable while the demand and cost for

public services continues to increase. Nevertheless, the County's general fund budget remains structurally balanced.

The County's annual budget is prepared with the following goals in mind:

1. Develop a responsible, sustainable budget and budget plan that will enable the County to maintain its fiscal solvency during both the short-term and over the long-term.
2. Minimize negative impacts on service levels provided to the public;
3. Maintaining current staff levels through minimal layoffs and work furloughs.

All of these goals were achieved during the fiscal year ending June 30, 2012.

Major Accomplishments and Goals

During the fiscal year ending June 30, 2012, County departments accomplished many objectives and continued progress in many areas while successfully performing their day to day responsibilities and duties. Examples include the following:

- Established staffing of a Child Protective Services (CPS) office in Hayfork three times per week.
- Relocated the Weaverville Client Drop-in Center to the agency's main clinic so as to integrate the recovery model into the more traditional services offered at the main clinic.
- Executed the Disaster Recovery Initiative contract documents with the state, received authority to spend general administration funds and began the process to obtain approval for all of the projects included in the \$5,000,000 grant.
- Reopened the Trinity County Veteran's Services office after a six-month closure.
- Began upgrade of the County financial accounting system.

Future Goals:

- Continue prudent fiscal management.
- Seek grants to improve major County infrastructure.
- Complete the upgrade of the County financial accounting system.

Financial information and Condition

The management of the County of Trinity is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. This evaluation of cost to benefit requires estimates and judgments by management.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's report on the internal control structure and compliance with applicable laws and regulations are included in the single audit report, which is issued as a separate document.

The accounting methods and procedures adopted by the County of Trinity conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable and the criteria set by Governmental Accounting Standard Board (GASB) Statement No.14.

The County maintains budgetary controls to ensure compliance with the legal provisions contained in the annual appropriated budget approved by the County Board of Supervisors under the provision of Sections 29080-29093 of the Government Code. Those provisions set timelines and requirements for establishing a county budget each fiscal year. The County of Trinity Board of Supervisors, in conjunction with the Auditor-Controller, efficiently and responsibly adheres to those provisions.

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 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 30th year-end.

Blended Component Units

The County reporting entity includes component units because of their operational and financial relationship with the County. In Trinity County, Weaverville and Hayfork Lighting District's are included because the County of Trinity Board of Supervisors serves as their governing board. For Trinity County Waterworks District No. 1, the County of Trinity Board of Supervisors appoints the governing board.

Discretely Presented Component Units

The County of Trinity has no component units which meet the criteria for discrete presentation.

Cash Management

The prime and overriding objective of the County is to protect the safety of the principal of the Investment Pool through the judicious purchase of those legal investments permitted to local agencies, as defined in the State of California Government Code, consistent with current conditions and the other dominant objectives pursuant to managing a local agency portfolio. The Treasurer places investments with the objective of obtaining a respectable rate of return, subject to market conditions, not attempting to maximize yield at the expense of either safety, liquidity, availability, and diversification.

Debt Administration

As of June 30, 2012, the County had total long-term liabilities of \$269,660,238. This includes general obligations and special assessment debt, certificates of participation, capital leases, compensated absences, liability for self-insurance, loans payable and net Other Post Employee Benefits (OPEB) obligation. Activities related to existing long-term debt can be found in the Notes to the Basic Financial Statements, Note. 6.

Other Information

California Government Code requires an annual audit of the books of accounts, financial records, and transactions of all offices of the County by independent certified public accountants. The County selected Gallina, LLP, Certified Public Accountants to perform this requirement for fiscal year ending June 30, 2012. The audit was designed to meet the requirements of the Single Audit Act and related U.S. Office of Management and Budget's Circular A-133, in addition to requirements set forth by state statutes. The Independent auditor's report on the general purpose financial statements and individual fund statements and schedules is included in the financial section of this report. The supplementary auditor report of internal control and compliance with applicable laws and regulation is issued separately.

Acknowledgements

The preparation of Comprehensive Annual Financial Statements is possible only through the effort and determination of those involved in the preparation. Those involved in the compilation of this comprehensive document included our independent auditor's Gallina, LLP, Craig Goodman, CPA, the Auditor-Controller and staff, the County Administrative Officer and staff, and those providing ongoing statistical data. We would like to recognize their contribution to the preparation of this Comprehensive Annual Financial Report.

As always, we recognize the County Board of Supervisors for their continued efforts to maintain the fiscal health of Trinity County, while striving to address the issues important to the citizens of Trinity County.

Respectfully submitted,


Wendy G. Tyler
County Administrative Officer


Marilyn Horn
Auditor-Controller

Trinity County Voters

- General Government
Elected Officials**
- Assessor, Elections
 - Auditor-Controller
 - Public Defender
 - Treasurer-Tax Collector

Board of Supervisors

County Administrative Officer

County Counsel

- Public Protection
Elected Officials**
- Clerk Recorder
 - District Attorney
 - Sheriff

- General
Government**
- Administration
 - Collections
 - Personnel
 - General Services
 - Information Technology
 - Risk Management

- Public
Protection**
- Ag Services
 - Building & Development
 - Child Support Services
 - Grand Jury
 - Planning
 - Probation**
 - Public Guardian

- Public Ways
and Facilities**
- Airport Operations
 - Public Works
 - Transit

- Health &
Sanitation**
- Behavioral Health
 - Environmental Services
 - Health Services
 - Solid Waste

- Public
Assistance &
Education**
- Cooperative Extension
 - Grants
 - Library
 - Social Services

** Appointed by the Trinity County Superior Court

**Board of Supervisors and Other County Officials
as of June 30, 2012**

Board of Supervisors

District 1—Judy Pflueger
District 2—Judy Morris
District 3—Roger Jaegel
District 4—Debra Chapman
District 5—Wendy Otto

Elected Department Heads

Auditor/Controller—Marilyn Horn
Clerk/Recorder/Assessor—Dave Hunt
District Attorney—Mike Harper
Sheriff—Bruce Haney
Treasurer/Tax Collector—Terri McBrayer

Appointed Department Heads

County Administrative Officer—Wendy Tyler
County Counsel—Derek Cole, Cota Cole LLP
Chief Probation Officer—Terry Lee
Department of Transportation—Rick Tippett
Behavioral Health—Noel O'Neill
Child Support Services—Robin McStay
Health and Human Services—Linda Wright
Ag Commissioner/Sealer/Solid Waste—Mark Lockhart



INDEPENDENT AUDITOR'S REPORT





INDEPENDENT AUDITOR'S REPORT

Board of Supervisors County of Trinity
Weaverville, California

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 Trinity, California, (the County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Trinity County Waterworks District No.1, which statements reflect total assets and revenues constituting 6.46 percent and 1.20 percent, respectively, of the related primary government totals. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included in the Trinity County Waterworks District No.1 fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinions.

The capital asset balances of the Waterworks District No.1 have not been audited, and we were not engaged to audit the capital asset balances as part of our audit of the basic financial statements. The capital asset balances of the Waterworks District No.1 represent 76.93 percent and 95.65 percent of the total assets of the business-type activities and Waterworks District No.1 major fund columns, respectively.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the capital assets of the Waterworks District No. 1 been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, and the Waterworks District No. 1 major fund of the County as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund except for the Waterworks District No. 1 major fund, and the aggregate remaining fund information of the County as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Supervisors
County of Trinity

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated March 28, 2013, 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. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress for the County, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County of Trinity's basic financial statements. The introductory section, combining and individual non-major fund statements and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.



Roseville, California
March 28, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS



COUNTY OF TRINITY

Management's Discussion and Analysis Required Supplementary Information June 30, 2012

This section of the County of Trinity's (County) annual financial report presents our discussion and analysis of the County's performance during the fiscal year that ended June 30, 2012. This discussion and analysis should be read in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the most recent fiscal year by \$145,005,329 (*net assets*).
- The government's total net assets decreased by \$8,357,792. However, of this amount a \$336,805 decrease was attributable to prior period adjustments while changes in net assets resulted in a loss of \$8,020,987.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$21,505,959 an increase of \$1,452,947 in comparison with the prior year. This increase is due to revenues exceeding expenditures by \$1.8 million offset by prior period adjustments that decreased fund balance by \$0.4 million.
- The County's unassigned fund balance for the general fund was a deficit \$17,640. Absent the merger of the old hospital fund, the County's unassigned fund balance would have been \$7,694,439 or 55.1% of total general fund expenditures.
- The County's investment in capital assets, net of related debt, decreased by \$4,912,841 due primarily to depreciation exceeding purchases of capital assets in the current fiscal year.
- The County's total long-term liabilities increased by \$2,304,705 in comparison with the prior year. This was primarily due to an increase in the Net Other Post-Employment Benefits (OPEB) obligation.

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. Required Supplementary Information is included in addition to the basic financial statements.

Government-Wide 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, which uses the full accrual basis of accounting. The Government-wide Financial Statements are comprised of the following two components:

The **statement of net assets** presents information on all County assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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 in part 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 and recreation. The business-type activities of the County include solid waste, transit, and cemetery.

Component units are included in the County's basic financial statements and consist of legally separate entities for which the County is financially accountable, and that have substantially the same board as the County or provide services entirely to the County. Trinity County Waterworks District No. 1 is an example of a component unit of the County.

Fund Financial Statements

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The funds of the County are 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 four individual governmental funds that are considered major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Road Fund, Human Services, and HOME Grants. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds are maintained two ways: *Enterprise funds* and *Internal service funds*. *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 County's solid waste, transit and cemetery services. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its motor pool, copier expenses and OPEB.

COUNTY OF TRINITY

Management's Discussion and Analysis Required Supplementary Information June 30, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Solid waste, and Waterworks District No. 1 are considered major enterprise funds of the County. The non-major enterprise funds are transit and cemetery. The County's three internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the individual internal service funds is provided in the form of combining statements elsewhere in this report.

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

Notes to the Basic Financial Statements

Notes to the Basic 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

Required Supplementary Information is presented concerning actuarial information related to the County's retirement and retiree healthcare plans as well as certain budgetary information. Budgetary comparison schedules have been provided for all major governmental funds to demonstrate compliance with the County's adopted annual appropriated budget for each fund.

Combining and Individual Fund Statements and Schedules

Combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise, internal service, and fiduciary funds and are presented immediately following the required supplementary information.

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Following is the comparative analysis of government-wide data for fiscal years 2011-2012 and 2010-2011.

**Statement of Net Assets
June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets						
Current and other assets	\$ 27,554,296	\$ 24,776,285	\$ 1,728,795	\$ 1,663,436	\$ 29,283,091	\$ 26,439,721
Capital assets	136,825,865	145,322,817	12,637,009	12,911,037	149,462,874	158,233,854
Total assets	<u>164,380,161</u>	<u>170,099,102</u>	<u>14,365,804</u>	<u>14,574,473</u>	<u>178,745,965</u>	<u>184,673,575</u>
Liabilities						
Current and other liabilities	5,003,880	4,159,038	1,024,148	849,165	6,028,028	5,008,203
Long-term liabilities	22,438,090	21,246,035	5,274,518	5,056,217	27,712,608	26,302,252
Total liabilities	<u>27,441,970</u>	<u>25,405,073</u>	<u>6,298,666</u>	<u>5,905,382</u>	<u>33,740,636</u>	<u>31,310,455</u>
Net Assets						
Invested in capital assets, net of related debt	136,825,865	140,907,817	11,570,130	12,401,019	148,395,995	153,308,836
Restricted	22,853,328	22,740,173	--	--	22,853,328	22,740,173
Unrestricted	(22,741,002)	(18,953,961)	(3,502,992)	(3,731,928)	(26,243,994)	(22,685,889)
Total net assets	<u>\$ 136,938,191</u>	<u>\$ 144,694,029</u>	<u>\$ 8,067,138</u>	<u>\$ 8,669,091</u>	<u>\$ 145,005,329</u>	<u>\$ 153,363,120</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$145,005,329 at the close of the most recent fiscal year.

The largest portion of the County's net assets, \$148,395,995, reflects its investment 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another important portion of the County's net assets, \$22,853,328, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the County's net assets indicates a deficit balance of, \$26,243,994, representing *unrestricted net assets* which may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net assets have decreased \$8,357,792 during the current year. This decrease is primarily due to the net effect of a \$336,805 decrease attributable to prior period adjustments in the current year and a decrease of \$8,020,987 caused by expenses exceeding revenues.

At the end of the current fiscal year, the County reported positive net asset balances, both for governmental and business-type activities.

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2012

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The following table indicates the changes in net assets for governmental and business-type activities.

**Statement of Activities
For the Years Ended June 30, 2012 and 2011
(in thousands)**

Revenues	Governmental Activities		Business-Type Activities		Total		Variance
	2012	2011	2012	2011	2012	2011	
Program Revenues:							
Fees, fines and charges for services	\$ 5,398	\$ 5,071	\$ 2,742	\$ 2,705	\$ 8,140	\$ 7,776	4.7%
Operating & capital grants/contributions	29,181	28,699	521	920	29,702	29,619	0.3%
General Revenues:							
Property Taxes	6,211	5,656	144	201	6,355	5,857	8.5%
Sales and Use Taxes	1,132	1,054	--	--	1,132	1,054	7.4%
Other Taxes	316	251	--	--	316	251	0.0%
Miscellaneous	702	1,299	13	72	715	1,371	-47.8%
Interest and Investment earnings	165	284	20	22	185	306	-39.5%
Total Revenues	43,105	42,314	3,440	3,920	46,545	46,234	0.7%
Expenses							
General government	3,353	4,316	--	--	3,353	4,316	-22.3%
Public protection	12,584	11,649	--	--	12,584	11,649	8.0%
Public ways and facilities	17,595	17,220	--	--	17,595	17,220	2.2%
Health and sanitation	7,267	6,969	--	--	7,267	6,969	4.3%
Public assistance	8,471	7,750	--	--	8,471	7,750	9.3%
Education	373	412	--	--	373	412	-9.5%
Recreation and culture	--	--	--	--	--	--	0.0%
Interest on long-term debt	836	884	--	--	836	884	-5.4%
Cemetaries	--	--	7	6	7	6	16.7%
Transit	--	--	600	510	600	510	17.6%
Solid Waste	--	--	2,673	2,642	2,673	2,642	1.2%
Waterworks District No. 1	--	--	807	790	807	790	2.2%
Total Expenses	50,479	49,200	4,087	3,948	54,566	53,148	2.7%
Excess (deficiency) before transfers	(7,374)	(6,886)	(647)	(28)	(8,021)	(6,914)	16.0%
Transfers	(45)	(67)	45	67	--	--	0.0%
Change in Net Assets	(7,419)	(6,953)	(602)	39	(8,021)	(6,914)	16.0%
Net assets - Beginning	144,694	151,825	8,669	1,141	153,363	152,966	0.3%
Prior period adjustment	(337)	(178)	--	7,489	(337)	7,311	
Net Assets - Ending	\$ 136,938	\$ 144,694	\$ 8,067	\$ 8,669	\$ 145,005	\$ 153,363	-5.4%

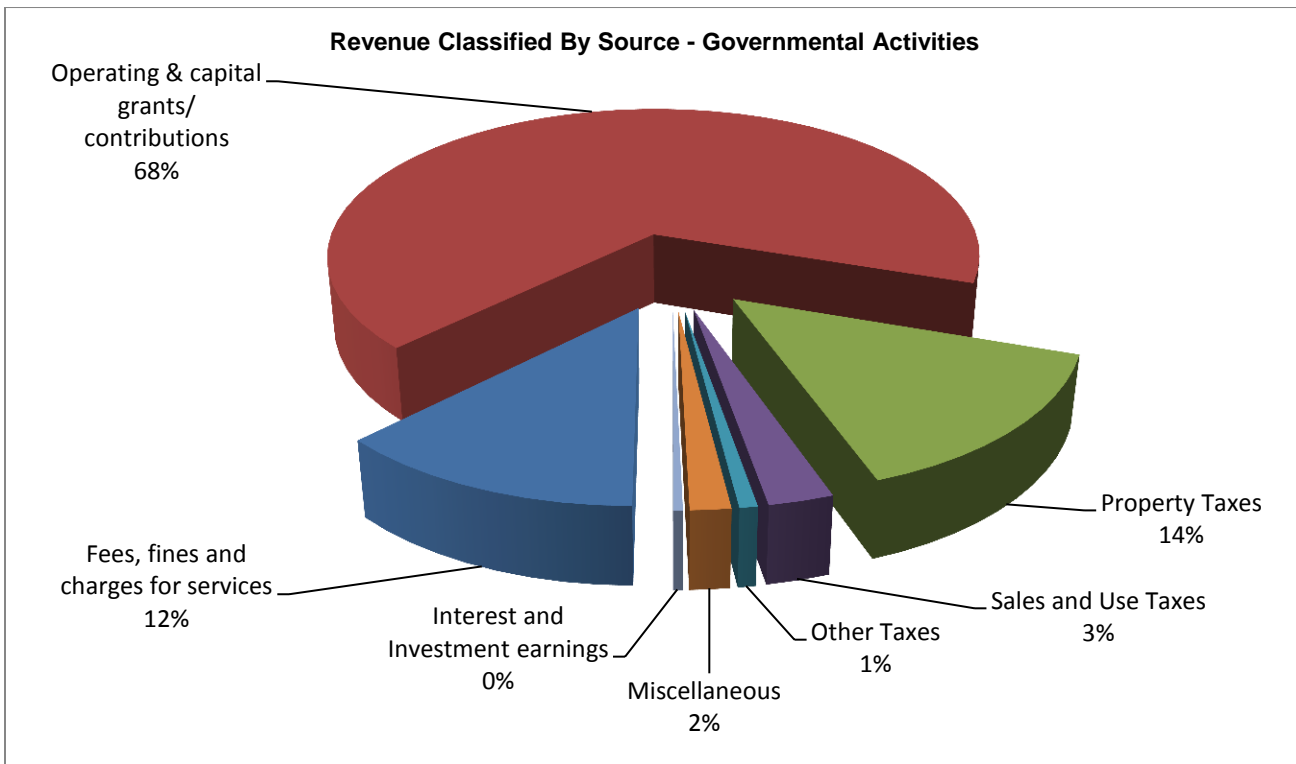
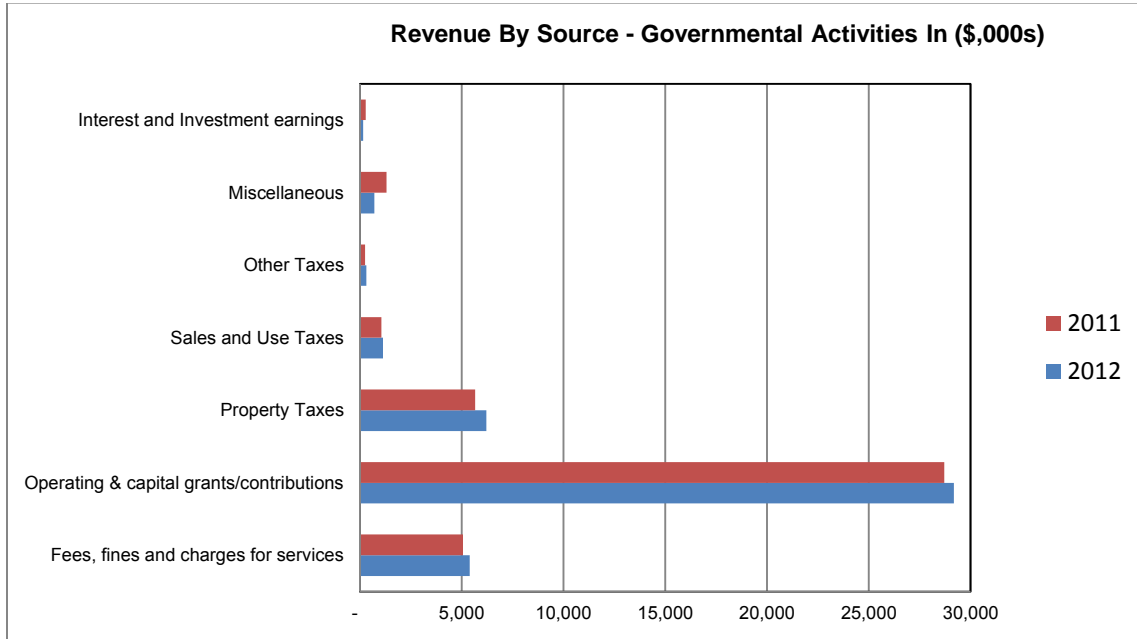
The County's revenues from governmental activities increased by \$813,813 or 1.9% over the prior fiscal year. This increase was due primarily to an increase of \$697,730 in property and sales and use taxes and an increase of \$327,463 in fees, fines and charges for services.

The County's expenses from governmental activities increased by \$1,279,693 or 2.6% over the prior fiscal year. This increase was due primarily to increases of \$0.9 million in public protection, \$0.4 million in public ways and facilities, \$0.3 million in health and sanitation, \$0.7 million in public assistance expenditures, offset by a decrease of \$1.0 million in general government expenditures.

COUNTY OF TRINITY

Management's Discussion and Analysis
 Required Supplementary Information
 June 30, 2012

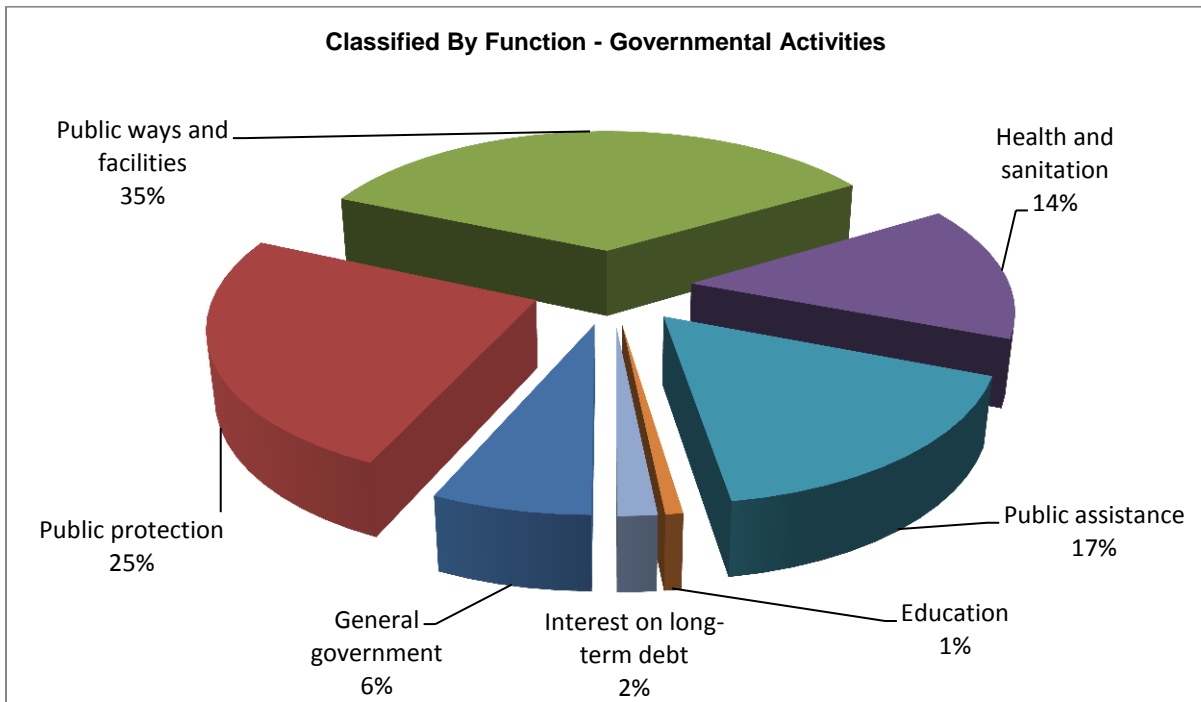
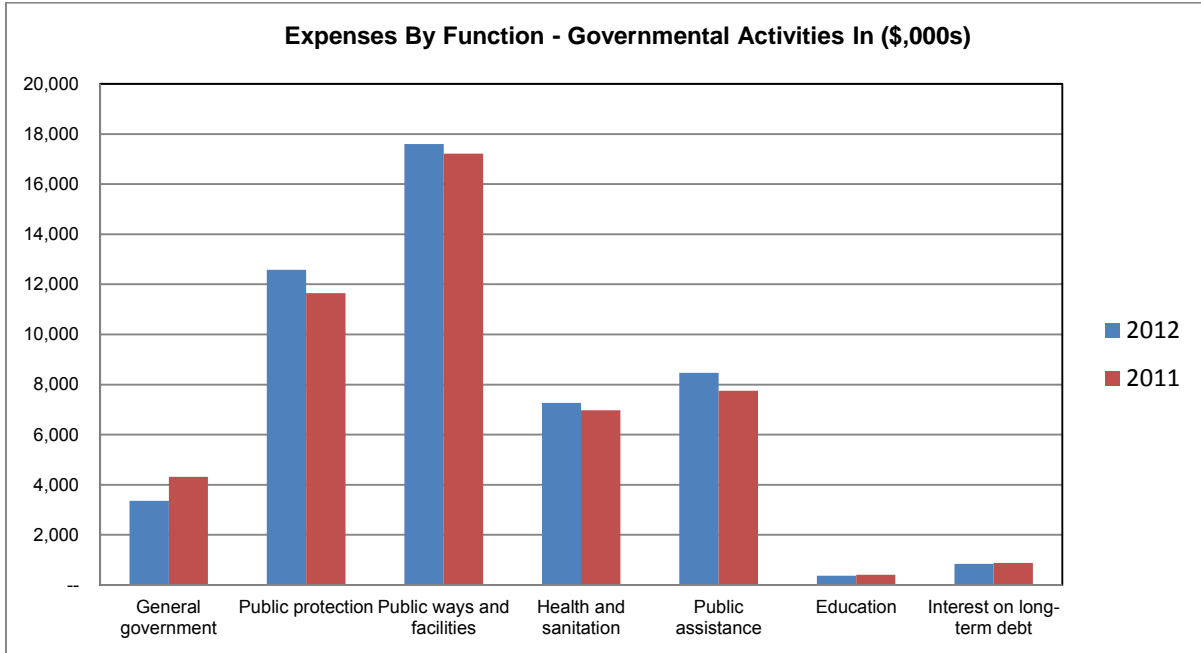
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



COUNTY OF TRINITY

Management's Discussion and Analysis
 Required Supplementary Information
 June 30, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

As noted 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, Debt Service, and Capital Projects 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, *assigned and 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 management may commit assigned or unassigned fund balance for a particular function, project or activity, which may extend beyond the current year. However, committed, assigned, and unassigned fund balances are available for appropriation at any time. See Note 9 – Net Assets/Fund Balance in the notes to the financial statements for a more detailed fund balance break down.

**Changes in Fund Balance - Governmental Funds
For Fiscal Years Ended June 30, 2012**

	General	Road Fund	Human Services	HOME Grant	Other Governmental Funds	Total
Revenues	\$ 13,769,828	\$ 9,270,947	\$ 4,660,459	\$ 130,185	\$ 14,464,686	\$ 42,296,105
Expenditures	(13,960,233)	(8,353,912)	(7,318,818)	(42,592)	(10,444,863)	(40,120,418)
Other Financing Sources (Uses), net	674,318	(168,870)	2,587,122	(333)	(3,478,172)	(385,935)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	483,913	748,165	(71,237)	87,260	541,651	1,789,752
Increase (Decrease) in deposits and inventories	--	--	--	--	--	--
Prior Period Adjustment	--	(147,248)	--	(159,529)	(30,028)	(336,805)
Fund Balance - Beginning of Year	(501,553)	8,296,777	92,416	2,825,303	9,340,069	20,053,011
Fund Balance - End of Year	\$ (17,640)	\$ 8,897,694	\$ 21,179	\$ 2,753,034	\$ 9,851,692	\$ 21,505,959

At June, 30, 2012, the County's governmental funds reported combined fund balances of \$21,505,959. Of these combined fund balances, \$975,399 is *nonspendable fund balance* to indicate that it is not available for new spending because it is not in spendable form, \$20,175,857 constitutes *restricted fund balance* which is available to meet specific current and future County needs, and \$354,703 constitutes *assigned and unassigned fund balance*, which is available to meet the County's current and future needs.

The General Fund is the County's main operating fund. During the fiscal year, fund balance in the General Fund increased by \$483,913. This increase was due primarily to an increase in property taxes due to SB85 negative bailout.

As of July 2007, the County is no longer responsible or liable for hospital operations and facilities. The hospital remains open, under the management and operation of the Healthcare District, providing the same services as prior to its transfer to the Healthcare District. Prior to the transfer of the former Trinity Hospital an authority and subsequently to the Healthcare District, the Hospital Fund had an accumulated deficit in the amount of approximately \$7.5 million. As of June 30, 2012, the accumulated deficit net assets is \$7,712,938. This amount has been absorbed by the General Fund as the old hospital deficit is now the responsibility of the General Fund.

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2012

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (continued)

The County uses the Road Fund to account for maintenance and construction of roads within the County. During the fiscal year, fund balance in the Road Fund increased by \$600,917. This increase is due to revenues exceeding expenditures by \$748,165 and a decrease of \$147,248 due to a prior period adjustment.

The County uses the Human Services Fund to account for health and human services and social services program activity within the County. During the fiscal year, fund balance in the Human Services Fund decreased by \$71,237. This decrease is primarily due to a decrease in Intergovernmental revenues received from various State and Federal sources.

The County uses the HOME Grants Fund to account for Home grant program activities within the County. During the fiscal year, fund balance in the HOME Grants Fund decreased by \$72,269. This decrease is due to grant reimbursements exceeding grant expenditures offset by prior period adjustments.

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

The Solid Waste Fund is used to account for the operations and the maintenance of the solid waste facilities. As of June 30, 2012, unrestricted net assets of the Solid Waste Fund were a deficit of \$3,877,916, while total net assets were a deficit of \$2,834,075. Total net assets of the solid waste decreased by \$260,843 due to operating expenses exceeding revenues.

The Trinity County Waterworks District No. 1 funds the operations and the maintenance of its water and sewer facilities. As of June 30, 2012, unrestricted net assets were \$445,857, while total net assets were \$10,602,956. Total net assets of the Waterworks District No. 1 decreased by \$233,494 mainly due to a decrease in intergovernmental revenue of \$640,708.

**Changes in Net Assets – Proprietary Funds
For Fiscal Year Ended June 30, 2012**

	Solid Waste	Waterworks District No. 1	Non-major Enterprise Funds	Total
Operating Revenues	\$2,223,127	\$432,694	\$89,588	\$2,745,409
Operating Expenditures	(2,665,290)	(778,478)	(607,423)	(4,051,191)
Operating Income (Loss)	(442,163)	(345,784)	(517,835)	(1,305,782)
Non-Operating Revenue (Expense)	181,320	112,290	300,480	594,090
Net Income before Transfers	(260,843)	(233,494)	(217,355)	(711,692)
Transfers In (Out)	(88,273)	0	198,012	109,739
Change in Net Assets	(349,116)	(233,494)	(19,343)	(601,953)
Fund Balance - Beginning of Year	(2,484,959)	10,836,450	317,600	8,669,091
Fund Balance - End of Year	<u>(\$2,834,075)</u>	<u>\$10,602,956</u>	<u>\$298,257</u>	<u>\$8,067,138</u>

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2012

GENERAL FUND BUDGETARY HIGHLIGHTS

Resources (revenues) and appropriations (expenditures) represent the legal level of budgetary controls. During the year, actual general fund revenues were \$13,769,828 or 6.35% more than budgeted, while actual general fund expenditures were \$13,960,233 or 12.29% under budget. In addition, actual other financing sources (uses) were \$674,318 or -60.33% less than budget.

**Budgetary Comparison Schedule
General Fund**

	Original	Final	Actual	Variance with Final Budget	
Total Revenues	\$ 13,118,259	\$ 12,947,204	\$ 13,769,828	\$ 822,624	6.35%
Total Expenditures	14,524,741	15,916,137	13,960,233	1,955,904	12.29%
Other Financing Sources (Uses)	687,202	1,700,014	674,318	(1,025,696)	-60.33%
Net Change in Fund Balance	\$ (719,280)	\$ (1,268,919)	\$ 483,913	\$ 1,752,832	138.14%

Differences between the original budget and the final amended budget were relatively minor. The County's budget continues to be a challenge because of the sluggish economy and the delayed budget process at the State level.

CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2012, amounted to \$149,462,874 (net of accumulated depreciation). This investment in a broad range of capital assets includes land, construction in progress, infrastructure (roads and bridges), structures and improvements, and equipment.

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

**Total Investment in Capital Assets
For Fiscal Years Ended June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,193,657	\$ 1,193,657	\$ 34,616	\$ 34,616	\$ 1,228,273	\$ 1,228,273
Construction in Progress	6,658,431	8,541,466	19,834	62,786	6,678,265	8,604,252
Structures & Improvements	22,396,183	22,216,573	17,054,752	16,911,605	39,450,935	39,128,178
Equipment	11,367,250	11,502,084	2,760,732	2,638,793	14,127,982	14,140,877
Infrastructure	228,701,358	223,420,045	--	--	228,701,358	223,420,045
Total	270,316,879	266,873,825	19,869,934	19,647,800	290,186,813	286,521,625
Accumulated Depreciation	(133,491,014)	(121,551,008)	(7,232,925)	(6,736,763)	(140,723,939)	(128,287,771)
Net Capital Assets	\$ 136,825,865	\$ 145,322,817	\$ 12,637,009	\$ 12,911,037	\$ 149,462,874	\$ 158,233,854

Additional information on the County's capital assets can be found in Note 5 in the Notes to the Financial Statements.

COUNTY OF TRINITY

Management's Discussion and Analysis Required Supplementary Information June 30, 2012

LONG-TERM LIABILITIES

At June 30, 2012, the County had total long-term liabilities outstanding of \$26,660,237 as compared to \$24,956,690 in the prior year. During the year, retirement of liabilities amounted to \$1,099,083; while additions to long-term liabilities amounted to \$2,802,630 and were comprised primarily of the current year's increase to the net OPEB obligation of \$2,609,913.

The following table shows the composition of the County's total outstanding long-term liabilities.

Total Outstanding Long-Term Liabilities For Fiscal Years Ended June 30, 2012 and 2011

	Governmental Activities		Business Activities		Total Activities	
	2012	2011	2012	2011	2012	2011
Certificate of Participation	\$ 9,515,000	\$ 10,380,000	\$ 0	\$ 0	\$ 9,515,000	\$ 10,380,000
Special Assessment Debt	0	0	604,566	616,066	604,566	616,066
Capital Lease	0	0	161,734	199,092	161,734	199,092
Compensated absences	1,013,095	1,029,158	77,341	82,505	1,090,436	1,111,663
Liability for self-insurance	1,162,590	980,674	0	0	1,162,590	980,674
Loans payable	1,528,167	1,671,017	300,579	310,926	1,828,746	1,981,943
Net OPEB Obligation	11,274,668	8,886,295	1,022,497	800,957	12,297,165	9,687,252
Total	<u>24,493,520</u>	<u>22,947,144</u>	<u>2,166,717</u>	<u>2,009,546</u>	<u>26,660,237</u>	<u>24,956,690</u>
Less Current Portion	<u>(2,055,430)</u>	<u>(1,701,105)</u>	<u>(116,216)</u>	<u>(111,036)</u>	<u>(2,171,646)</u>	<u>(1,812,141)</u>
Net Long-Term Debt	<u>\$ 22,438,090</u>	<u>\$ 21,246,039</u>	<u>\$ 2,050,501</u>	<u>\$ 1,898,510</u>	<u>\$ 24,488,591</u>	<u>\$ 23,144,549</u>

Additional information on the County's long term debt can be found in Note 6 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2012-2013 budget year the County must continue to be committed to conservative administrative practices in financial management to avoid further erosion of the County's financial base while planning for future obligations. We must recognize the broader economic slow-down and its effect on revenue as well as planning for possible cash flow issues due to both the State budget shortfall and the delay of grant reimbursement payments.

REQUESTS 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 Trinity County Auditor's Office at P.O. Box 1230, Weaverville, California 96093.

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BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS



Siligo Meadow

COUNTY OF TRINITY

Statement of Net Assets

June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 12,337,672	\$ 1,318,865	\$ 13,656,537
Cash with fiscal agent	463,813	--	463,813
Accounts receivable	257,192	229,343	486,535
Taxes receivable	2,117,780	--	2,117,780
Interest receivable	21,742	800	22,542
Due from other governments	3,593,808	167,381	3,761,189
Prepaid expenses	7,518	12,406	19,924
Loan and notes receivable	5,044,879	--	5,044,879
Deposits with others	2,763,493	--	2,763,493
Inventories	946,399	--	946,399
Capital assets:			
Nondepreciable	7,852,088	54,450	7,906,538
Depreciable, net	128,973,777	12,582,559	141,556,336
Total Assets	<u>\$ 164,380,161</u>	<u>\$ 14,365,804</u>	<u>\$ 178,745,965</u>
LIABILITIES			
Accounts payable	\$ 2,059,112	\$ 94,252	\$ 2,153,364
Salaries and benefits payable	73,027	11,894	84,921
Interest payable	194,865	5,269	200,134
Deposits from others	8,831	15,737	24,568
Unearned revenue	612,615	779,775	1,392,390
Other liabilities	--	1,005	1,005
Long-Term Liabilities:			
Portion due or payable within one year:			
Bonds and special assessment debt	980,000	12,000	992,000
Capital leases	--	38,946	38,946
Loan payable	--	10,534	10,534
Compensated absences	675,430	54,736	730,166
Contract payable	150,000	--	150,000
Liability for unpaid claims	250,000	--	250,000
Portion due or payable after one year:			
Bonds and special assessment debt	8,535,000	592,566	9,127,566
Capital leases	--	122,788	122,788
Loan payable	--	290,045	290,045
Compensated absences	337,665	22,605	360,270
Contract payable	1,378,167	--	1,378,167
Liability for unpaid claims	912,590	--	912,590
Net OPEB obligation	11,274,668	1,022,497	12,297,165
Liability for landfill closure	--	3,224,017	3,224,017
Total Liabilities	<u>27,441,970</u>	<u>6,298,666</u>	<u>33,740,636</u>
NET ASSETS			
Invested in capital assets, net of related debt	136,825,865	11,570,130	148,395,995
Restricted for:			
Public protection	765,009	--	765,009
Public ways and facilities	10,079,140	--	10,079,140
Public health and assistance	4,271,288	--	4,271,288
Public assistance	5,676,430	--	5,676,430
Other County programs	2,061,461	--	2,061,461
Unrestricted	<u>(22,741,002)</u>	<u>(3,502,992)</u>	<u>(26,243,994)</u>
Total Net Assets	<u>136,938,191</u>	<u>8,067,138</u>	<u>145,005,329</u>
Total Liabilities and Net Assets	<u>\$ 164,380,161</u>	<u>\$ 14,365,804</u>	<u>\$ 178,745,965</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Statement of Activities For the Year Ended June 30, 2012

Functions/Programs	Program Revenues			
Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:				
Governmental Activities:				
General government	\$ 3,352,686	\$ 1,995,691	\$ 995,976	\$ 398,645
Public protection	12,584,410	1,639,311	4,837,788	--
Public ways and facilities	17,595,067	1,214,243	5,260,713	2,869,043
Health and sanitation	7,266,864	438,287	6,525,207	--
Public assistance	8,470,969	105,672	8,294,118	--
Education	373,304	4,827	--	--
Interest on long-term debt	836,347	--	--	--
Total Governmental Activities	50,479,647	5,398,031	25,913,802	3,267,688
Business-Type Activities:				
Solid Waste	2,672,505	2,222,736	65,971	--
Waterworks District No. 1	806,765	432,694	91,222	--
Cemeteries	7,432	13,362	--	--
Transit	599,991	73,458	299,408	64,804
Total Business-type Activities	4,086,693	2,742,250	456,601	64,804
Total Trinity County	\$ 54,566,340	\$ 8,140,281	\$ 26,370,403	\$ 3,332,492

General Revenues:

 Taxes:

 Property taxes

 Sales and use taxes

 Transient occupancy tax

 Other

 Interest and investment earnings

 Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning of Year, restated

Net Assets - End of Year

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 37,626	\$ --	\$ 37,626
(6,107,311)	--	(6,107,311)
(8,251,068)	--	(8,251,068)
(303,370)	--	(303,370)
(71,179)	--	(71,179)
(368,477)	--	(368,477)
(836,347)	--	(836,347)
<u>(15,900,126)</u>	<u>--</u>	<u>(15,900,126)</u>
--	(383,798)	(383,798)
--	(282,849)	(282,849)
--	5,930	5,930
--	(162,321)	(162,321)
<u>--</u>	<u>(823,038)</u>	<u>(823,038)</u>
<u>(15,900,126)</u>	<u>(823,038)</u>	<u>(16,723,164)</u>
6,211,025	144,004	6,355,029
1,131,953	--	1,131,953
203,384	--	203,384
112,662	--	112,662
164,963	19,555	184,518
702,040	12,591	714,631
(44,935)	44,935	--
<u>8,481,092</u>	<u>221,085</u>	<u>8,702,177</u>
(7,419,034)	(601,953)	(8,020,987)
<u>144,357,225</u>	<u>8,669,091</u>	<u>153,026,316</u>
<u>\$ 136,938,191</u>	<u>\$ 8,067,138</u>	<u>\$ 145,005,329</u>

The accompanying notes are an integral part of these financial statements.

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BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

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COUNTY OF TRINITY

Balance Sheet Governmental Funds June 30, 2012

	General	Road	Human Services	HOME Grants	Other Governmental	Total
<u>Assets</u>						
Cash and investments	\$ --	\$ 5,006,381	\$ --	\$ 33,156	\$ 5,735,075	\$ 10,774,612
Imprest cash	21,931	200	75	--	25,301	47,507
Cash with fiscal agent	--	--	--	--	463,813	463,813
Accounts receivable	78,043	135,788	--	--	43,348	257,179
Due from other governments	171,152	756,128	348,554	95,961	2,222,013	3,593,808
Taxes receivable	--	--	--	--	2,117,780	2,117,780
Interest receivable	4,514	8,959	54	44	7,007	20,578
Deposits with others	2,763,493	--	--	--	--	2,763,493
Prepays and other assets	7,423	--	--	--	--	7,423
Inventories	--	946,399	--	--	--	946,399
Due from other funds	--	3,150,470	--	242	393,000	3,543,712
Loans receivable	--	--	--	3,064,457	1,980,422	5,044,879
Advances to other funds	255,929	--	--	--	29,000	284,929
Total Assets	<u>\$ 3,302,485</u>	<u>\$ 10,004,325</u>	<u>\$ 348,683</u>	<u>\$ 3,193,860</u>	<u>\$ 13,016,759</u>	<u>\$ 29,866,112</u>
<u>Liabilities</u>						
Accounts payable	516,735	900,413	136,161	71,430	411,520	2,036,259
Salaries and benefits payable	3,832	63,711	5,484	--	--	73,027
Due to other funds	2,169,423	--	133,406	1,241	1,239,642	3,543,712
Unearned revenue	529,026	--	--	--	83,589	612,615
Deferred revenue	98,708	142,507	52,453	368,155	1,138,957	1,800,780
Deposits from others	2,401	--	--	--	6,430	8,831
Advances from other funds	--	--	--	--	284,929	284,929
Total Liabilities	<u>3,320,125</u>	<u>1,106,631</u>	<u>327,504</u>	<u>440,826</u>	<u>3,165,067</u>	<u>8,360,153</u>
<u>Fund Balances</u>						
Nonspendable	--	946,399	--	--	29,000	975,399
Restricted	--	7,951,295	21,179	2,753,034	9,450,349	20,175,857
Assigned	--	--	--	--	1,314,174	1,314,174
Unassigned	(17,640)	--	--	--	(941,831)	(959,471)
Total Fund Balances	<u>(17,640)</u>	<u>8,897,694</u>	<u>21,179</u>	<u>2,753,034</u>	<u>9,851,692</u>	<u>21,505,959</u>
Total Liabilities and Fund Balances	<u>\$ 3,302,485</u>	<u>\$ 10,004,325</u>	<u>\$ 348,683</u>	<u>\$ 3,193,860</u>	<u>\$ 13,016,759</u>	<u>\$ 29,866,112</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets - Governmental Activities June 30, 2012

Fund Balance - total governmental funds (page 19)	\$ 21,505,959
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	136,681,558
Deferred revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	1,800,780
Internal service funds are used by the County to charge the cost of its motor pool, copier pool and OPEB to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	1,638,279
Long-term liabilities, including capital leases, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Pension obligation bonds	(5,255,000)
Certificates of participation	(4,260,000)
Accrued interest	(194,865)
Contract payable	(1,528,167)
Claims liability	(1,162,590)
Compensated absences	(1,013,095)
OPEB Liability	<u>(11,274,668)</u>
Net assets of governmental activities (page 15)	<u>\$ 136,938,191</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2012

	General	Road	Human Services	HOME Grants	Other Governmental	Total
Revenues:						
Taxes	\$ 7,397,963	\$ --	\$ --	\$ --	\$ 261,061	\$ 7,659,024
Licenses and permits	494,363	11,394	--	--	17,070	522,827
Fines, forfeitures and penalties	121,550	--	230	--	165,369	287,149
Use of money and property	23,005	30,946	(623)	3,296	104,458	161,082
Intergovernmental	2,481,225	7,916,446	4,537,266	126,859	13,314,132	28,375,928
Charges for services	2,920,736	1,202,849	93,825	--	370,645	4,588,055
Other revenues	330,986	109,312	29,761	30	231,951	702,040
Total Revenues	<u>13,769,828</u>	<u>9,270,947</u>	<u>4,660,459</u>	<u>130,185</u>	<u>14,464,686</u>	<u>42,296,105</u>
Expenditures:						
Current:						
General government	2,223,164	--	--	--	309,331	2,532,495
Public protection	9,277,742	--	29,555	--	2,330,640	11,637,937
Public ways and facilities	24,327	8,353,912	--	--	516,224	8,894,463
Health and sanitation	2,080,736	--	--	--	4,834,377	6,915,113
Public assistance	40,797	--	7,289,263	42,592	608,114	7,980,766
Education	313,467	--	--	--	--	313,467
Debt Service:						
Principal	--	--	--	--	1,014,379	1,014,379
Interest	--	--	--	--	831,798	831,798
Total Expenditures	<u>13,960,233</u>	<u>8,353,912</u>	<u>7,318,818</u>	<u>42,592</u>	<u>10,444,863</u>	<u>40,120,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(190,405)</u>	<u>917,035</u>	<u>(2,658,359)</u>	<u>87,593</u>	<u>4,019,823</u>	<u>2,175,687</u>
Other Financing Sources (Uses):						
Transfers in	2,268,874	--	2,757,911	--	4,567,040	9,593,825
Transfers out	(1,594,556)	(168,870)	(170,789)	(333)	(8,045,212)	(9,979,760)
Total Other Financing Sources (Uses)	<u>674,318</u>	<u>(168,870)</u>	<u>2,587,122</u>	<u>(333)</u>	<u>(3,478,172)</u>	<u>(385,935)</u>
Net Changes in Fund Balances	483,913	748,165	(71,237)	87,260	541,651	1,789,752
Fund Balances, Beginning of Year	(501,553)	8,296,777	92,416	2,825,303	9,340,069	20,053,012
Prior period adjustments	--	(147,248)	--	(159,529)	(30,028)	(336,805)
Fund Balances, End of Year	<u>\$ (17,640)</u>	<u>\$ 8,897,694</u>	<u>\$ 21,179</u>	<u>\$ 2,753,034</u>	<u>\$ 9,851,692</u>	<u>\$ 21,505,959</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities For the Year Ended June 30, 2012

Net change to fund balance - total governmental funds (page 21) \$ 1,789,752

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

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

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 4,214,784	
Less: current year depreciation	<u>(12,655,781)</u>	(8,440,997)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	271,670
---	---------

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

Change in compensated absences	16,063
Change in OPEB liability	(2,388,373)
Change in interest payable	1,980
Change in claims liability	(181,920)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Contract payable	142,850	
Bonds payable/certificates of participation	<u>865,000</u>	1,007,850

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.

504,941

Change in net assets of governmental activities (page 16)	<u><u>\$ (7,419,034)</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Statement of Fund Net Assets Proprietary Funds June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Solid Waste	Waterworks District No. 1	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current Assets:					
Cash and investments	\$ 800,128	\$ 46,606	\$ 102,091	\$ 948,825	\$ 1,515,553
Imprest cash	1,450	--	--	1,450	--
Accounts receivable	184,880	42,974	1,489	229,343	13
Due from other governments	25,391	32,195	109,795	167,381	--
Interest receivable	657	--	143	800	1,164
Prepays	--	12,406	--	12,406	95
Total Current Assets	<u>1,012,506</u>	<u>134,181</u>	<u>213,518</u>	<u>1,360,205</u>	<u>1,516,825</u>
Noncurrent Assets:					
Restricted cash and investments	--	368,590	--	368,590	--
Capital assets:					
Non-depreciable	6,000	9,600	38,850	54,450	--
Depreciable, net	1,199,575	11,042,644	340,340	12,582,559	144,307
Total Noncurrent Assets	<u>1,205,575</u>	<u>11,420,834</u>	<u>379,190</u>	<u>13,005,599</u>	<u>144,307</u>
Total Assets	<u>\$ 2,218,081</u>	<u>\$ 11,555,015</u>	<u>\$ 592,708</u>	<u>\$ 14,365,804</u>	<u>\$ 1,661,132</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	67,661	12,140	14,451	94,252	22,853
Salaries and benefits payable	2,088	9,806	--	11,894	--
Interest payable	5,269	--	--	5,269	--
Other current liabilities	1,293	15,449	--	16,742	--
Deferred revenue	635,772	--	144,003	779,775	--
Bonds and special assessment debt	--	12,000	--	12,000	--
Capital leases	38,946	--	--	38,946	--
Loan payable	--	10,534	--	10,534	--
Compensated absences	38,528	9,519	6,689	54,736	--
Total Current Liabilities	<u>789,557</u>	<u>69,448</u>	<u>165,143</u>	<u>1,024,148</u>	<u>22,853</u>
Noncurrent Liabilities:					
Bonds and special assessment debt	--	592,566	--	592,566	--
Loans payable	--	290,045	--	290,045	--
Capital leases	122,788	--	--	122,788	--
Compensated absences	19,261	--	3,344	22,605	--
Liability for landfill closure	3,224,017	--	--	3,224,017	--
Net OPEB obligation	896,533	--	125,964	1,022,497	--
Total Noncurrent Liabilities	<u>4,262,599</u>	<u>882,611</u>	<u>129,308</u>	<u>5,274,518</u>	<u>--</u>
Total Liabilities	<u>5,052,156</u>	<u>952,059</u>	<u>294,451</u>	<u>6,298,666</u>	<u>22,853</u>
NET ASSETS					
Invested in capital assets, net of related debt	1,043,841	10,147,099	379,190	11,570,130	144,307
Unrestricted	(3,877,916)	455,857	(80,933)	(3,502,992)	1,493,972
Total Net Assets	<u>(2,834,075)</u>	<u>10,602,956</u>	<u>298,257</u>	<u>8,067,138</u>	<u>1,638,279</u>
Total Liabilities and Net Assets	<u>\$ 2,218,081</u>	<u>\$ 11,555,015</u>	<u>\$ 592,708</u>	<u>\$ 14,365,804</u>	<u>\$ 1,661,132</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Statement of Revenues, Expenses and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds			Governmental	
	Solid Waste	Waterworks District No. 1	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 2,222,736	\$ 432,694	\$ 86,820	\$ 2,742,250	\$ 2,055,320
Other income	391	--	2,768	3,159	18,863
Total Operating Revenues	<u>2,223,127</u>	<u>432,694</u>	<u>89,588</u>	<u>2,745,409</u>	<u>2,074,183</u>
Operating Expenses:					
Salaries and benefits	1,540,117	232,295	253,082	2,025,494	--
Services and supplies	992,198	186,391	284,635	1,463,224	1,979,357
Depreciation and amortization	66,664	359,792	69,706	496,162	70,013
Closure and postclosure costs	66,311	--	--	66,311	--
Total Operating Expenses	<u>2,665,290</u>	<u>778,478</u>	<u>607,423</u>	<u>4,051,191</u>	<u>2,049,370</u>
Operating Income (Loss)	<u>(442,163)</u>	<u>(345,784)</u>	<u>(517,835)</u>	<u>(1,305,782)</u>	<u>24,813</u>
Non-Operating Revenue (Expenses):					
Investment income	14,892	3,591	1,072	19,555	3,881
Taxes	107,672	36,332	--	144,004	--
Intergovernmental revenues	65,971	91,222	299,408	456,601	135,247
Interest expense	(7,215)	(28,287)	--	(35,502)	--
Other	--	9,432	--	9,432	--
Total Non-Operating Revenue (Expenses)	<u>181,320</u>	<u>112,290</u>	<u>300,480</u>	<u>594,090</u>	<u>139,128</u>
Income (Loss) Before Contributions and Transfers	(260,843)	(233,494)	(217,355)	(711,692)	163,941
Capital contributions	--	--	64,804	64,804	--
Transfers in	--	--	257,414	257,414	341,000
Transfers out	<u>(88,273)</u>	<u>--</u>	<u>(124,206)</u>	<u>(212,479)</u>	<u>--</u>
Change in Net Assets	(349,116)	(233,494)	(19,343)	(601,953)	504,941
Net Assets - Beginning of Year	<u>(2,484,959)</u>	<u>10,836,450</u>	<u>317,600</u>	<u>8,669,091</u>	<u>1,133,338</u>
Net Assets - End of Year	<u>\$ (2,834,075)</u>	<u>\$ 10,602,956</u>	<u>\$ 298,257</u>	<u>\$ 8,067,138</u>	<u>\$ 1,638,279</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2012

	Solid Waste	Waterworks District No. 1	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:					
Cash receipts from customers and users	\$ 2,215,509	\$ 432,694	\$ 91,465	\$ 2,739,668	\$ --
Receipts from interfund services provided	--	--	--	--	2,084,228
Cash paid to suppliers	(1,009,043)	(231,107)	(230,798)	(1,470,948)	(1,957,372)
Cash paid to employees	(1,345,088)	(186,391)	(279,414)	(1,810,893)	--
Net Cash Provided (Used) by Operating Activities	(138,622)	15,196	(418,747)	(542,173)	126,856
Cash Flows from Noncapital Financing Activities:					
Aid from other governmental agencies	--	--	659,142	659,142	--
Taxes	107,672	--	--	107,672	--
Interfund loans	34,061	--	164	34,225	138,713
Return of unused funding	--	--	(112,692)	(112,692)	--
Other revenue (expense)	--	117,949	--	117,949	--
Transfers in	65,971	--	--	65,971	341,000
Transfers out	(88,273)	--	(11,514)	(99,787)	--
Net Cash Provided (Used) by Noncapital Financing Activities	119,431	117,949	535,100	772,480	479,713
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets	--	(90,154)	--	(90,154)	(14,058)
Capital financing payments related to Transit	--	--	(131,959)	(131,959)	--
Principal payments on debt	(37,358)	(21,847)	--	(59,205)	--
Interest payments	(8,461)	(28,287)	--	(36,748)	--
Net Cash Provided (Used) by Capital and Related Financing Activities	(45,819)	(140,288)	(131,959)	(318,066)	(14,058)
Cash Flows from Investing Activities:					
Interest received (paid)	14,991	3,591	1,259	19,841	2,820
Net Cash Provided (Used) by Investing Activities	14,991	3,591	1,259	19,841	2,820
Net Increase (Decrease) in Cash and Cash Equivalents	(50,019)	(3,552)	(14,347)	(67,918)	595,331
Cash and Cash Equivalents, Beginning of Year	851,597	418,748	116,438	1,386,783	920,222
Cash and Cash Equivalents, End of Year	\$ 801,578	\$ 415,196	\$ 102,091	\$ 1,318,865	\$ 1,515,553

continued

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Statement of Cash Flows (continued) Proprietary Funds For the Year Ended June 30, 2012

	Solid Waste	Waterworks District No. 1	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (442,163)	\$ (345,784)	\$ (517,835)	\$ (1,305,782)	\$ 24,813
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	66,664	359,792	69,706	496,162	70,013
Changes in assets and liabilities:					
Decrease (increase) in:					
Accounts receivable	(128,574)	(8,538)	1,877	(135,235)	10,045
Inventories and prepaids	1,293	9,109	--	10,402	
Increase (decrease) in:					
Accounts payable and other liabilities	(18,138)	617	(2,873)	(20,394)	21,985
Salaries and benefits payable	(487)	--	--	(487)	--
Deferred revenue	120,956	--	--	120,956	--
Compensated absences payable	(462)	--	4,816	4,354	--
Net OPEB obligation	195,978	--	25,562	221,540	--
Closure/post closure liability	66,311	--	--	66,311	--
Net Cash Provided (Used) by Operating Activities	<u>\$ (138,622)</u>	<u>\$ 15,196</u>	<u>\$ (418,747)</u>	<u>\$ (542,173)</u>	<u>\$ 126,856</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Statement of Fiduciary Net Assets June 30, 2012

	Investment Trust Fund	Agency Funds
<u>Assets</u>		
Pooled cash and investments	\$ 15,367,064	\$ 3,286,186
Interest receivable	18,010	2,619
Total Assets	<u>\$ 15,385,074</u>	<u>\$ 3,288,805</u>
<u>Liabilities</u>		
Agency funds held for others	\$ --	\$ 3,288,805
Total Liabilities	<u>--</u>	<u>3,288,805</u>
<u>Net assets</u>		
Net assets held in trust for investment pool participants	<u>15,385,074</u>	<u>--</u>
Total Net Assets	<u>\$ 15,385,074</u>	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF TRINITY

Statement of Changes in Fiduciary Net Assets For the Year Ended June 30, 2012

	Investment Trust Fund
<u>Additions</u>	
Contributions to pooled investments	\$ 5,979,263
Net investment income:	
Investment income	<u>66,408</u>
Total Additions	<u>6,045,671</u>
 <u>Deductions</u>	
Distributions from pooled investments	<u>7,619,634</u>
Total Deductions	<u>7,619,634</u>
Change in net assets	(1,573,963)
Net Assets - Beginning of Year	<u>16,959,037</u>
Net Assets - End of Year	<u><u>\$ 15,385,074</u></u>

The accompanying notes are an integral part of these financial statements.



NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provided in the financial section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of significant accounting policies for the County, and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

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COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The County of Trinity (County), the primary government, is a political subdivision of the State of California. It is governed by an elected board of five County Supervisors. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board Statement No. 14.

The decision to include a component unit in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14. The basic criteria used in the determination of component units are financial accountability of the County for the component unit. Financial accountability is determined by the following:

- The County appoints a voting majority of a component unit's governing body.
- Ability of the County to impose its will on the component unit, including the ability to affect its day-to-day operations, to remove appointed members of the governing board at will, to modify or approve its budget, to modify its rates or fee charges, to veto, overrule, or modify the decisions of its governing body.
- There is a potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the County.
- Fiscal dependency of the component unit on the County, including the inability of the component unit to determine its own budget, levy, taxes, set rates or charges, or issue bonded debt without the approval of the County.

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 30th year end.

Based on the foregoing criteria, the following entities have been classified as blended component units of the County:

- Cemetery Districts
- Hayfork Lighting District
- Weaverville Lighting District Commission
- Trinity County Water Works District No. 1
- Trinity County Transportation Commission

The above component units are legally separate entities which are governed by the County's Board of Supervisors; therefore, their financial data has been combined with the County's financial data and presented as blended component units. The separate financial statements for Trinity County Transportation Commission and Trinity County Water Works District No. 1 may be obtained by contacting the County.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units - There are no component units of the County which meet the criteria for discrete presentation.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its 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 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.

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 and enterprise funds are separately aggregated and reported as non-major funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange 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 general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- The *Road Fund* is used to account for the planning, design, construction, maintenance and administration of the County's roads and infrastructure.
- The *Human Services Fund* accounts for a variety of health and social services programs.
- The *HOME Grants Fund* is used to account for all of the County's federal HOME Grant loans.

The County reports the following major enterprise funds:

- The *Solid Waste Fund* accounts for the County's landfill sites, which provide a dumping site for the disposal of solid waste. Revenues are derived from fees generated for the disposal of waste at the site.
- The *Waterworks District No.1* fund accounts for the water service provided to the community of Hayfork.

The County reports the following additional fund types:

- *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- *Debt Service Funds* are used to accumulate financial resources to be used for the repayment of debt (other than proprietary fund debt).
- *Capital Projects Funds* are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).
- *Enterprise Funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the County's Board of Supervisors is that the costs of providing goods to the general public on a continuing basis be financed or recovered primarily through user charges; or where the County's Board of Supervisors has decided that periodic determination of net income is appropriate for accountability purposes.
- *Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.
- *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 other governments. These funds represent the assets, primarily cash and investments, and the related liabilities of the County to disburse these monies on demand.
- *Agency Funds* account for assets held by the County as an agent for various local governments.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The government-wide financial statements, proprietary funds, and fiduciary funds 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. Non-exchange 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 annual 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 ("susceptible to accrual"). Property and sales taxes, interest, state and federal grants and changes for services are accrued when their receipt occurs within sixty 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 capital leases are reported as other financial sources.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. 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 GAAP for governmental units.

D. Cash and Cash Equivalents

For purposes of the statements 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.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Compensated Absences

The County accounts for compensated absences (unpaid vacation and sick leave) in accordance with GASB Statement No. 16. In governmental funds, compensated absences are recorded as expenditures in the year paid. As it is County's policy to liquidate any unpaid vacation at June 30 from future resources rather than currently available expendable resources, the entire unpaid liability for the governmental funds is recorded as either a current or long-term liability in the government-wide financial statements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

F. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market 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, draining systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years

Landfills, in the Enterprise Funds, are amortized over the estimated number of years that space will be available. The County has five networks of infrastructure assets: roads, water/sewer, lighting, drainage, and flood control.

G. Interfund Transactions

Interfund transactions are reflected as 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 inter fund 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".

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advances between funds, as reported in the fund financial statements, are classified as nonspendable fund balance in applicable governmental funds 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.

H. Other Assets

Inventory: Inventory consists of expendable supplies held for consumption. In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting of inventory is used for the governmental fund types and the proprietary fund types. For the governmental fund types, inventory is classified as nonspendable fund balance to indicate that it is not available for appropriation.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. For the governmental funds, prepaid expense is classified as nonspendable fund balance to indicate that it is not available for appropriation.

I. Property Tax Revenue

Property taxes attach as an enforceable lien on January 1. Taxes are levied on July 1 and payable in two installments, December 10 and April 10. All general property taxes are then allocated by the County Auditor-Controller's Office to various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California. County property tax revenues are recognized when levied in accordance with the alternative method (Teeter Plan) of recording property taxes.

J. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the general purpose financial statements and the reported amount of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 2 – CASH AND INVESTMENTS

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

The County has implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. Interest earned on investments is allocated to all funds on the basis of monthly cash and investment balances.

The County participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in derivatives and similar transactions. LAIF's investments are subject to credit risk with the full faith of the State of California collateralizing these investments. In addition, these derivatives and similar transactions are subject to market risk as to change in interest rates.

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

The investment pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, availability, and yield. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 2 – CASH AND INVESTMENTS (continued)

At June 30, 2012, total County cash and investments were as follows:

	Cash and Investments	In Treasurer's Pool
<i>Cash:</i>		
Cash on hand	\$ 5,573	\$ 5,573
Deposits	446,481	446,481
External to the treasurer's pool (Trinity Waterworks)	97,347	-
External to the treasurer's pool (with fiscal agent)	-	-
Outstanding warrants	(781,636)	(781,636)
Imprest cash	48,957	-
Total Cash	(183,278)	(329,582)
 <i>Investments:</i>		
In treasurer's pool	32,202,000	32,202,000
With fiscal agent	463,813	-
Other external to the treasurer's pool (Trinity Waterworks)	291,065	-
Total Investments	32,956,878	32,202,000
Total Cash and Investments	\$ 32,773,600	\$ 31,872,418

Total cash and investments at June 30, 2012 were presented on the County's financial statements as follows:

	Cash and Investments	In Treasurer's Pool
<i>Primary Government</i>		
<i>Governmental Activities</i>		
Cash and investments in pool	\$ 12,290,165	\$ 12,290,165
Restricted cash with fiscal agent	463,813	-
Imprest cash	47,507	-
<i>Business-type activities</i>		
Cash and investments in pool	929,003	929,003
Cash and investments	339,712	-
Restricted cash and investments in pool	-	-
Restricted cash and investments	48,700	-
Imprest cash	1,450	-
Investment trust funds	15,367,064	15,367,064
Agency Funds	3,286,186	3,286,186
Total Cash and Investments	\$ 32,773,600	\$ 31,872,418

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

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 (years)</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	
Medium Term Notes	5 years	30%	None
Mutual Funds / Money Market Mutual Funds	n/a	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	n/a	None	None
Local Agency Investment Fund (LAIF)	n/a	None	None
Collateralized Bank Deposits	5 years	None	None
Time Deposits	5 years	None	None
JPA Pools (other investment pools)	n/a	None	None

At June 30, 2012, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Cost</u>	<u>Fair Value</u>	<u>WAM (Years)</u>
Investments in Investment Pool						
Local Agency Investment Fund (LAIF)	Variable	On Demand	\$ 27,702,000	\$ 27,702,000	\$ 27,702,000	-
Medium Term Notes	1%	5/8/2015	1,000,000	1,000,000	1,002,000	2.86
Money Market Mutual Funds	Variable	On Demand	3,500,000	3,500,000	3,237,919	-
Total			<u>\$ 32,202,000</u>	<u>32,202,000</u>	<u>31,941,919</u>	
Investments outside Investment Pool						
<i>Investments with Fiscal Agents</i>						
Money Market Funds	Variable	On Demand	\$ 463,813	\$ 463,813	\$ 463,813	-
<i>Trinity County Water Works District No. 1</i>						
Mutual Funds	Variable	On Demand	16,234	16,234	16,234	-
Local Agency Investment Fund (LAIF)	1.67%-2.85%	On Demand	274,831	274,831	274,831	-
Total			<u>\$ 291,065</u>	<u>291,065</u>	<u>291,065</u>	
Total Cost				<u>\$ 32,956,878</u>		
Total Fair Value					<u>\$ 32,696,797</u>	
% Fair Value to Cost					<u>99.21%</u>	

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 2 – CASH AND INVESTMENTS (continued)

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.

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 minimum credit ratings for government agency securities.

Concentration of Credit Risk

At June 30, 2012, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization, and it did not have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

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, 2012

<u>Investment Type</u>	<u>S&P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
Franklin Mutual Funds	Unrated	Unrated	4.62%
NATIXIS Advisor Mutual Funds	Unrated	Unrated	6.16%
FHLMC	AA+	Aaa	3.08%
Money Market	Unrated	Unrated	0.75%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	85.39%
			<u>100.00%</u>

Custodial Credit Risk

For an investment, 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 collateral securities that are in the possession of an outside party. At year end, the County's investment pool and specific investments had no securities exposed to custodial credit risk.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 2 – CASH AND INVESTMENTS (continued)

Local Agency Investment Fund

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 Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2012, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$27,702,000, which approximates fair value and is the same as 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 \$60,502,186,417. Of that amount, 3.47% was invested in structured notes and asset-backed securities with the remaining 96.53% invested in other non-derivative financial products.

At June 30, 2012 the difference between the cost and fair value of cash and investments was not material (fair value was 99.20% of carrying value). Therefore, an adjustment to fair value was not made. Fair value is based on information provided by the State for the Local Agency Investment Fund and by mutual fund managers for the County's mutual fund holdings. Investments are liquid.

Restricted Cash and Investments

Cash held with fiscal agents in the Debt Service Fund is restricted for debt service. Cash held with fiscal agents in the Waterworks District No.1 Fund is restricted for debt service.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 2 – CASH AND INVESTMENTS (continued)

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2012:

Statement of Net Assets in the Treasurer's Pool

Net assets held for pool participants	<u>\$ 31,872,418</u>
Equity of internal pool participants	16,505,354
Equity of external pool participants (trust and agency funds)	<u>15,367,064</u>
Total Net Assets	<u>\$ 31,872,418</u>

Statement of Changes in Net Assets in the Treasurer's Pool

Net investment earnings	\$ 142,121
Net contributions (withdrawals) from pool participants	<u>130,952</u>
Increase in Net Assets	273,073
Net Assets in the Treasurer's Pool at June 30, 2011	<u>31,599,345</u>
Net Assets in the Treasurer's Pool at June 30, 2012	<u>\$ 31,872,418</u>

Reconciliation to Financial Statement Amounts

Net Assets in the Treasurer's Pool at June 30, 2012	<u>\$ 31,872,418</u>
Governmental activities cash and investments in the treasurer's pool	12,290,165
Business-type activities cash and investments in the treasurer's pool	929,003
Agency funds cash and investments in the treasurer's pool	3,286,186
Investment trust funds cash and investments in the treasurer's pool	<u>15,367,064</u>
Total Cash and Investments in Treasurer's Pool per Financial Statements	<u>\$ 31,872,418</u>

NOTE 3 – LINE OF CREDIT PAYABLE

On June 21, 2011, the County obtained a \$3,000,000 line of credit to manage the temporary cash flow deficits that occur when the timing of required expenditures does not coincide with the timing of the collection of taxes and other revenues. The County received a draw of \$3,000,000 on August 2, 2011 in anticipation of collection of taxes and other revenues to be received during the fiscal year ended June 30, 2012. The loan was repaid with taxes and other revenues in the amounts of \$1,000,000 on December 30, 2011 and \$2,000,000 on April 30, 2012.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 3 – LINE OF CREDIT PAYABLE (continued)

Line of credit payable activity for the year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Line of credit payable	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -

NOTE 4 – INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2012 is as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$	\$ 2,169,423
Road Fund	3,150,470	
Human Services		133,406
HOME Grants	242	1,241
Non-major Governmental Funds	393,000	1,239,642
Total	\$ 3,543,712	\$ 3,543,712

The above balances reflect temporary cash advances except for the transportation group of funds where the balances may represent amounts receivable or payable under funding agreements.

Interfund balances are long-term loans that are not expected to be repaid during the next fiscal year. The composition of advances balances as of June 30, 2012 is as follows:

Advances:

Advance From	Advance To	Amount	Purpose
General Fund	Non Major Governmental Fund	\$ 220,769	Prior Year Seed Funding
	Non Major Governmental Fund	35,180	Current Year Seed Funding
		255,949	
Non Major Governmental Fund	Non Major Governmental Fund	29,000	Prior Year Seed Funding
Total Advances From/To		\$ 284,949	

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 4 – INTERFUND TRANSACTIONS (continued)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenue. The following schedule briefly summarizes the County's transfer activities:

Between Funds Within the Governmental Activities:

Transfer From	Transfer To	Amount	Purpose
General Fund	Human Services Fund	\$ 36,851	Budget transfer
	Non-Major Governmental Funds	835,100	Debt service payments
	Non-Major Governmental Funds	381,605	Various
		<u>1,253,556</u>	
Road	Non-Major Governmental Funds	<u>168,870</u>	Debt service payments
Human Services	Non-Major Governmental Funds	<u>170,789</u>	Debt service payments
HOME Grants	Non-Major Governmental Funds	<u>333</u>	Debt service payments
Non-Major Governmental Funds	General Fund	1,284,571	Realignment
	General Fund	984,303	Various
	Human Services Fund	2,721,060	Realignment
	Non-Major Governmental Funds	492,868	Debt service payments
	Non-Major Governmental Funds	623,586	Realignment
	Non-Major Governmental Funds	1,681,410	Various
		<u>7,787,798</u>	
Subtotal Transfers		<u>\$ 9,381,346</u>	

Between Governmental and Business-Type Activities:

Transfer From	Transfer To	Amount	Purpose
Solid Waste	Non-Major Governmental Funds	<u>\$ 88,273</u>	Debt service payments
Non-Major Enterprise Funds	Non-Major Governmental Funds	112,692	Unspent LTF/STA Funds
	Non-Major Governmental Funds	11,514	Debt service payments
		<u>124,206</u>	
General Fund	Internal Service Fund	<u>341,000</u>	Various
Non-Major Governmental Funds	Non-Major Enterprise Funds	<u>257,414</u>	LTF/STA Allocation
Subtotal Transfers		<u>810,893</u>	
Total Transfers In/Out		<u>\$ 10,192,239</u>	

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2012
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,193,657	\$ -	\$ -	\$ -	\$ 1,193,657
Construction in progress	8,541,466	3,208,881	-	(5,091,916)	6,658,431
Total capital assets not being depreciated	<u>9,735,123</u>	<u>3,208,881</u>	<u>-</u>	<u>(5,091,916)</u>	<u>7,852,088</u>
Capital assets being depreciated:					
Infrastructure	223,420,045	398,645	(23,159)	4,905,827	228,701,358
Structures and improvements	22,216,573	2,655	(9,134)	186,089	22,396,183
Equipment	11,502,084	630,434	(765,268)	-	11,367,250
Total capital assets being depreciated	<u>257,138,702</u>	<u>1,031,734</u>	<u>(797,561)</u>	<u>5,091,916</u>	<u>262,464,791</u>
Less accumulated depreciation for:					
Infrastructure	(95,733,304)	(9,654,290)	11,387	-	(105,376,207)
Structures and improvements	(15,773,663)	(254,630)	9,135	-	(16,019,158)
Equipment	(10,044,041)	(2,816,876)	765,268	-	(12,095,649)
Total accumulated depreciation	<u>(121,551,008)</u>	<u>(12,725,796)</u>	<u>785,790</u>	<u>-</u>	<u>(133,491,014)</u>
Total capital assets being depreciated net	<u>135,587,694</u>	<u>(11,694,062)</u>	<u>(11,771)</u>	<u>5,091,916</u>	<u>128,973,777</u>
Governmental Activities Capital Assets Net	<u>\$ 145,322,817</u>	<u>\$ (8,485,181)</u>	<u>\$ (11,771)</u>	<u>\$ -</u>	<u>\$ 136,825,865</u>
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 34,616	\$ -	\$ -	\$ -	\$ 34,616
Construction in progress	62,786	14,234	-	(57,186)	19,834
Total capital assets not being depreciated	<u>97,402</u>	<u>14,234</u>	<u>-</u>	<u>(57,186)</u>	<u>54,450</u>
Capital assets being depreciated:					
Structures and improvements	16,911,605	143,147	-	-	17,054,752
Equipment	2,638,793	121,939	-	-	2,760,732
Total capital assets being depreciated	<u>19,550,398</u>	<u>265,086</u>	<u>-</u>	<u>-</u>	<u>19,815,484</u>
Less accumulated depreciation for:					
Structures and improvements	(4,621,724)	(370,551)	-	-	(4,992,275)
Equipment	(2,115,039)	(125,611)	-	-	(2,240,650)
Total accumulated depreciation	<u>(6,736,763)</u>	<u>(496,162)</u>	<u>-</u>	<u>-</u>	<u>(7,232,925)</u>
Total capital assets being depreciated net	<u>12,813,635</u>	<u>(231,076)</u>	<u>-</u>	<u>-</u>	<u>12,582,559</u>
Business-Type Activities Capital Assets Net	<u>\$ 12,911,037</u>	<u>\$ (216,842)</u>	<u>\$ -</u>	<u>\$ (57,186)</u>	<u>\$ 12,637,009</u>

Depreciation expense was charged to governmental functions as follows:

	Depreciation
Governmental Activities	
General government	\$ 488,580
Public protection	323,410
Health and sanitation	53,504
Public ways and facilities	11,773,368
Public assistance	60,575
Education	26,359
Total Depreciation Governmental Activities	<u>\$ 12,725,796</u>

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 5 – CAPITAL ASSETS (continued)

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

Business-Type Activities

Transit	\$ 69,706
Solid Waste	66,664
Water Works District No. 1	<u>359,792</u>
Total Depreciation Business-Type Activities	<u><u>\$ 496,162</u></u>

NOTE 6 – LONG-TERM LIABILITIES

Long-term debt at June 30, 2012 consisted of the following:

	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2012
Governmental Activities:						
Pension Obligation Bonds - 1998 issue to refund the County's obligations to PERS	1998	2017	5.90%-6.65%	\$115,000-\$5,255,000	9,140,000	5,255,000
Certificate of Participation - 2005 issue to repay temporary transfer from the County Pool	2005	2026	8.50%	\$145,000-\$490,000	<u>4,560,000</u>	<u>4,260,000</u>
Total Governmental Activities					<u><u>\$ 13,700,000</u></u>	<u><u>\$ 9,515,000</u></u>
Business-Type Activities:						
Notes payable Davis-Grunsky - Water Works District No. 1	1980	2033	2.50%	\$4,889-\$16,239	482,000	283,122
Special Assessment Debt - Water Works District No. 1 - sewer system construction	1997-2000	2039	4.50%	\$9,000-\$41,066	1,103,750	604,566
Loan payable USDA/RDC - Water Works District No. 1	2004	2023	4.38%	\$904-\$1,872	<u>25,000</u>	<u>17,457</u>
Total Business-Type Activities					<u><u>\$ 1,610,750</u></u>	<u><u>\$ 905,145</u></u>

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 6 – LONG-TERM LIABILITIES (continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Governmental Activities					
Pension Obligation Bonds - 1998 issue	\$ 5,965,000	\$ -	\$ 710,000	\$ 5,255,000	\$ 810,000
Certificate of Participation - 2005 issue	4,415,000	-	155,000	4,260,000	170,000
Compensated Absences	1,029,158	-	16,063	1,013,095	675,430
Liability for Self-Insurance	980,674	181,916	-	1,162,590	250,000
Contract Payable	1,671,017	5,985	148,835	1,528,167	150,000
Net OPEB Obligation	8,886,295	2,388,373	-	11,274,668	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 22,947,144</u>	<u>\$ 2,576,274</u>	<u>\$ 1,029,898</u>	<u>\$ 24,493,520</u>	<u>\$ 2,055,430</u>
Business-Type Activities					
Transit Fund					
Compensated Absences	\$ 5,217	\$ 4,816	\$ -	\$ 10,033	\$ 6,689
Net OPEB Obligation	100,402	25,562	-	125,964	-
Solid Waste Fund					
Capital Lease	199,092	-	37,358	161,734	38,946
Compensated Absences	58,251	-	462	57,789	38,528
Net OPEB Obligation	700,555	195,978	-	896,533	-
Water Works District No. 1¹					
Compensated Absences	19,037	-	9,518	9,519	9,519
Special Assessment Debt	616,066	-	11,500	604,566	12,000
Note Payable - Davis Grunsky	292,378	-	9,256	283,122	9,396
Loan Payable - USDA 2004	18,548	-	1,091	17,457	1,138
Total Business-Type Activities Long-Term Liabilities	<u>\$ 2,009,546</u>	<u>\$ 226,356</u>	<u>\$ 69,185</u>	<u>\$ 2,166,717</u>	<u>\$ 116,216</u>

¹ We are reporting the liability amounts based on the June 30, 2011, audited financial statements of the Water Works District.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 6 – LONG-TERM LIABILITIES (continued)

As of June 30, 2012, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30:	Governmental Activities		Governmental Activities	
	Certificates of Participation		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 170,000	\$ 362,100	\$ 810,000	\$ 346,830
2014	185,000	347,650	920,000	293,370
2015	200,000	331,925	1,040,000	232,650
2016	215,000	314,925	1,170,000	164,010
2017	235,000	296,650	1,315,000	86,790
2018-2022	1,510,000	1,147,925	-	-
2023-2026	1,745,000	385,900	-	-
	<u>\$ 4,260,000</u>	<u>\$ 3,187,075</u>	<u>\$ 5,255,000</u>	<u>\$ 1,123,650</u>

As of June 30, 2012, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30:	Business-Type Activities ¹							
	Special Assessment Debt		Loans Payable		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 12,000	\$ 27,466	\$ 10,182	\$ 9,396	\$ 1,138	\$ 764	\$ 23,320	\$ 37,626
2013	12,500	26,917	11,200	9,166	1,188	714	24,888	36,797
2014	13,000	26,378	12,320	8,982	1,240	662	26,560	36,022
2015	14,000	30,582	13,552	8,689	1,294	608	28,846	39,879
2016	15,000	27,488	14,907	8,906	1,351	551	31,258	36,945
2017-2020	62,500	102,907	39,181	29,186	6,023	1,586	107,704	133,679
2021-2025	96,500	110,072	63,796	31,074	5,223	462	165,519	141,608
2026-2030	120,500	84,669	72,198	21,690	-	-	192,698	106,359
2031-2035	150,500	56,386	45,786	2,407	-	-	196,286	58,793
2036-2038	108,066	10,734	-	-	-	-	108,066	10,734
	<u>\$ 604,566</u>	<u>\$ 503,599</u>	<u>\$ 283,122</u>	<u>\$ 129,496</u>	<u>\$ 17,457</u>	<u>\$ 5,347</u>	<u>\$ 905,145</u>	<u>\$ 638,442</u>

¹ We are reporting the liability amounts based on the June 30, 2011, audited financial statements of the Waterworks District

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 6 – LONG-TERM LIABILITIES (continued)

Certificate of participation retirements and related interest payments are paid from a debt service fund. Loans payable retirements and related interest payments are paid from the Solid Waste Fund. Bonds payable and special assessment debt retirements and related interest payments are paid from the Waterworks District enterprise fund. Claims and judgments will be paid from the County's General Fund. Compensated absences liabilities will be paid by several of the County's funds.

Certificates of Participation (COPs)

2005 COPs

The 2005 COPs were issued in May 2005 and the proceeds were used to repay a \$3 million County Treasurer's temporary transfer of funds from the County Treasury Pool, pay the final set-aside for the 2004-05 tax revenue anticipation notes (TRANS), and establish a reserve fund for the 2005 COPs. As of June 30, 2012, the outstanding principal amount of the 2005 COPs was \$4,260,000.

1998 Pension Obligation Bonds

The County has outstanding pension obligation bonds (the 1998 POBs) that are payable from the County general fund. The 1998 POBs were issued in the original principal amount of \$9,140,000, and mature on June 1, 2017. As of June 30, 2012, the outstanding principal amount of the 1998 POBs was \$5,255,000.

Special Assessment Debt and Sewer System Construction

On August 13, 1997, the voters in the Waterworks District No.1 approved a measure to borrow \$1,200,000 from the Rural Utilities Service (RUS) for the construction of a sewer collection and treatment system for the residents of the District. This loan is to be repaid out of annual property tax assessments. In August 2000, the District was granted a Community Block Service Grant for \$500,000 to pay off the assessments on behalf of qualified low-income households. In addition to the note listed above, the RUS had committed to a \$4,150,400 grant to the District and the State Water Control Board had granted \$3,000,000 to the District for the construction of the project.

Contract Payable

In February 2005, the County transferred the Trinity Hospital to Mountain Community Medical Services Authority (MCMS). As stated in the project agreement, Trinity Public Utilities District (TPUD) was willing to use up to \$1.8 million of its existing reserves (up to \$2.789 million according to Amendment No.1 Project Agreement No.1) to temporarily assume responsibility to manage and direct MCMS and support hospital and health care services. The County is solely responsible for refunding TPUD for the use of these funds to help MCMS carry out its obligations. As of June 30, 2012 the County owes \$1,528,167 to TPUD. All TPUD reserves transferred to MCMS shall be fully reimbursed with accrued interest equal to what TPUD would have earned if the transferred amount were deposited with the Local Agency Investment Fund (LAIF) or its equivalent.

In accordance with the agreement, TPUD has increased the electrical rates for all electric services paid for by the County effective until TPUD's said reserves have been fully reimbursed with interest. The annual payment to TPUD is not to exceed \$150,000.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 6 – LONG-TERM LIABILITIES (continued)

Hospital District Operations

As of July 2007, the County of Trinity is no longer responsible or liable for Hospital operations and facilities. The hospital remains open under the management and operation of the Healthcare District, providing the same services as prior to its transfer to the Healthcare District.

Status of Accumulated Hospital Fund Operating Deficit

As a former County enterprise, the operations of the former Trinity Hospital were accounted for in a separate enterprise fund (The Hospital Fund) in the audited financial statements of the County until fiscal year 2010-11.

Prior to the transfer of the former Trinity Hospital to the Authority and subsequently to the District, the hospital fund had an accumulated deficit in the amount of \$7.5 million, which remains in the County pooled treasury. Beginning in fiscal year 2010-11, we merged the old Hospital Fund into the General Fund due to the County's obligation to absorb the accumulated operational deficit. As of June 30, 2012 the total accumulated operational deficit attributable to the old Hospital Fund was \$7,712,938.

NOTE 7 – LANDFILL CLOSURE AND POST-CLOSURE MAINTENANCE COSTS

The County currently owns and maintains the Weaverville landfill. State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfills, an estimated liability is being recognized based on the future closure and post-closure maintenance costs that will be incurred near or after the date the landfill no longer accepts waste.

The recognition of the estimated liability for closure and post-closure maintenance costs is based on the estimated remaining life of the landfill. The estimated liability of all County landfill sites for closure and post-closure maintenance costs was \$ 3,224,017 for fiscal year 2012, and was based on approximately 67.37% usage (filled) of the landfill. It is estimated that an additional \$ 1,464,503 liability will be incurred as closure and post-closure maintenance costs between the date of the balance sheet and the date the landfills are expected to be closed. The estimated total current cost of the landfill closure and post-closure maintenance costs of \$4,688,520 is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of the balance sheet date. However, the costs for landfill closure and post-closure maintenance are based on yearly estimates, reviewed by the California Integrated Waste Management Board, as prepared by the County.

These cost estimates are subject to change based on such factors as inflation or deflation, changes in technology, or changes in federal or state landfill laws and regulations. The County is currently reviewing its plan to close the landfill.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 7 – LANDFILL CLOSURE AND POST-CLOSURE MAINTENANCE COSTS (continued)

The County is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure maintenance costs. The County has established a trust fund to maintain the funds necessary to be in compliance with state and federal financial assurance requirements. The balance of the monies assigned to finance closure and post-closure maintenance costs at year end was \$451,000.

NOTE 8 – OPERATING LEASES

The County is committed under various non-cancelable operating leases for office buildings. The minimum future lease commitments on these leases are as follows:

Fiscal Year Ending June 30	Payments
2013	\$ 305,840
2014	134,391
2015	52,522
2016	10,491
Total	<u>\$ 503,244</u>

Rent expenditures were \$327,593 for the fiscal year ended June 30, 2012.

NOTE 9 – NET ASSETS/FUND BALANCES

Net Assets

The government-wide activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* - This category groups all capital assets, including infrastructure, into one component of net assets. 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 Assets* - 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 Assets* - This category represents net assets of the County, not restricted for any project or other purpose.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 9 – NET ASSETS/FUND BALANCES (continued)

Fund Balances

In governmental fund financial statements, fund balances are classified primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources in the fund as follows:

- Nonspendable fund balances – Consist of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of advances and loans receivable, if any.
- Restricted fund balances – Consist of amounts with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- Committed fund balances – Consist of resource balances with constraints imposed by formal action of the Board of Supervisors (the Board) through resolution or public meeting minutes that specifically state the revenue source and purpose of the commitment. Commitments can only be modified or rescinded through public meeting actions or resolutions by the Board. Commitments can also include resources required to meet contractual obligations approved by the Board.
- Assigned fund balances – Consist of resource balances intended to be used for specific purposes by authorized County management that do not meet the criteria to be classified as restricted or committed. In the General Fund, the assigned fund balance represents management approved amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources.
- Unassigned fund balances – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance.

Based on the County’s policy regarding the fund balance classification as noted above, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used, committed funds are to be spent first, followed by assigned funds, and unassigned funds.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 9 – NET ASSETS/FUND BALANCES (continued)

A detailed schedule of fund balances as of June 30, 2012 is as follows:

	General Fund	Road Fund	Human Services	HOME Grants	Other Governmental	Total
Fund Balances:						
Non-spendable:						
Advances	-	-	-	-	29,000	29,000
Inventory	-	946,399	-	-	-	946,399
Total Non-spendable	<u>-</u>	<u>946,399</u>	<u>-</u>	<u>-</u>	<u>29,000</u>	<u>975,399</u>
Restricted:						
General government	-	-	-	-	1,815,111	1,815,111
Public protection	-	-	-	-	233,946	233,946
Public ways and facilities	-	-	-	-	901,426	901,426
Health and sanitation	-	-	21,179	-	3,735,608	3,756,787
Public assistance	-	-	-	2,753,034	2,297,617	5,050,651
Road repairs	-	7,951,295	-	-	-	7,951,295
Fish and game preservation	-	-	-	-	21,560	21,560
Tobacco programs	-	-	-	-	52,556	52,556
Transportation programs	-	-	-	-	69,492	69,492
Lighting district programs	-	-	-	-	233,735	233,735
Bioterrorism programs	-	-	-	-	76,683	76,683
Capital projects	-	-	-	-	12,615	12,615
Total Restricted	<u>-</u>	<u>7,951,295</u>	<u>21,179</u>	<u>2,753,034</u>	<u>9,450,349</u>	<u>20,175,857</u>
Assigned to:						
Capital projects	-	-	-	-	114	114
Transportation programs	-	-	-	-	2,365	2,365
Debt service	-	-	-	-	1,311,695	1,311,695
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,314,174</u>	<u>1,314,174</u>
Unassigned:	(17,640)	-	-	-	(941,831)	(959,471)
Total Fund Balance	<u><u>(17,640)</u></u>	<u><u>8,897,694</u></u>	<u><u>21,179</u></u>	<u><u>2,753,034</u></u>	<u><u>9,851,692</u></u>	<u><u>21,505,959</u></u>

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 10 – PRIOR PERIOD ADJUSTMENTS

The following is a summary of the restatement.

The minor adjustments to governmental funds address an adjustment to construction retention and an adjustment due to the handling of projects started but not yet completed in the HOME Grant fund. A smaller adjustment was caused by a similar correction in the handling of projects started but not yet completed in the other grant programs.

Adjustments resulting from errors, changes in estimates or a change to comply with provisions of accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning net assets:

	Governmental Activities	Governmental Funds
Prior Period Adjustments:		
Beginning balance July 1, 2011	\$ 144,694,029	\$ 20,053,011
Adjustments:		
Construction Retention Payable as of 6/30/2011	(147,248)	(147,248)
Beginning balance July 1, 2011 as restated	144,546,781	19,905,763
HOME Grants:		
net prior year expenditures over prior year revenues	(159,529)	(159,529)
Non-Major Governmental Funds:		
net of revenues and expenditures	(30,028)	(30,028)
Total Prior Period Adjustments	(189,557)	(189,557)
Beginning balance July 1, 2011 with prior period adjustments	\$ 144,357,224	\$ 19,716,206

NOTE 11 – DEFICIT FUND BALANCE/NET ASSETS

The following funds had deficit fund balances/deficit net assets at June 30, 2012:

Major Governmental Funds:	
General Fund	\$ 17,640
Total Major Governmental Funds	\$ 17,640
Non-Major Governmental Funds:	
Miscellaneous Grants	\$ 458,960
Special Aviation	16,798
Disaster Recovery Initiative	225,932
Mental Health	240,141
Total Non-Major Governmental Funds	\$ 941,831
Proprietary Funds:	
Solid Waste	\$ 2,834,075
Total Proprietary Funds	\$ 2,834,075

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 11 – DEFICIT FUND BALANCE/NET ASSETS (continued)

These deficits are expected to be eliminated through receipts of grants or transfers from the General Fund over time. The deficit fund balance in the General Fund was caused by the merger of the old Hospital Fund, which has a deficit fund balance of \$7,712,080 at fiscal year end, into the General Fund.

NOTE 12 – PUBLIC EMPLOYEE RETIREMENT SYSTEM

Plan Description

The County contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. Copies of PERS' annual financial reports may be obtained from their Executive Office located at 400 Q Street, Sacramento, California 95811.

Funding Policy

The County makes the contribution required of County employees on their behalf and for their account in the amount of 7% for miscellaneous employees and 9% for safety employees. The employee rates are set by statute and therefore generally remain unchanged from year to year. The present employer actuarially determined rates of annual covered payroll were 23.262% for miscellaneous employees and 37.135% for safety employees. For the year ended June 30, 2012, the County contributed \$3,103,286 on employees' behalf and for their account.

Annual Pension Cost

For fiscal year 2011-2012, the County's annual pension cost of \$3,103,286 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2008 actuarial report. The assumptions included 7.75% investment rate of return (net of administrative expenses) and projected annual salary increases that vary by duration of service and included an inflation component of 3.25%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 12 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (continued)

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 2,317,126	100%	\$ -
6/30/2011	\$ 2,451,415	100%	\$ -
6/30/2012	\$ 3,103,286	100%	\$ -

Funding Status

The funded status of the County's Miscellaneous Plan (in thousands) as of June 30, 2010, the date of the latest actuarial valuation, is as follows:

(a)	(b)	(a)-(b) Underfunded	(b)/(a) Funded Ratios		(c)	[(a)-(b)/(c)]
Actuarial Accrued Liability	Actuarial Asset Value (AVA)	Actuarial Accrued Liability (UL)	(AVA)	Market Rate	Covered Payroll	UL as a % of Payroll
\$ 75,736,081	\$ 54,109,821	\$ 21,626,260	71.4%	55.6%	\$ 9,459,177	228.6

This information is no longer available for the Safety Plan, which is only available on a pooled basis and can be obtained from CalPERS.

The schedule of funding progress presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

NOTE 13 – POST-EMPLOYMENT HEALTH CARE BENEFITS

The County provides post-employment medical, dental and life insurance benefits through the Public Agency Retirement Service (PARS) that provides retirees with health insurance through the PERS Choice health insurance plan. To qualify an employee must have attained age 50 and a minimum of five years of CalPERS-credited service and be eligible to retire (Service retirement through CalPERS). The County will pay the single member monthly premium but the employee is responsible for spouses and dependents.

As of June 30, 2012, the County had on deposit \$317,090 in the PARS trust for payment of its OPEB liability. The County is charging each department its proportionate share of the pay as you go costs for post employment benefits. This charge funds the pay-as-you-go cost of about \$1.9 million annually. During the fiscal year 2011-12, 304 retirees received benefits at a cost of \$1,875,021.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 13 – POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

The County's Annual OPEB cost, the percentage of annual OPEB costs contributed and the Net OPEB Obligation for the past three years are as follows (in \$000s):

Year Ended June 30	Annual OPEB-Subsidy Obligation	Annual Actual Contribution	Percentage of Annual Cost Contribution	Net Pension Obligation End of Year
2010	\$ 4,122	\$ 1,356	32.90%	\$ 7,005
2011	\$ 4,389	\$ 1,707	38.89%	\$ 9,687
2012	\$ 4,493	\$ 1,883	41.91%	\$ 12,297

The status of the net OPEB obligation as of June 30, 2012 (the most recent actuarial valuation date) was as follows

Annual required contribution	\$ 4,477,411
Interest on net OPEB obligation	387,490
Adjustment to annual required contribution	<u>(372,253)</u>
Annual OPEB cost	4,492,648
Contributions made	<u>1,882,735</u>
Increase in obligation	2,609,913
Net OPEB obligation - beginning of year	<u>9,687,252</u>
Net OPEB obligation - end of year	<u><u>\$ 12,297,165</u></u>

The funding status of the plan as of June 30, 2010 (the most recent actuarial valuation date) was as follows:

Actuarial value of plan assets	\$ 310,611
Unfunded actuarial accrued liability (UAAL)	\$ 59,888,212
Funded ratio (actuarial value of plan assets/AAL)	0.52%
Covered payroll (active plan members)	\$ 12,501,000
UAAL as a percentage of covered payroll	479.07%

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 13 – POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

The cost method for valuation of liabilities used for this valuation is the *entry age normal* method. This is one of a family of valuation methods known as projected benefit methods. The chief characteristic of projected benefits methods is that the actuarial present value of all plan benefits is determined as of the valuation date and then allocated between the period before and after the valuation date. The present value of the plan benefits earned prior to the valuation date is called the *actuarial liability*. The present value of plan benefits to be earned after the valuation date is called the *present value of future normal costs*.

Under the entry age normal actuarial cost method, an individual entry age normal cost ratio is determined for each participant by taking the value, as of the entry age in the plan, of the participant's projected future benefits (assuming the current plan benefit provisions had always been in existence) and dividing it by the value, as of the participant's entry age, of the participant's expected future salary. This ratio for each participant is then multiplied by the present value, as of the valuation date, of the participant's future salary. The sum of these values for all active participants is the plan's present value (as of the valuation date) of future normal costs. The excess of the present value of all plan benefits over the present value of future normal costs is the actuarial liability. The difference between the actuarial liability and the value of the plan assets as of the valuation date is the *unfunded actuarial liability*.

The unfunded actuarial liability is amortized over an open period of 30 years from July 1, 2009, with payments increasing by a payroll growth assumption of 3.25% per annum. Payments are assumed to be made throughout the year. Subsequent gains and losses and benefit improvements will be amortized over the same remaining period.

NOTE 14 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County is a member of a joint powers agency (JPA) called Trindel Insurance. The County is self-insured through Trindel for general liability up to \$100,000 per claim, property up to \$25,000 per claim, Workers Compensation based on statutory limit and medical malpractice up to \$5,000 per claim.

The County also belongs to another larger JPA called the County Supervisors Association of California Excess Insurance Authority (CSACEIA). CSACEIA along with other commercial carriers increases the coverage for general liability to \$25.0 million. Also, CSACEIA, with other commercial carriers, covers replacement cost on property to \$600.0 million. CSACEIA, with other commercial carriers, covers medical malpractice up to \$1.5 million with an excess insurance layer of coverage up to \$21,500,000.

Trindel Insurance Fund is classified as a claims-servicing or account pool, wherein the County retains the risk of loss and is considered self-insured with regard to liability coverage for general and property liability, workers compensation and medical malpractice. The County currently reports all of its risk management activities in its General Fund. Premiums due to Trindel are reported when incurred.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 14 – RISK MANAGEMENT (continued)

Changes in the balance of claims liability during the fiscal years ended June 30, 2012 and 2011 was as follows:

	2012	2011
Unpaid claims, Beginning	\$ 980,670	\$ 730,444
Incurred claims (including IBNRs) current year and adjustments	382,992	548,324
Claim payments	<u>(201,072)</u>	<u>(298,098)</u>
Unpaid claims, Ending	<u>\$ 1,162,590</u>	<u>\$ 980,670</u>

NOTE 15 – CONTINGENT LIABILITIES

Federal Grants – The County participates in several federal and state grant programs. These programs have been audited in accordance with the provisions of the federal Single Audit Act of 1984 and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

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

Litigation – The County is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the County Counsel, these actions when finally adjudicated will not have a material adverse effect on the financial position of the County.

Transfer of Hospital – As of June 30, 2012 the County's obligation to TPUD is \$1,528,167 for the advance of hospital operating cash through December 31, 2006 (see note 6). Per the Agreement with TPUD, the County commenced repayment through an electrical rate surcharge, not to exceed \$150,000 per year, starting January 1, 2006.

Additionally, pursuant to the terms of the fully executed Amendment No. 1 of Project Agreement No. 2 reflects a credit effective July 1, 2007, in the amount of \$695,800 for assessed value of parcels transferred from the County to the TPUD.

COUNTY OF TRINITY

Notes to the Basic Financial Statements For the Year Ended June 30, 2012

NOTE 16 – PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the County was \$414,105.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority (“California Communities”), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the securitization program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds (“Prop 1A Bonds”) to provide local agencies with cash proceeds on January 15, 2010, and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California.

Participating local agencies have no obligation on the bonds and no credit exposure to the State. The County participated in the Securitization Program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

NOTE 17 – SUBSEQUENT EVENTS

On June 17, 2012, the County entered into a loan agreement with a financial institution for \$3,000,000 at 3.00+%. The loan was used as part of a cash management policy to maintain the County's working capital until sufficient taxes or revenues were collected to fund the County's operations. \$1,000,000 was paid back on December 26, 2012, and the final amount of \$2,000,000 is scheduled to be paid on or before the due date.



REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF TRINITY

Required Supplementary Information For the Year Ended June 30, 2012

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

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

Budgets are adopted on a basis which materially conforms to generally accepted accounting principles. Unexpended appropriations lapse at year end.

COUNTY OF TRINITY

Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 6,296,600	\$ 6,289,300	\$ 7,397,963	\$ 1,108,663
Licenses and permits	552,380	542,563	494,363	(48,200)
Fines, forfeits and penalties	113,250	124,028	121,550	(2,478)
Use of money and property	4,784	4,784	23,005	18,221
Aid from other governments	2,908,639	2,755,820	2,481,225	(274,595)
Charges for services	2,858,803	2,993,488	2,920,736	(72,752)
Miscellaneous revenue	383,803	237,221	330,986	93,765
Total Revenues	<u>13,118,259</u>	<u>12,947,204</u>	<u>13,769,828</u>	<u>822,624</u>
Expenditures:				
Current:				
General government	3,066,506	3,476,242	2,223,164	1,253,078
Public protection	9,046,050	9,629,973	9,277,742	352,231
Public way and facilities	58,632	58,632	24,327	34,305
Health and sanitation	1,980,647	2,377,330	2,080,736	296,594
Public assistance	56,618	55,193	40,797	14,396
Education	316,288	318,767	313,467	5,300
Total Expenditures	<u>14,524,741</u>	<u>15,916,137</u>	<u>13,960,233</u>	<u>1,955,904</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,406,482)</u>	<u>(2,968,933)</u>	<u>(190,405)</u>	<u>2,778,528</u>
Other Financing Sources (Uses):				
Transfers in	2,532,685	3,573,723	2,268,874	(1,304,849)
Transfers out	(1,845,483)	(1,873,709)	(1,594,556)	279,153
Total Other Financing Sources (Uses)	<u>687,202</u>	<u>1,700,014</u>	<u>674,318</u>	<u>(1,025,696)</u>
Net Change in Fund Balances	(719,280)	(1,268,919)	483,913	1,752,832
Budgetary Fund Balances - Beginning of Year	<u>(501,553)</u>	<u>(501,553)</u>	<u>(501,553)</u>	<u>--</u>
Budgetary Fund Balances - End of Year	<u><u>\$ (1,220,833)</u></u>	<u><u>\$ (1,770,472)</u></u>	<u><u>\$ (17,640)</u></u>	<u><u>\$ 1,752,832</u></u>

COUNTY OF TRINITY

General Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 6,296,600	\$ 6,289,300	\$ 7,397,963	\$ 1,108,663
Licenses and permits	552,380	542,563	494,363	(48,200)
Fines, forfeitures and penalties	113,250	124,028	121,550	(2,478)
Use of money and property	4,784	4,784	23,005	18,221
Intergovernmental	2,908,639	2,755,820	2,481,225	(274,595)
Charges for services	2,858,803	2,993,488	2,920,736	(72,752)
Miscellaneous	383,803	237,221	330,986	93,765
Total revenues	13,118,259	12,947,204	13,769,828	822,624
Expenditures:				
General Government:				
Assessor:				
Salaries and benefits	145,431	201,927	199,211	2,716
Services and supplies	37,078	38,289	38,133	156
Total Assessor	182,509	240,216	237,344	2,872
Auditor-Controller's Office:				
Salaries and benefits	507,735	499,791	470,331	29,460
Services and supplies	(41,563)	(26,563)	(44,982)	18,419
Capital assets	52,000	194,500	57,978	136,522
Total Auditor-Controller's Office	518,172	667,728	483,327	184,401
Board of Supervisors:				
Salaries and benefits	249,656	257,872	256,737	1,135
Services and supplies	132,711	132,711	130,908	1,803
Total Board of Supervisors	382,367	390,583	387,645	2,938
Administration and Personnel:				
Salaries and benefits	404,453	422,361	420,880	1,481
Services and supplies	(47,510)	(16,679)	(45,537)	28,858
Total Administration and Personnel	356,943	405,682	375,343	30,339
Collections:				
Salaries and benefits	32,834	32,967	30,407	2,560
Services and supplies	12,006	12,006	11,935	71
Total Collections	44,840	44,973	42,342	2,631
Delinquent Collections:				
Salaries and benefits	242,286	241,507	124,580	116,927
Services and supplies	33,486	33,486	30,767	2,719
Total Delinquent Collections	275,772	274,993	155,347	119,646
County Counsel:				
Salaries and benefits	2,000	1,240	1,240	--
Services and supplies	31,808	31,808	29,958	1,850
Total County Counsel	33,808	33,048	31,198	1,850
Director of General Plan				
Salaries and benefits	40,000	40,000	15,982	24,018
Total Director of General Plan	40,000	40,000	15,982	24,018
Elections Department:				
Salaries and benefits	53,697	90,311	88,651	1,660
Services and supplies	93,608	70,278	61,885	8,393
Total Elections Department	147,305	160,589	150,536	10,053

COUNTY OF TRINITY

General Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (continued)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
General Services:				
Salaries and benefits	\$ 374,985	\$ 355,689	\$ 321,934	\$ 33,755
Services and supplies	(38,063)	40,572	35,174	5,398
Total General Services	<u>336,922</u>	<u>396,261</u>	<u>357,108</u>	<u>39,153</u>
Information Technology:				
Salaries and benefits	291,902	307,313	307,313	--
Services and supplies	(114,828)	(70,179)	(64,962)	(5,217)
Total Information Technology	<u>177,074</u>	<u>237,134</u>	<u>242,351</u>	<u>(5,217)</u>
Insurance General:				
Salaries and benefits	76,823	80,670	80,670	--
Services and supplies	101,111	101,396	(714,712)	816,108
Total Insurance General	<u>177,934</u>	<u>182,066</u>	<u>(634,042)</u>	<u>816,108</u>
Treasurer-Tax Collector:				
Salaries and benefits	261,276	271,385	271,385	--
Services and supplies	13,351	13,351	6,565	6,786
Total Treasurer-Tax Collector	<u>274,627</u>	<u>284,736</u>	<u>277,950</u>	<u>6,786</u>
County Audit:				
Services and supplies	13,000	13,000	8,919	4,081
Total County Audit	<u>13,000</u>	<u>13,000</u>	<u>8,919</u>	<u>4,081</u>
County Advertising:				
Services and supplies	77,000	77,000	77,000	--
Total County Advertising	<u>77,000</u>	<u>77,000</u>	<u>77,000</u>	<u>--</u>
Surveyor:				
Services and supplies	28,233	28,233	14,814	13,419
Total Surveyor	<u>28,233</u>	<u>28,233</u>	<u>14,814</u>	<u>13,419</u>
Total General Government	<u>3,066,506</u>	<u>3,476,242</u>	<u>2,223,164</u>	<u>1,253,078</u>
Public Protection:				
Agricultural Commissioner:				
Salaries and benefits	162,673	189,913	188,178	1,735
Services and supplies	52,791	52,791	45,952	6,839
Total Agricultural Commissioner	<u>215,464</u>	<u>242,704</u>	<u>234,130</u>	<u>8,574</u>
Animal Control:				
Salaries and benefits	140,652	133,058	133,046	12
Services and supplies	29,705	34,916	32,381	2,535
Total Animal Control	<u>170,357</u>	<u>167,974</u>	<u>165,427</u>	<u>2,547</u>
Building Inspector:				
Salaries and benefits	422,186	407,324	399,553	7,771
Services and supplies	124,377	129,655	129,254	401
Capital assets	--	6,950	6,942	8
Total Building Inspector	<u>546,563</u>	<u>543,929</u>	<u>535,749</u>	<u>8,180</u>

COUNTY OF TRINITY

General Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (continued)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Recorder:				
Salaries and benefits	\$ 81,780	\$ 81,002	\$ 79,860	\$ 1,142
Services and supplies	58,475	59,175	58,980	195
Total Recorder	<u>140,255</u>	<u>140,177</u>	<u>138,840</u>	<u>1,337</u>
Court Services:				
Salaries and benefits	672	672	672	--
Services and supplies	10,400	10,551	10,551	--
Total Court Services	<u>11,072</u>	<u>11,223</u>	<u>11,223</u>	<u>--</u>
District Attorney-Public Advocate:				
Salaries and benefits	578,568	703,376	703,376	--
Services and supplies	152,829	149,469	149,243	226
Capital assets	11,995	--	--	--
Total District Attorney-Public Advocate	<u>743,392</u>	<u>852,845</u>	<u>852,619</u>	<u>226</u>
Jail:				
Salaries and benefits	1,294,497	1,304,321	1,304,319	2
Services and supplies	447,791	456,059	451,272	4,787
Capital assets	--	1,500	1,371	129
Total Jail	<u>1,742,288</u>	<u>1,761,880</u>	<u>1,756,962</u>	<u>4,918</u>
Juvenile Hall:				
Salaries and benefits	885,935	822,359	754,529	67,830
Services and supplies	311,866	266,866	244,153	22,713
Total Juvenile Hall	<u>1,197,801</u>	<u>1,089,225</u>	<u>998,682</u>	<u>90,543</u>
Planning Department:				
Salaries and benefits	175,570	175,487	167,467	8,020
Services and supplies	130,288	130,288	90,755	39,533
Total Planning Department	<u>305,858</u>	<u>305,775</u>	<u>258,222</u>	<u>47,553</u>
Probation Department:				
Salaries and benefits	946,117	1,040,036	903,677	136,359
Services and supplies	183,977	220,977	217,243	3,734
Total Probation Department	<u>1,130,094</u>	<u>1,261,013</u>	<u>1,120,920</u>	<u>140,093</u>
Sheriff Department:				
Salaries and benefits	1,707,079	1,861,700	1,846,038	15,662
Services and supplies	656,229	669,097	631,950	37,147
Capital assets	--	101,000	110,967	(9,967)
Total Sheriff Department	<u>2,363,308</u>	<u>2,631,797</u>	<u>2,588,955</u>	<u>42,842</u>
Coroner:				
Services and supplies	21,187	28,687	25,256	3,431
Total Coroner	<u>21,187</u>	<u>28,687</u>	<u>25,256</u>	<u>3,431</u>
Fire Protection:				
Services and supplies	9,972	9,972	9,972	--
Total Fire Protection	<u>9,972</u>	<u>9,972</u>	<u>9,972</u>	<u>--</u>
Grand Jury:				
Services and supplies	23,139	23,139	21,428	1,711
Total Grand Jury	<u>23,139</u>	<u>23,139</u>	<u>21,428</u>	<u>1,711</u>

COUNTY OF TRINITY

General Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (continued)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
LAFCO:				
Services and supplies	\$ 6,300	\$ 6,300	\$ 6,300	\$ --
Total LAFCO	<u>6,300</u>	<u>6,300</u>	<u>6,300</u>	<u>--</u>
Public Defender:				
Services and supplies	419,000	553,333	553,182	151
Total Public Defender	<u>419,000</u>	<u>553,333</u>	<u>553,182</u>	<u>151</u>
Total Public Protection	<u>9,046,050</u>	<u>9,629,973</u>	<u>9,277,867</u>	<u>352,106</u>
Public Ways and Facilities:				
Public Works Miscellaneous:				
Services and supplies	58,632	58,632	24,327	34,305
Total Public Works Miscellaneous	<u>58,632</u>	<u>58,632</u>	<u>24,327</u>	<u>34,305</u>
Total Public Ways and Facilities	<u>58,632</u>	<u>58,632</u>	<u>24,327</u>	<u>34,305</u>
Health and Sanitation:				
Health Department:				
Salaries and benefits	587,133	620,011	538,442	81,569
Services and supplies	1,393,514	1,757,319	1,542,294	215,025
Total Health Department	<u>1,980,647</u>	<u>2,377,330</u>	<u>2,080,736</u>	<u>296,594</u>
Total Health and Sanitation	<u>1,980,647</u>	<u>2,377,330</u>	<u>2,080,736</u>	<u>296,594</u>
Public Assistance:				
Veteran's Services Office:				
Salaries and benefits	45,417	42,692	29,020	13,672
Services and supplies	5,670	6,970	6,246	724
Total Veteran's Services Office	<u>51,087</u>	<u>49,662</u>	<u>35,266</u>	<u>14,396</u>
Agency on Aging:				
Services and supplies	5,451	5,451	5,451	--
Total Agency on Aging	<u>5,451</u>	<u>5,451</u>	<u>5,451</u>	<u>--</u>
Commission on Aging:				
Services and supplies	80	80	80	--
Total Commission on Aging	<u>80</u>	<u>80</u>	<u>80</u>	<u>--</u>
Total Public Assistance	<u>56,618</u>	<u>55,193</u>	<u>40,797</u>	<u>14,396</u>
Education:				
Library Department:				
Salaries and benefits	161,076	169,691	168,626	1,065
Services and supplies	115,319	115,319	115,341	(22)
Total Library Department	<u>276,395</u>	<u>285,010</u>	<u>283,967</u>	<u>1,043</u>

COUNTY OF TRINITY

General Fund
 Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual (continued)
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Trinity County COOP Extension:				
Salaries and benefits	\$ 25,626	\$ 19,490	\$ 19,160	\$ 330
Services and supplies	14,267	14,267	10,340	3,927
Total Trinity County COOP Extension	<u>39,893</u>	<u>33,757</u>	<u>29,500</u>	<u>4,257</u>
 Total Education	 <u>316,288</u>	 <u>318,767</u>	 <u>313,467</u>	 <u>5,300</u>
 Total Expenditures	 <u>12,544,094</u>	 <u>13,538,807</u>	 <u>11,879,622</u>	 <u>1,659,185</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>574,165</u>	 <u>(591,603)</u>	 <u>1,890,206</u>	 <u>2,481,809</u>
Other financing sources (uses):				
Transfers in	2,532,685	3,573,723	2,268,874	(1,304,849)
Transfers out	<u>(1,845,483)</u>	<u>(1,873,709)</u>	<u>(1,594,556)</u>	<u>279,153</u>
Total other financing sources (uses)	<u>687,202</u>	<u>1,700,014</u>	<u>674,318</u>	<u>(1,025,696)</u>
 Net change in fund balance	 <u>\$ 1,261,367</u>	 <u>\$ 1,108,411</u>	 2,564,524	 <u>\$ 1,456,113</u>
 Fund balance - beginning			 <u>(501,553)</u>	
 Fund balance - ending			 <u>\$ 2,062,971</u>	

COUNTY OF TRINITY

Budgetary Comparison Schedule Road Fund For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 18,000	\$ 18,000	\$ 11,394	\$ (6,606)
Revenue from use of money and property	36,000	36,000	30,946	(5,054)
Aid from other governments	11,258,880	10,935,999	7,916,446	(3,019,553)
Charges for services	1,287,000	1,287,000	1,202,849	(84,151)
Other revenues	135,000	135,000	109,312	(25,688)
Total Revenues	<u>12,734,880</u>	<u>12,411,999</u>	<u>9,270,947</u>	<u>(3,141,052)</u>
Expenditures:				
Current:				
Public way and facilities	12,969,459	12,646,578	8,353,912	4,292,666
Total Expenditures	<u>12,969,459</u>	<u>12,646,578</u>	<u>8,353,912</u>	<u>4,292,666</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(234,579)</u>	<u>(234,579)</u>	<u>917,035</u>	<u>1,151,614</u>
Other Financing Sources (Uses):				
Transfers out	(168,870)	(168,870)	(168,870)	--
Total Other Financing Sources (Uses)	<u>(168,870)</u>	<u>(168,870)</u>	<u>(168,870)</u>	<u>--</u>
Net Change in Fund Balances	(403,449)	(403,449)	748,165	1,151,614
Fund Balances - Beginning of Year, Restated	<u>8,149,529</u>	<u>8,149,529</u>	<u>8,149,529</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 7,746,080</u>	<u>\$ 7,746,080</u>	<u>\$ 8,897,694</u>	<u>\$ 1,151,614</u>

COUNTY OF TRINITY

Budgetary Comparison Schedule Human Services Fund For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ --	\$ 216	\$ 230	\$ 14
Revenue from use of money and property	--	(1,000)	(623)	377
Aid from other governments	6,675,156	4,541,718	4,537,266	(4,452)
Charges for services	100,396	93,360	93,825	465
Other revenues	16,000	28,047	29,761	1,714
Total Revenues	<u>6,791,552</u>	<u>4,662,341</u>	<u>4,660,459</u>	<u>(1,882)</u>
Expenditures:				
Current:				
Public protection	33,000	35,977	29,555	6,422
Public assistance	7,464,845	7,301,318	7,289,263	12,055
Total Expenditures	<u>7,497,845</u>	<u>7,337,295</u>	<u>7,318,818</u>	<u>18,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(706,293)</u>	<u>(2,674,954)</u>	<u>(2,658,359)</u>	<u>16,595</u>
Other Financing Sources (Uses):				
Transfers in	882,589	2,850,596	2,757,911	(92,685)
Transfers out	(171,445)	(170,791)	(170,789)	2
Total Other Financing Sources (Uses)	<u>711,144</u>	<u>2,679,805</u>	<u>2,587,122</u>	<u>(92,683)</u>
Net Change in Fund Balances	4,851	4,851	(71,237)	(76,088)
Fund Balances - Beginning of Year	<u>92,416</u>	<u>92,416</u>	<u>92,416</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 97,267</u>	<u>\$ 97,267</u>	<u>\$ 21,179</u>	<u>\$ (76,088)</u>

COUNTY OF TRINITY

Budgetary Comparison Schedule HOME Grant Fund For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Revenue from use of money and property	\$ --	\$ --	\$ 3,296	\$ 3,296
Aid from other governments	67,000	192,420	126,859	(65,561)
Other revenue	--	47,626	30	(47,596)
Total Revenues	<u>67,000</u>	<u>240,046</u>	<u>130,185</u>	<u>(62,265)</u>
Expenditures:				
Current:				
Public assistance	<u>65,275</u>	<u>238,321</u>	<u>42,592</u>	<u>195,729</u>
Total Expenditures	<u>65,275</u>	<u>238,321</u>	<u>42,592</u>	<u>195,729</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,725</u>	<u>1,725</u>	<u>87,593</u>	<u>133,464</u>
Other Financing Sources (Uses):				
Transfers out	<u>(1,725)</u>	<u>(1,725)</u>	<u>(333)</u>	<u>1,392</u>
Total Other Financing Sources (Uses)	<u>(1,725)</u>	<u>(1,725)</u>	<u>(333)</u>	<u>1,392</u>
Net Change in Fund Balances	--	--	87,260	134,856
Fund Balances - Beginning of Year, Revised	<u>2,665,774</u>	<u>2,665,774</u>	<u>2,665,774</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 2,665,774</u>	<u>\$ 2,665,774</u>	<u>\$ 2,753,034</u>	<u>\$ 134,856</u>

COUNTY OF TRINITY

Notes to the Required Supplementary Information For the Year Ended June 30, 2012

1. SCHEDULE OF FUNDING PROGRESS – PENSION

The table below shows a three-year 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:

FUNDED STATUS OF MISCELLANEOUS PLAN

Actuarial Valuation Date	(a) Actuarial Accrued Liability	(b) Actuarial Asset Value (AVA)	(a)-(b) Underfunded Actuarial Accrued Liability (UL)	(b)/(a) Funded Ratios		(c) Covered Payroll	[(a)-(b)/(c)] UL as a % of Payroll
				(AVA)	Market Rate		
6/30/2008	\$ 65,582,087	\$ 50,353,254	\$ 15,228,833	76.8%	78.4%	\$ 10,971,506	138.8
6/30/2009	72,133,154	52,315,148	19,818,006	72.5%	52.7%	9,205,874	215.3
6/30/2010	75,736,081	54,109,821	21,626,260	71.4%	55.6%	9,459,177	228.6

FUNDED STATUS OF SAFETY PLAN

This information is no longer available for the Safety Plan. Information is available on a pooled basis only and can be obtained from Cal PERS, P.O. Box 942709, Sacramento, CA 94229-2709.

2. SCHEDULE OF FUNDING PROGRESS – OTHER POST EMPLOYMENT BENEFITS PLAN (OPEB)

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:

Actuarial Valuation Date	(a) Actuarial Accrued Liability	(b) Actuarial Asset Value (AVA)	(a)-(b) Underfunded Actuarial Accrued Liability (UL)	(b)/(a) Funded Ratio	(c) Covered Payroll	[(a)-(b)/(c)] UL as a % of Payroll
6/30/2010	60,198,823	310,611	59,888,212	0.52%	12,501,000	479.07%

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SUPPLEMENTARY FINANCIAL INFORMATION



Trinity Lake



Non-major Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Non-major Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

Non-major Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

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COUNTY OF TRINITY

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue					
	CDBG Rehab	Tobacco Program	Mental Health	Fish and Game	Non-Transit	TRANS
<u>Assets</u>						
Cash and investments	\$ --	\$ 61,404	\$ --	\$ 21,536	\$ 6,944	\$ 1,710
Imprest cash	--	--	75	--	--	--
Cash with fiscal agent	--	--	--	--	--	--
Accounts receivable	--	--	183	--	--	--
Due from other governments	94,371	37,500	373,047	--	--	--
Taxes receivable	--	--	--	--	--	--
Interest receivable	--	74	28	24	22	656
Due from other funds	1,422	--	--	--	--	--
Loans receivable	1,518,330	--	--	--	--	--
Advances to other funds	--	--	--	--	--	--
Total Assets	\$ 1,614,123	\$ 98,978	\$ 373,333	\$ 21,560	\$ 6,966	\$ 2,366
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	19,267	46,422	97,209	--	\$ --	\$ 1
Due to other funds	156,848	--	159,490	--	--	--
Unearned revenue	--	--	--	--	6,966	--
Deferred revenue	148,963	--	356,775	--	--	--
Deposits from others	--	--	--	--	--	--
Advances from other funds	--	--	--	--	--	--
Total Liabilities	325,078	46,422	613,474	--	6,966	1
Fund Balance						
Nonspendable	--	--	--	--	--	--
Restricted	1,289,045	52,556	--	21,560	--	--
Assigned	--	--	--	--	--	2,365
Unassigned	--	--	(240,141)	--	--	--
Total Fund Balances	1,289,045	52,556	(240,141)	21,560	--	2,365
Total Liabilities and Fund Balances	\$ 1,614,123	\$ 98,978	\$ 373,333	\$ 21,560	\$ 6,966	\$ 2,366

continued

COUNTY OF TRINITY

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2012

	Special Revenue				
	Special Aviation	Miscellaneous Grants	Hayfork Lighting District	Weaverville Lighting District	Transportation Commission
<u>Assets</u>					
Cash and investments	\$ --	\$ --	\$ 97,692	\$ 138,732	\$ 151,247
Imprest cash	--	--	--	--	--
Cash with fiscal agent	--	--	--	--	--
Accounts receivable	--	--	--	--	--
Due from other governments	48,204	--	--	--	29,784
Taxes receivable	--	--	--	--	--
Interest receivable	--	--	102	143	132
Due from other funds	--	--	--	--	--
Loans receivable	--	--	--	--	--
Advances to other funds	--	--	--	--	--
Total Assets	\$ 48,204	\$ --	\$ 97,794	\$ 138,875	\$ 181,163
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 457	\$ 488	\$ 618	\$ 2,316	\$ 5,264
Due to other funds	26,308	458,472	--	--	--
Unearned revenue	--	--	--	--	76,623
Deferred revenue	38,237	--	--	--	29,784
Deposits from others	--	--	--	--	--
Advances from other funds	--	--	--	--	--
Total Liabilities	65,002	458,960	618	2,316	111,671
Fund Balance					
Nonspendable	--	--	--	--	--
Restricted	--	--	97,176	136,559	69,492
Assigned	--	--	--	--	--
Unassigned	(16,798)	(458,960)	--	--	--
Total Fund Balances	(16,798)	(458,960)	97,176	136,559	69,492
Total Liabilities and Fund Balances	\$ 48,204	\$ --	\$ 97,794	\$ 138,875	\$ 181,163

continued

COUNTY OF TRINITY

Combining Balance Sheet (continued) Nonmajor Governmental Funds June 30, 2012

	Special Revenue				
	CDC PHEP	MHTSA Other Funding	MHTSA	General Government	Public Protection
<u>Assets</u>					
Cash and investments	\$ 87,324	\$ 692,927	\$ 306,214	\$ --	\$ 254,222
Imprest cash	--	--	--	--	25,226
Cash with fiscal agent	--	--	--	--	--
Accounts receivable	435	--	--	6,986	35,018
Due from other governments	15,638	70,600	331,160	--	494,009
Taxes receivable	--	--	--	2,117,780	--
Interest receivable	90	1,163	160	1,817	472
Due from other funds	--	159,490	--	--	--
Loans receivable	--	--	--	--	--
Advances to other funds	--	--	--	--	29,000
	<u>\$ 103,487</u>	<u>\$ 924,180</u>	<u>\$ 637,534</u>	<u>\$ 2,126,583</u>	<u>\$ 837,947</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 11,166	\$ --	\$ --	\$ 833	\$ 71,677
Due to other funds	--	--	--	310,639	--
Unearned revenue	--	--	--	--	--
Deferred revenue	15,638	--	--	--	254,839
Deposits from others	--	--	--	--	6,410
Advances from other funds	--	--	--	--	242,075
	<u>26,804</u>	<u>--</u>	<u>--</u>	<u>311,472</u>	<u>575,001</u>
Fund Balance					
Nonspendable	--	--	--	--	29,000
Restricted	76,683	924,180	637,534	1,815,111	233,946
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
	<u>76,683</u>	<u>924,180</u>	<u>637,534</u>	<u>1,815,111</u>	<u>262,946</u>
Total Fund Balances	<u>76,683</u>	<u>924,180</u>	<u>637,534</u>	<u>1,815,111</u>	<u>262,946</u>
Total Liabilities and Fund Balances	<u>\$ 103,487</u>	<u>\$ 924,180</u>	<u>\$ 637,534</u>	<u>\$ 2,126,583</u>	<u>\$ 837,947</u>

continued

COUNTY OF TRINITY

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2012

	Special Revenue					Total Special Revenue
	Public Ways	Health and Sanitation	Public Assistance	Disaster Recovery Initiative	Health Realignment	
<u>Assets</u>						
Cash and investments	\$ 880,960	\$ 814,772	\$ 473,655	\$ --	\$ 830,732	\$ 4,820,071
Imprest cash	--	--	--	--	--	25,301
Cash with fiscal agent	--	--	--	--	--	--
Accounts receivable	--	466	260	--	--	43,348
Due from other governments	19,722	468,473	13,841	225,664	--	2,222,013
Taxes receivable	--	--	--	--	--	2,117,780
Interest receivable	744	615	273	--	--	6,515
Due from other funds	--	--	98,682	--	133,406	393,000
Loans receivable	--	--	462,092	--	--	1,980,422
Advances to other funds	--	--	--	--	--	29,000
Total Assets	\$ 901,426	\$ 1,284,326	\$ 1,048,803	\$ 225,664	\$ 964,138	\$ 11,637,450
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ --	\$ 40,522	\$ 4,779	\$ 98,470	\$ --	\$ 399,489
Due to other funds	--	--	423	127,462	--	1,239,642
Unearned revenue	--	--	--	--	--	83,589
Deferred revenue	--	34,028	35,029	225,664	--	1,138,957
Deposits from others	--	20	--	--	--	6,430
Advances from other funds	--	--	--	--	--	242,075
Total Liabilities	--	74,570	40,231	451,596	--	3,110,182
Fund Balance						
Nonspendable	--	--	--	--	--	29,000
Restricted	901,426	1,209,756	1,008,572	--	964,138	9,437,734
Assigned	--	--	--	--	--	2,365
Unassigned	--	--	--	(225,932)	--	(941,831)
Total Fund Balances	901,426	1,209,756	1,008,572	(225,932)	964,138	8,527,268
Total Liabilities and Fund Balances	\$ 901,426	\$ 1,284,326	\$ 1,048,803	\$ 225,664	\$ 964,138	\$ 11,637,450

continued

COUNTY OF TRINITY

Combining Balance Sheet (continued) Nonmajor Governmental Funds June 30, 2012

	Capital Projects			Debt Service	Total
	Capital Projects	JDF Capital Projects	Total Capital Projects		
<u>Assets</u>					
Cash and investments	\$ 55,469	\$ 114	\$ 55,583	\$ 859,421	\$ 5,735,075
Imprest cash	--	--	--	--	25,301
Cash with fiscal agent	--	--	--	463,813	463,813
Accounts receivable	--	--	--	--	43,348
Due from other governments	--	--	--	--	2,222,013
Taxes receivable	--	--	--	--	2,117,780
Interest receivable	--	--	--	492	7,007
Due from other funds	--	--	--	--	393,000
Loans receivable	--	--	--	--	1,980,422
Advances to other funds	--	--	--	--	29,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 55,469</u>	<u>\$ 114</u>	<u>\$ 55,583</u>	<u>\$ 1,323,726</u>	<u>\$ 13,016,759</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ --	\$ --	\$ --	\$ 12,031	\$ 411,520
Due to other funds	--	--	--	--	1,239,642
Unearned revenue	--	--	--	--	83,589
Deferred revenue	--	--	--	--	1,138,957
Deposits from others	--	--	--	--	6,430
Advances from other funds	42,854	--	42,854	--	284,929
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>42,854</u>	<u>--</u>	<u>42,854</u>	<u>12,031</u>	<u>3,165,067</u>
Fund Balance					
Nonspendable	--	--	--	--	29,000
Restricted	12,615	--	12,615	--	9,450,349
Assigned	--	114	114	1,311,695	1,314,174
Unassigned	--	--	--	--	(941,831)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>12,615</u>	<u>114</u>	<u>12,729</u>	<u>1,311,695</u>	<u>9,851,692</u>
Total Liabilities and Fund Balances	<u>\$ 55,469</u>	<u>\$ 114</u>	<u>\$ 55,583</u>	<u>\$ 1,323,726</u>	<u>\$ 13,016,759</u>

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue					
	CDBG Rehab	Tobacco Program	Mental Health	Fish and Game	Non-Transit	TRANS
Revenues:						
Taxes	--	--	--	--	--	--
Licenses and permits	--	--	--	--	--	--
Fines, forfeitures and penalties	--	--	--	1,307	--	--
Use of money and property	8,749	282	(122)	91	92	7,741
Intergovernmental	175,637	150,000	1,658,287	572	--	--
Charges for services	11,617	--	67,218	--	--	--
Miscellaneous	82	--	80,193	--	--	--
Total Revenues	<u>196,085</u>	<u>150,282</u>	<u>1,805,576</u>	<u>1,970</u>	<u>92</u>	<u>7,741</u>
Expenditures:						
Current:						
General government	--	--	--	--	--	11,530
Public protection	--	--	--	2,656	--	--
Public ways and facilities	--	--	--	--	19,978	--
Health and sanitation	--	133,273	3,485,881	--	--	--
Public assistance	156,741	--	--	--	--	--
Debt Service:						
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	62,833
Total Expenditures	<u>156,741</u>	<u>133,273</u>	<u>3,485,881</u>	<u>2,656</u>	<u>19,978</u>	<u>74,363</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>39,344</u>	<u>17,009</u>	<u>(1,680,305)</u>	<u>(686)</u>	<u>(19,886)</u>	<u>(66,622)</u>
Other Financing Sources (Uses):						
Transfers in	55,951	--	1,692,192	--	20,000	69,005
Transfers out	(106,834)	--	(105,851)	--	(114)	--
Total Other Financing Sources (Uses)	<u>(50,883)</u>	<u>--</u>	<u>1,586,341</u>	<u>--</u>	<u>19,886</u>	<u>69,005</u>
Net Change in Fund Balances	(11,539)	17,009	(93,964)	(686)	--	2,383
Fund Balances - Beginning of Year	1,344,855	35,547	(146,177)	22,246	--	(18)
Prior period adjustments	<u>(44,271)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 1,289,045</u>	<u>\$ 52,556</u>	<u>\$ (240,141)</u>	<u>\$ 21,560</u>	<u>\$ --</u>	<u>\$ 2,365</u>

continued

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued) Nonmajor Governmental Funds For the Year Ended June 30, 2012

	Special Revenue				
	Special Aviation	Miscellaneous Grants	Hayfork Lighting District	Weaverville Lighting District	Transportation Commission
Revenues:					
Taxes	--	--	12,664	44,292	--
Licenses and permits	--	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--	--
Use of money and property	--	(1,899)	386	509	488
Intergovernmental	200,037	--	192	681	238,887
Charges for services	--	--	--	--	--
Miscellaneous	1,586	--	--	--	5,169
Total Revenues	<u>201,623</u>	<u>(1,899)</u>	<u>13,242</u>	<u>45,482</u>	<u>244,544</u>
Expenditures:					
Current:					
General government	--	410	7,550	28,023	--
Public protection	--	--	--	--	--
Public ways and facilities	195,012	--	--	--	278,798
Health and sanitation	--	--	--	--	--
Public assistance	--	--	--	--	--
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total Expenditures	<u>195,012</u>	<u>410</u>	<u>7,550</u>	<u>28,023</u>	<u>278,798</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>6,611</u>	<u>(2,309)</u>	<u>5,692</u>	<u>17,459</u>	<u>(34,254)</u>
Other Financing Sources (Uses):					
Transfers in	30,557	--	--	--	74,900
Transfers out	(7,937)	--	--	--	(15,321)
Total Other Financing Sources (Uses)	<u>22,620</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>59,579</u>
Net Change in Fund Balances	29,231	(2,309)	5,692	17,459	25,325
Fund Balances - Beginning of Year	(46,029)	(456,651)	91,484	119,100	44,167
Prior period adjustments	--	--	--	--	--
Fund Balances - End of Year	<u>\$ (16,798)</u>	<u>\$ (458,960)</u>	<u>\$ 97,176</u>	<u>\$ 136,559</u>	<u>\$ 69,492</u>

continued

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue				
	CDC PHEP	MHSA Other Funding	MHSA	General Government	Public Protection
Revenues:					
Taxes	--	--	--	(11,535)	--
Licenses and permits	--	--	--	--	17,070
Fines, forfeitures and penalties	--	--	--	95,613	42,845
Use of money and property	356	5,156	1,979	6,229	1,994
Intergovernmental	107,744	178,100	827,900	138,860	2,972,453
Charges for services	--	--	--	21,593	214,139
Miscellaneous	--	--	--	2,436	42,704
Total Revenues	<u>108,100</u>	<u>183,256</u>	<u>829,879</u>	<u>253,196</u>	<u>3,291,205</u>
Expenditures:					
Current:					
General government	--	--	--	252,610	--
Public protection	--	--	--	--	2,327,984
Public ways and facilities	--	--	--	--	--
Health and sanitation	122,553	--	--	--	--
Public assistance	--	--	--	--	--
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Total Expenditures	<u>122,553</u>	<u>--</u>	<u>--</u>	<u>252,610</u>	<u>2,327,984</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,453)</u>	<u>183,256</u>	<u>829,879</u>	<u>586</u>	<u>963,221</u>
Other Financing Sources (Uses):					
Transfers in	--	--	--	--	13,914
Transfers out	--	(404,586)	(626,353)	(34,461)	(986,648)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(404,586)</u>	<u>(626,353)</u>	<u>(34,461)</u>	<u>(972,734)</u>
Net Change in Fund Balances	(14,453)	(221,330)	203,526	(33,875)	(9,513)
Fund Balances - Beginning of Year	91,136	1,145,510	434,008	1,838,632	272,459
Prior period adjustments	--	--	--	10,354	--
Fund Balances - End of Year	<u>\$ 76,683</u>	<u>\$ 924,180</u>	<u>\$ 637,534</u>	<u>\$ 1,815,111</u>	<u>\$ 262,946</u>

continued

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued) Nonmajor Governmental Funds For the Year Ended June 30, 2012

	Special Revenue					Total Special Revenue
	Public Ways	Health and Sanitation	Public Assistance	Disaster Recovery Initiative	Health Realignment	
Revenues:						
Taxes	215,640	--	--	--	--	\$ 261,061
Licenses and permits	--	--	--	--	--	17,070
Fines, forfeitures and penalties	--	25,604	--	--	--	165,369
Use of money and property	45,974	2,158	23,769	(44)	--	103,888
Intergovernmental	75,865	3,886,625	1,094,995	--	1,607,297	13,314,132
Charges for services	--	56,078	--	--	--	370,645
Miscellaneous	2	21	42,534	--	--	174,727
Total Revenues	<u>337,481</u>	<u>3,970,486</u>	<u>1,161,298</u>	<u>(44)</u>	<u>1,607,297</u>	<u>14,406,892</u>
Expenditures:						
Current:						
General government	--	--	--	--	--	300,123
Public protection	--	--	--	--	--	2,330,640
Public ways and facilities	22,436	--	--	--	--	516,224
Health and sanitation	--	1,092,670	--	--	--	4,834,377
Public assistance	--	--	225,485	225,888	--	608,114
Debt Service:						
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	62,833
Total Expenditures	<u>22,436</u>	<u>1,092,670</u>	<u>225,485</u>	<u>225,888</u>	<u>--</u>	<u>8,652,311</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>315,045</u>	<u>2,877,816</u>	<u>935,813</u>	<u>(225,932)</u>	<u>1,607,297</u>	<u>5,754,581</u>
Other Financing Sources (Uses):						
Transfers in	132,627	316,149	98,682	--	292,662	2,796,639
Transfers out	(379,434)	(3,115,504)	(684,936)	--	(1,577,233)	(8,045,212)
Total Other Financing Sources (Uses)	<u>(246,807)</u>	<u>(2,799,355)</u>	<u>(586,254)</u>	<u>--</u>	<u>(1,284,571)</u>	<u>(5,248,573)</u>
Net Change in Fund Balances	68,238	78,461	349,559	(225,932)	322,726	506,008
Fund Balances - Beginning of Year	833,188	1,131,295	655,124	--	641,412	8,051,288
Prior period adjustments	--	--	3,889	--	--	(30,028)
Fund Balances - End of Year	<u>\$ 901,426</u>	<u>\$ 1,209,756</u>	<u>\$ 1,008,572</u>	<u>\$ (225,932)</u>	<u>\$ 964,138</u>	<u>\$ 8,527,268</u>

continued

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Capital Projects			Debt Service	Total
	Capital Projects	JDF Capital Projects	Total Capital Projects		
Revenues:					
Taxes	--	--	\$ --	--	\$ 261,061
Licenses and permits	--	--	--	--	17,070
Fines, forfeitures and penalties	--	--	--	--	165,369
Use of money and property	--	--	--	570	104,458
Intergovernmental	--	--	--	--	13,314,132
Charges for services	--	--	--	--	370,645
Miscellaneous	--	--	--	57,224	231,951
Total Revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>57,794</u>	<u>14,464,686</u>
Expenditures:					
Current:					
General government	2,709	--	2,709	6,499	309,331
Public protection	--	--	--	--	2,330,640
Public ways and facilities	--	--	--	--	516,224
Health and sanitation	--	--	--	--	4,834,377
Public assistance	--	--	--	--	608,114
Debt Service:					
Principal	--	--	--	1,014,379	1,014,379
Interest	--	--	--	768,965	831,798
Total Expenditures	<u>2,709</u>	<u>--</u>	<u>2,709</u>	<u>1,789,843</u>	<u>10,444,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,709)</u>	<u>--</u>	<u>(2,709)</u>	<u>(1,732,049)</u>	<u>4,019,823</u>
Other Financing Sources (Uses):					
Transfers in	2,655	--	2,655	1,767,746	4,567,040
Transfers out	--	--	--	--	(8,045,212)
Total Other Financing Sources (Uses)	<u>2,655</u>	<u>--</u>	<u>2,655</u>	<u>1,767,746</u>	<u>(3,478,172)</u>
Net Change in Fund Balances	(54)	--	(54)	35,697	541,651
Fund Balances - Beginning of Year	12,669	114	12,783	1,275,998	9,340,069
Prior period adjustments	--	--	--	--	(30,028)
Fund Balances - End of Year	<u>\$ 12,615</u>	<u>\$ 114</u>	<u>\$ 12,729</u>	<u>\$ 1,311,695</u>	<u>\$ 9,851,692</u>



Non-Major Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government’s council is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government’s council has decided that periodic determination of net income is appropriate for accountability purposes.

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COUNTY OF TRINITY

Combining Statement of Fund Net Assets
 Nonmajor Enterprise Funds
 June 30, 2012

<u>ASSETS</u>	<u>Cemetery Fund</u>	<u>Transit Fund</u>	<u>Total</u>
Current Assets:			
Cash and investments	21,468	80,623	\$ 102,091
Accounts receivable	--	1,489	1,489
Due from other governments	--	109,795	109,795
Interest receivable	24	119	143
Total Current Assets	<u>21,492</u>	<u>192,026</u>	<u>213,518</u>
Noncurrent Assets:			
Capital assets:			
Non-depreciable	24,616	14,234	38,850
Depreciable, net	100	340,240	340,340
Total Noncurrent Assets	<u>24,716</u>	<u>354,474</u>	<u>379,190</u>
Total Assets	<u>\$ 46,208</u>	<u>\$ 546,500</u>	<u>\$ 592,708</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable	626	13,825	14,451
Deferred revenue	--	144,003	144,003
Compensated absences	--	6,689	6,689
Total Current Liabilities	<u>626</u>	<u>164,517</u>	<u>165,143</u>
Noncurrent Liabilities:			
Compensated absences	--	3,344	3,344
Net OPEB obligation	--	125,964	125,964
Total Noncurrent Liabilities	<u>--</u>	<u>129,308</u>	<u>129,308</u>
Total Liabilities	<u>626</u>	<u>293,825</u>	<u>294,451</u>
 <u>NET ASSETS</u>			
Invested in capital assets, net of related debt	24,716	354,474	379,190
Unrestricted	20,866	(101,799)	(80,933)
Total Net Assets	<u>45,582</u>	<u>252,675</u>	<u>298,257</u>
 Total Liabilities and Net Assets	<u>\$ 46,208</u>	<u>\$ 546,500</u>	<u>\$ 592,708</u>

COUNTY OF TRINITY

Statement of Revenues, Expenses and Changes in Fund Net Assets Nonmajor Enterprise Funds For the Year Ended June 30, 2012

	Cemetery Fund	Transit Fund	Total
Operating Revenues:			
Charges for services	13,362	73,458	\$ 86,820
Other income	0	2,768	2,768
Total Operating Revenues	13,362	76,226	89,588
Operating Expenses:			
Salaries and benefits	--	253,082	253,082
Services and supplies	7,432	277,203	284,635
Depreciation	--	69,706	69,706
Total Operating Expenses	7,432	599,991	607,423
Operating Income (Loss)	5,930	(523,765)	(517,835)
Non-Operating Revenue (Expenses):			
Investment income	89	983	1,072
Intergovernmental revenues	--	299,408	299,408
Total Non-Operating Revenue (Expenses)	89	300,391	300,480
Income (Loss) Before Transfers and Contributions	6,019	(223,374)	(217,355)
Capital contributions	--	64,804	64,804
Transfers in	--	257,414	257,414
Transfers out	--	(124,206)	(124,206)
Change in Net Assets	6,019	(25,362)	(19,343)
Net Assets - Beginning of Year, as restated	39,563	278,037	317,600
Net Assets - End of Year	\$ 45,582	\$ 252,675	\$ 298,257

COUNTY OF TRINITY

Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2012

	Cemetery Fund	Transit Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts from customers and users	\$ 13,528	\$ 77,937	\$ 91,465
Cash paid to suppliers	(8,094)	(222,704)	(230,798)
Cash paid to employees	--	(279,414)	(279,414)
Net Cash Provided (Used) by Operating Activities	<u>5,434</u>	<u>(424,181)</u>	<u>(418,747)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Aid from other governmental agencies	--	659,142	659,142
Interfund loans	164	--	164
Return of unused funding	--	(112,692)	(112,692)
Transfers out	--	(11,514)	(11,514)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>164</u>	<u>534,936</u>	<u>535,100</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital financing activities related to Transit	--	(131,959)	(131,959)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(131,959)</u>	<u>(131,959)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	89	1,170	1,259
Net Cash Provided (Used) by Investing Activities	<u>89</u>	<u>1,170</u>	<u>1,259</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,687	(20,034)	(14,347)
Cash and Cash Equivalents, Beginning of Year	<u>15,781</u>	<u>100,657</u>	<u>116,438</u>
Cash and Cash Equivalents, End of Year	<u>\$ 21,468</u>	<u>\$ 80,623</u>	<u>\$ 102,091</u>

continued

COUNTY OF TRINITY

Statement of Cash Flows (continued)
 Nonmajor Enterprise Funds
 For the Year Ended June 30, 2012

	Cemetery Fund	Transit Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 5,930	\$ (523,765)	\$ (517,835)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	--	69,706	69,706
Changes in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	166	1,711	1,877
Increase (decrease) in:			
Accounts payable	(662)	(2,211)	(2,873)
Compensated absences payable	--	4,816	4,816
Net OPEB obligation	--	25,562	25,562
	\$ 5,434	\$ (424,181)	\$ (418,747)



Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one agency or department to other departments or agencies of the government units on a cost reimbursement basis.

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COUNTY OF TRINITY

Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2012

	<u>Copier</u>	<u>Motor Pool</u>	<u>OPEB</u>	<u>Total</u>
<u>Assets</u>				
Current Assets:				
Pooled cash and investments	\$ 44,732	\$ 116,420	\$ 1,354,401	\$ 1,515,553
Accounts receivable	13	--	--	13
Interest receivable	39	117	1,008	1,164
Prepays	95	--	--	95
Total Current Assets	<u>44,879</u>	<u>116,537</u>	<u>1,355,409</u>	<u>1,516,825</u>
Noncurrent Assets:				
Capital assets:				
Depreciable, net	90,592	53,715	--	144,307
Total Noncurrent Assets	<u>90,592</u>	<u>53,715</u>	<u>--</u>	<u>144,307</u>
Total Assets	<u>\$ 135,471</u>	<u>\$ 170,252</u>	<u>\$ 1,355,409</u>	<u>\$ 1,661,132</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 2,754	\$ --	\$ 20,099	\$ 22,853
Total Liabilities	<u>2,754</u>	<u>--</u>	<u>20,099</u>	<u>22,853</u>
<u>Net Assets</u>				
Invested in capital assets	90,592	53,715	--	144,307
Unrestricted	42,125	116,537	1,335,310	1,493,972
Total Net Assets	<u>132,717</u>	<u>170,252</u>	<u>1,335,310</u>	<u>1,638,279</u>
Total Liabilities and Net Assets	<u>\$ 135,471</u>	<u>\$ 170,252</u>	<u>\$ 1,355,409</u>	<u>\$ 1,661,132</u>

COUNTY OF TRINITY

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets Internal Service Funds For the Year Ended June 30, 2012

	<u>Copier</u>	<u>Motor Pool</u>	<u>OPEB</u>	<u>Total</u>
Operating Revenues:				
Charges for services	56,274	105,158	1,893,888	\$ 2,055,320
Other income	--	1,133	17,730	18,863
Total Operating Revenues	<u>56,274</u>	<u>106,291</u>	<u>1,911,618</u>	<u>2,074,183</u>
Operating Expenses:				
Services and supplies	36,400	60,222	1,882,735	1,979,357
Depreciation	35,849	34,164	--	70,013
Total Operating Expenses	<u>72,249</u>	<u>94,386</u>	<u>1,882,735</u>	<u>2,049,370</u>
Operating Income (Loss)	<u>(15,975)</u>	<u>11,905</u>	<u>28,883</u>	<u>24,813</u>
Non-Operating Revenue:				
Investment income	161	354	3,366	3,881
Intergovernmental revenues	--	--	135,247	135,247
Total Non-Operating Revenue	<u>161</u>	<u>354</u>	<u>138,613</u>	<u>139,128</u>
Income (Loss) Before Transfers	<u>(15,814)</u>	<u>12,259</u>	<u>167,496</u>	<u>163,941</u>
Transfers in	--	--	341,000	341,000
Change in Net Assets	<u>(15,814)</u>	<u>12,259</u>	<u>508,496</u>	<u>504,941</u>
Net Assets - Beginning of Year	<u>148,531</u>	<u>157,993</u>	<u>826,814</u>	<u>1,133,338</u>
Net Assets - End of Year	<u>\$ 132,717</u>	<u>\$ 170,252</u>	<u>\$ 1,335,310</u>	<u>\$ 1,638,279</u>

COUNTY OF TRINITY

Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2012

	<u>Copier</u>	<u>Motor Pool</u>	<u>OPEB</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers and users	\$ 56,272	\$ 116,338	\$ 1,911,618	\$ 2,084,228
Cash paid to suppliers	<u>(34,496)</u>	<u>(60,240)</u>	<u>(1,862,636)</u>	<u>(1,957,372)</u>
Net Cash Provided (Used) by Operating Activities	<u>21,776</u>	<u>56,098</u>	<u>48,982</u>	<u>126,856</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loans	1,186	2,280	135,247	138,713
Transfers in	<u>--</u>	<u>--</u>	<u>341,000</u>	<u>341,000</u>
Net Cash Provided (Used) by Investing Activities	<u>1,186</u>	<u>2,280</u>	<u>476,247</u>	<u>479,713</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	<u>(14,058)</u>	<u>--</u>	<u>--</u>	<u>(14,058)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,058)</u>	<u>--</u>	<u>--</u>	<u>(14,058)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	<u>160</u>	<u>302</u>	<u>2,358</u>	<u>2,820</u>
Net Cash Provided (Used) by Investing Activities	<u>160</u>	<u>302</u>	<u>2,358</u>	<u>2,820</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,064	58,680	527,587	595,331
Cash and Cash Equivalents, Beginning of Year	<u>35,668</u>	<u>57,740</u>	<u>826,814</u>	<u>920,222</u>
Cash and Cash Equivalents, End of Year	<u>\$ 44,732</u>	<u>\$ 116,420</u>	<u>\$ 1,354,401</u>	<u>\$ 1,515,553</u>

continued

COUNTY OF TRINITY

Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2012

	<u>Copier</u>	<u>Motor Pool</u>	<u>OPEB</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (15,975)	\$ 11,905	\$ 28,883	\$ 24,813
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	35,849	34,164	--	70,013
Changes in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(2)	10,047	--	10,045
Increase (decrease) in:				
Accounts payable	1,904	(18)	20,099	21,985
	<u>1,904</u>	<u>(18)</u>	<u>20,099</u>	<u>21,985</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 21,776</u>	<u>\$ 56,098</u>	<u>\$ 48,982</u>	<u>\$ 126,856</u>



STATISTICAL SECTION



Trinity Lake

County of Trinity
Government-wide Net Assets by Component
For the Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities									
Invested in capital assets, net of related debt	\$ 136,825,865	\$ 140,907,817	\$ 146,115,881	\$ 144,181,786	\$ 171,513,586	\$ 164,498,571	\$ 175,571,795	\$ 172,234,670	\$ 180,692,794
Restricted	22,853,328	22,740,173	13,674,039	13,674,039	13,674,039	10,686,922	10,337,778	9,660,319	9,224,525
Unrestricted	(22,741,002)	(18,953,961)	(7,964,831)	(41,008,663)	2,291,030	(678,457)	969,568	2,298,501	(1,773,418)
Total governmental activities net assets	<u>\$ 136,938,191</u>	<u>\$ 144,694,029</u>	<u>\$ 151,825,089</u>	<u>\$ 116,847,162</u>	<u>\$ 187,478,655</u>	<u>\$ 174,507,036</u>	<u>\$ 186,879,141</u>	<u>\$ 184,193,490</u>	<u>\$ 188,143,901</u>
Business-type Activities									
Invested in capital assets, net of related debt	11,570,130	12,401,020	11,545,289	11,194,001	11,508,670	11,578,253	11,502,722	13,134,041	16,392,766
Restricted	-	-	103,208	-	-	-	-	94,765	5,643
Unrestricted	(3,502,992)	(3,731,928)	(10,507,587)	(14,869,867)	(9,926,571)	(9,450,939)	(8,589,577)	(8,852,203)	(4,221,778)
Total business-type activities net assets	<u>\$ 8,067,138</u>	<u>\$ 8,669,092</u>	<u>\$ 1,140,910</u>	<u>\$ (3,675,866)</u>	<u>\$ 1,582,099</u>	<u>\$ 2,127,314</u>	<u>\$ 2,913,145</u>	<u>\$ 4,376,603</u>	<u>\$ 12,176,631</u>
Primary Government									
Invested in capital assets, net of related debt	148,395,995	153,308,837	157,661,170	155,375,787	183,022,256	176,076,824	187,074,517	185,368,711	197,085,560
Restricted	22,853,328	22,740,173	13,777,247	13,674,039	13,674,039	10,686,922	10,337,778	9,755,084	9,230,168
Unrestricted	(26,243,994)	(22,685,889)	(18,472,418)	(55,878,530)	(7,635,541)	(10,129,396)	(7,620,009)	(6,553,702)	(5,995,196)
Total primary government net assets	<u>\$ 145,005,329</u>	<u>\$ 153,363,121</u>	<u>\$ 152,965,999</u>	<u>\$ 113,171,296</u>	<u>\$ 189,060,754</u>	<u>\$ 176,634,350</u>	<u>\$ 189,792,286</u>	<u>\$ 188,570,093</u>	<u>\$ 200,320,532</u>

- Notes:
- ¹ Capital assets include land, easements, construction in progress, structures and improvements, and equipment.
 - ² Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when an external party, such as the state or federal government, places a restriction on how the resources may be used, or through enabling legislation enacted by the County.

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Trinity, California

County of Trinity
Changes in Net Assets
For the Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses									
Governmental activities:									
General government	\$ 3,352,686	\$ 4,316,266	\$ 4,133,083	\$ 4,986,467	\$ 6,645,690	\$ 4,548,037	\$ 5,084,624	\$ 5,262,247	\$ 7,033,711
Public protection	12,584,410	11,649,415	10,879,074	10,932,558	13,260,582	12,485,709	11,602,967	113,716,856	9,175,861
Public ways and facilities	17,595,067	17,219,700	19,022,868	20,260,538	6,368,378	17,417,866	15,376,432	10,966,561	17,077,400
Health and sanitation	7,266,864	6,969,232	6,564,267	6,193,325	6,843,570	7,093,843	8,251,472	5,293,442	8,278,708
Public assistance	8,470,969	7,749,746	7,379,055	6,987,791	7,368,044	6,857,847	6,631,019	5,612,813	7,599,024
Education	373,304	411,766	387,830	349,531	316,584	433,357	356,345	352,917	524,064
Culture and Recreation	-	-	-	-	-	-	67	3,043	-
Interest on long-term debt	836,347	883,825	862,010	1,010,408	1,070,913	984,830	1,048,836	624,643	96,075
Total governmental activities expenses	50,479,647	49,199,950	49,228,187	50,720,618	41,873,761	49,821,489	48,351,762	141,832,522	49,784,843
Business-type Activities:									
Solid Waste	2,672,505	2,642,332	2,472,165	2,364,033	3,099,765	2,218,317	2,129,282	1,975,526	2,015,278
Waterworks District No. 1	806,765	789,533	911,287	911,287	784,271	823,362	761,885	796,592	1,218,408
Hospital	-	-	-	-	-	-	24,217	7,199,342	10,187,123
Cemeteries	7,432	6,332	11,817	9,001	7,617	10,815	4,491	4,947	10,825
Transit	599,991	509,931	398,210	324,318	295,899	220,368	189,515	164,190	147,840
Total business-type activities expenses	4,086,693	3,948,128	3,793,479	3,608,639	4,187,552	3,272,862	3,109,390	10,140,597	13,579,474
Total Primary government expenses	\$ 54,566,340	\$ 53,148,078	\$ 53,021,666	\$ 54,329,257	\$ 46,061,313	\$ 53,094,351	\$ 51,461,152	\$ 151,973,119	\$ 63,364,317
Program Revenues									
Governmental activities:									
Fees, fines & charges for services									
General government	1,995,691	1,899,101	2,115,873	2,878,858	1,488,774	1,043,613	1,174,813	2,658,117	2,480,228
Public protection	1,639,311	1,521,761	1,763,372	1,781,417	2,344,757	2,343,930	2,080,200	811,714	1,882,152
Public ways and facilities	1,214,243	1,049,881	863,068	926,362	1,072,108	809,486	869,839	111,057	539,652
Health and sanitation	438,287	458,478	361,442	364,930	438,956	357,277	467,566	32,310	2,889,135
Public assistance	105,672	136,559	97,235	141,973	237,107	196,326	197,381	62,051	924,374
Education	4,827	4,788	3,488	5,987	16,496	3,060	7,127	2,357	-
Culture and Recreation	-	-	-	-	-	-	-	-	53,600
Operating grants and contributions	25,913,802	27,254,095	21,361,499	23,114,085	32,430,396	25,493,738	24,456,564	25,322,879	22,772,024
Capital grants and contributions	3,267,688	1,445,414	8,353,713	8,353,713	8,353,713	3,351,646	3,354,914	935,479	936,372
Total governmental activities program revenues	34,579,521	33,770,077	34,919,690	37,567,325	46,382,307	33,599,076	32,608,404	29,935,964	32,477,537
Business-type Activities:									
Fees, fines & charges for services									
Solid Waste	2,222,736	2,214,900	2,237,318	2,696,980	2,265,211	1,545,637	2,389,888	2,016,188	2,026,950
Waterworks District No. 1	432,694	439,408	442,615	442,615	526,346	487,602	761,885	366,413	520,404
Hospital	-	-	-	-	-	-	-	3,293,115	8,007,016
Cemeteries	13,362	3,811	10,832	5,416	7,018	12,076	17,340	4,548	1,206
Transit	73,458	46,930	31,463	38,479	22,462	17,956	18,014	15,777	18,854
Operating grants and contributions	456,601	905,653	441,160	79,872	89,862	196,770	201,828	167,140	641,675
Capital grants and contributions	64,804	14,520	-	-	-	95,000	-	-	-
Total business-type activities program revenues	3,263,655	3,625,222	3,163,388	3,263,362	2,910,899	2,355,041	3,388,955	5,863,181	11,216,105
Total primary government program revenues	\$ 37,843,176	\$ 37,395,299	\$ 38,083,078	\$ 40,830,687	\$ 49,293,206	\$ 35,954,117	\$ 35,997,359	\$ 35,799,145	\$ 43,693,642

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Trinity, California

County of Trinity
Changes in Net Assets - continued
For the Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2012	2011	2010	2009	2008	2007	2006 ²	2005	2004
Net (Expense)/Revenue ¹									
Governmental activities	\$ (15,900,126)	\$ (15,429,873)	\$ (14,308,497)	\$ (13,153,293)	\$ 4,508,546	\$ (16,222,413)	\$ (15,743,358)	\$ (9,551,388)	\$ (18,100,469)
Business-type activities	(823,038)	(322,906)	(630,091)	(345,277)	(1,276,653)	(917,821)	(43,483)	(4,277,416)	(2,363,369)
Total primary government net expense	<u>\$ (16,723,164)</u>	<u>\$ (15,752,779)</u>	<u>\$ (14,938,588)</u>	<u>\$ (13,498,570)</u>	<u>\$ 3,231,893</u>	<u>\$ (17,140,234)</u>	<u>\$ (15,786,841)</u>	<u>\$ (13,828,804)</u>	<u>\$ (20,463,838)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	\$ 6,211,025	\$ 5,656,667	\$ 3,436,487	\$ 3,555,181	\$ 4,107,847	\$ 4,860,733	\$ 4,473,847	\$ 2,829,382	\$ 2,842,949
Sales and use taxes	1,131,953	1,053,647	2,517,641	2,441,996	2,398,104	1,324,413	1,067,012	2,286,488	1,178,464
Transient occupancy taxes	203,384	202,050	206,005	225,624	241,841	238,072	206,559	204,233	199,088
Property transfer taxes	53,565	56,333	55,207	45,344	61,635	70,955	110,675	99,984	76,247
Other	59,097	(7,403)	(23,974)	33,093	145,985	281,208	577,399	171,388	247,930
Unrestricted interest and investment earnings	164,963	283,808	181,204	485,613	612,975	655,862	511,146	367,349	544,706
Miscellaneous	702,040	862,655	931,869	605,032	1,816,800	1,042,168	1,075,340	718,491	3,290,585
Gain (Loss) on sale of capital assets									(11,905)
Special items		436,146			(932,380)			-	
Transfers	(44,935)	(67,180)	(345,072)	(459,135)	(551,225)	(185,288)	(68,925)	(1,173,011)	(19,805)
Total governmental activities	<u>8,481,092</u>	<u>8,476,723</u>	<u>6,959,367</u>	<u>6,932,748</u>	<u>7,901,582</u>	<u>8,288,123</u>	<u>7,953,053</u>	<u>5,504,304</u>	<u>8,348,259</u>
Business-type Activities:									
Taxes	144,004	200,866	211,234	190,212	90,005	108,791	155,728	55,268	43,919
Investment earnings	19,555	21,522	(9,922)	(57,946)	(125,373)	(164,926)	(118,349)	(97,051)	35,617
Miscellaneous	12,591	72,043	(9,581)	8,958	(83,686)	2,837	37,693		2,645
Special items					356,402 ³			(3,723,600)	
Transfers	44,935	67,180	345,072	459,135	551,225	185,288	68,925	1,173,011	19,805
Total business-type activities	<u>221,085</u>	<u>361,611</u>	<u>536,803</u>	<u>600,359</u>	<u>788,573</u>	<u>131,990</u>	<u>143,997</u>	<u>(2,592,372)</u>	<u>101,986</u>
Total Primary government	<u>\$ 8,702,177</u>	<u>\$ 8,838,334</u>	<u>\$ 7,496,170</u>	<u>\$ 7,533,107</u>	<u>\$ 8,690,155</u>	<u>\$ 8,420,113</u>	<u>\$ 8,097,050</u>	<u>\$ 2,911,932</u>	<u>\$ 8,450,245</u>
Change in Net Assets									
Governmental activities:	\$ (7,419,034)	\$ (6,953,150)	\$ (7,349,130)	\$ (6,220,545)	\$ 12,410,128	\$ (7,934,290)	\$ (7,790,305)	\$ (4,047,084)	\$ (9,752,210)
Business-type activities	(601,953)	38,705	(93,288)	255,082	(488,080)	(785,831)	100,514	(6,869,788)	(2,261,383)
Total primary government	<u>\$ (8,020,987)</u>	<u>\$ (6,914,445)</u>	<u>\$ (7,442,418)</u>	<u>\$ (5,965,463)</u>	<u>\$ 11,922,048</u>	<u>\$ (8,720,121)</u>	<u>\$ (7,689,791)</u>	<u>\$ (10,916,872)</u>	<u>\$ (12,013,593)</u>

Notes:

¹ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, indicating program revenues were greater than expenses.

² Beginning in 2006, motor vehicle in-lieu fee revenue is reported under property tax due to the Triple-Flip legislation.

³ Special item of \$0.4 million was due to the reclassification of the Post-Closure Fund from Miscellaneous Special Revenue Funds to the Solid Waste Fund

⁴ Special item of \$3.7million was the loss realized on the disposal of the Hospital segment

Source: Basic Financial Statements and Comprehensive Annual Financial Reports - County of Trinity, California

County of Trinity
Governmental Activities Tax Revenues By Source
For the Last Ten Fiscal Years

Fiscal Year Ending June 30	Property Tax ¹	Sales & Use Tax ²	Transient Occupancy Tax ³	Property Transfer Tax ⁴	Other Taxes ⁵	Total
2012	\$ 6,211,025	\$ 1,131,953	\$ 203,384	\$ 53,565	\$ 59,097	\$ 7,659,024
2011	5,656,667	1,053,647	202,050	56,333	(7,403)	6,961,294
2010	3,436,487	2,517,641	206,005	55,207	(23,974)	6,191,366
2009	3,555,181	2,441,996	225,624	45,344	33,093	6,301,238
2008	4,107,847	2,398,104	241,841	61,635	145,985	6,955,412
2007	4,860,733	1,324,413	238,072	70,955	281,208	6,775,381
2006	4,473,847	1,067,012	206,559	110,675	577,399	6,435,492
2005	2,829,382	2,286,488	204,233	99,984	171,388	5,591,475
2004	2,842,949	1,178,464	199,088	76,247	247,930	4,544,678
Change						
2002	736,577,003	7,168,524	466,391	95.78%	302,368	302,368
2004-2012	118.5%	-3.9%	2.2%	-29.7%	-76.2%	68.5%

Notes:

- ¹ Property tax revenues increased 118.5% in the last 10 fiscal years due to additional assessments
- ² Sales and use tax revenues decreased 3.9% in the last ten years due to a combination of (i) rate
- ³ Transient Occupancy Tax (5% as of August 20, 1996, increased by 2.2% in the last ten years due
- ⁴ Property transfer tax revenues decreased 29.7% in the last 10 years due to a decrease in property
- ⁵ Other taxes have been included with property taxes effective with fiscal year 2010-2011.

Source: Auditor Controller's Office - County of Trinity, California

County of Trinity
Fund Balances, Governmental Funds
For the Last Nine Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
General Fund									
Reserved	\$ -	\$ -	\$ 2,351,369	\$ 9,125	\$ 8,125	\$ 9,384	\$ 12,872	\$ 12,797	\$ 12,797
Unreserved	-	-	4,613,612	5,019,772	5,721,809	5,777,105	6,381,504	6,140,220	620,455
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(17,640)	(501,553)	-	-	-	-	-	-	-
Total general fund	<u>\$ (17,640)</u>	<u>\$ (501,553)</u>	<u>\$ 6,964,981</u>	<u>\$ 5,028,897</u>	<u>\$ 5,729,934</u>	<u>\$ 5,786,489</u>	<u>\$ 6,394,376</u>	<u>\$ 6,153,017</u>	<u>\$ 633,252</u>
All Other Governmental Funds									
Reserved	\$ -	\$ -	\$ 10,840,571	\$ 5,100,728	\$ 4,580,279	\$ 5,142,375	\$ 3,956,713	\$ 3,578,801	\$ 4,729,817
Unreserved, reported in:									
Special revenue funds			7,097,303	9,135,445	6,273,474	3,389,890	4,750,599	4,779,169	4,001,393
Capital projects funds			32,971	(35,832)	(306,319)	(149,270)	(117,659)	(246,776)	(277,232)
Debt service funds			1,181,601	1,292,368	1,535,046	1,464,548	1,411,662	1,401,472	493,315
Nonspendable	975,399	5,718,959	-	-	-	-	-	-	-
Restricted	20,175,857	14,208,369	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	1,314,174	1,276,112	-	-	-	-	-	-	-
Unassigned	(959,471)	(648,876)	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 21,505,959</u>	<u>\$ 20,554,564</u>	<u>\$ 19,152,446</u>	<u>\$ 15,492,709</u>	<u>\$ 12,082,480</u>	<u>\$ 9,847,543</u>	<u>\$ 10,001,315</u>	<u>\$ 9,512,666</u>	<u>\$ 8,947,293</u>

¹ Starting in fiscal year 2010-11, fund balances are presented in accordance with the Governmental Accounting Standards Board Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions. As a result, certain funds previously shown as special revenue funds are reported under the General Fund.

Source: Basic financial Statements and Comprehensive Annual Financial Reports - County of Trinity, California

County of Trinity
Fund Balances, Governmental Funds (continued)
For the Last Nine Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
Revenues:									
Taxes	\$ 7,659,024	\$ 6,961,294	\$ 6,191,366	\$ 6,301,238	\$ 6,955,412	\$ 6,775,381	\$ 6,435,492	\$ 5,591,475	\$ 4,544,678
Licenses, fees and permits	522,827	590,004	563,454	556,057	571,671	590,113	578,187	537,132	433,667
Fines, forfeits and penalties	287,149	314,356	341,351	455,063	213,914	118,027	137,098	195,361	192,807
Use of money and property	161,082	177,692	180,433	483,944	612,123	657,878	514,813	369,825	546,941
Aid from other governments	28,375,928	27,291,510	29,715,211	31,467,797	40,784,109	28,845,384	27,811,478	26,258,358	23,708,396
Charges for services	4,588,055	4,151,213	4,113,840	4,914,136	4,615,950	4,025,258	4,082,132	9,452,255	8,142,668
Other	702,040	862,104	924,972	602,273	1,955,256	1,037,544	1,205,600	718,491	3,286,519
Total Revenues	\$ 42,296,105	\$ 40,348,173	\$ 42,030,627	\$ 44,780,508	\$ 55,708,435	\$ 42,049,585	\$ 40,764,800	\$ 43,122,897	\$ 40,855,676
Expenditures:									
Current:									
General government	2,532,495	3,892,119	3,572,711	4,223,982	6,205,815	4,528,653	4,954,541	5,626,730	6,716,197
Public protection	11,637,937	10,750,244	10,018,104	10,879,697	13,243,897	12,056,408	11,208,547	12,260,832	8,793,749
Public ways and facilities	8,894,463	8,373,237	7,657,746	9,194,147	14,553,306	10,317,542	8,870,037	8,061,320	8,254,665
Health and sanitation	6,915,113	6,561,991	6,274,981	6,159,022	6,855,397	7,043,297	8,247,787	7,970,224	8,184,819
Public assistance	7,980,766	7,281,059	6,987,667	6,992,170	7,356,604	6,798,452	6,555,437	6,756,922	7,537,736
Education	313,467	346,454	345,966	344,891	318,192	331,032	311,064	289,737	449,942
Recreational and cultural services	-	-	-	-	-	-	67	5,043	91,665
Capital Outlay	-	-	1,005,470	1,426,164	1,136,343	273,963	381,113	507,449	488,576
Debt Service:									
Principal	1,014,379	910,000	720,000	788,038	1,391,661	490,000	465,313	400,313	345,313
Interest	831,798	876,585	1,030,086	956,967	1,077,978	988,511	871,861	629,088	791,832
Total Expenditures	\$ 40,120,418	\$ 38,991,689	\$ 37,612,731	\$ 40,965,078	\$ 52,139,193	\$ 42,827,858	\$ 41,865,767	\$ 42,507,658	\$ 41,654,494
Excess of revenue over (under) expenditures									
Other Financing Sources (Uses)									
Proceeds from borrowing						177,714		4,560,000	
Special item					(932,380)	-			
Loss contingency upon transfer of hospital						-	1,049,372	1,800,000	
Transfers in	9,786,738	7,095,892	12,327,790	11,858,742	12,369,644	8,359,156	9,265,283	3,381,974	2,008,134
Transfers out	(10,172,673)	(7,163,072)	(12,672,562)	(12,317,877)	(12,920,869)	(8,520,256)	(9,334,208)	(4,549,809)	(2,080,400)
Total other financing sources (uses)	(385,935)	(67,180)	(344,772)	(459,135)	(1,483,605)	16,614	980,447	5,192,165	(72,266)
Net change in fund balance	\$ 1,789,752	\$ 1,289,304	\$ 4,073,124	\$ 3,356,295	\$ 2,085,637	\$ (761,659)	\$ (120,520)	\$ 5,807,404	\$ (871,084)

Debt service as a percentage of noncapital expenditures

Source: Basic financial Statements and Comprehensive Annual Financial Reports - County of Trinity, California

County of Trinity
Assessed Value and Estimated Actual Value of Taxable Property
For the Last Ten Fiscal Years

Fiscal Year <u>June 30</u>	Real Property ¹	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Net Increase	
						<u>Amount</u>	<u>Percentage</u>
2012	\$ 1,241,645,450	\$ 10,361,952	\$ 42,111,764	\$ 1,209,895,638	1.0%	23,879,752	2.01%
2011	1,216,566,002	10,142,978	40,693,094	1,186,015,886	1.0	23,347,565	2.01
2010	1,189,007,600	13,946,120	40,285,399	1,162,668,321	1.0	49,263,935	4.42
2009	1,138,937,278	13,331,245	38,864,137	1,113,404,386	1.0	78,658,856	7.60
2008	1,056,954,576	14,315,552	36,524,598	1,034,745,530	1.0	75,214,851	7.84
2007	980,508,134	13,174,346	34,151,801	959,530,679	1.0	88,637,438	10.18
2006	890,535,977	13,116,142	32,758,878	870,893,241	1.0	64,027,825	7.94
2005	827,138,778	10,642,177	30,915,539	806,865,416	1.0	56,955,509	7.59
2004	772,260,342	7,796,621	30,147,056	749,909,907	1.0	n/a	n/a

Notes:

- 1 Article XIII A, added to California Constitution by proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased.
- a. To reflect annual inflation up to two percent
 - b. To reflect current market value at time of ownership change, and
 - c. To reflect market value for new construction

Figures for 2013 are estimates

Source: Assessor's Office - County of Trinity

County of Trinity
Direct and Overlapping Property Tax Rates
For the Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>County Direct Rate</u> ¹	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping</u> ²
		<u>Local Special Districts</u>	<u>Schools</u>	
2012	1.00	0.04	0.09	1.12
2011	1.00	0.04	0.07	1.11
2010	1.00	0.03	0.08	1.11
2009	1.00	0.03	0.02	1.06
2008	1.00	0.04	0.03	1.07
2007	1.00	0.04	0.02	1.06
2006	1.00	0.05	0.02	1.07
2005	1.00	0.06	0.00	1.06
2004	1.00	0.06	0.01	1.06
2003	1.00	0.06	0.01	1.07

Notes:

¹ California voters, on June 6, 1978, approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978. The rates shown above are percentages of assessed valuation.

² These rates represent the maximum rate charged to taxpayers if all rates applied to them. In reality, the rates applicable to tax rate areas will vary at amounts lower than these totals.

Source: Auditor Controller's Office - County of Trinity, California

County of Trinity
Ten Principal Property Taxpayers
For the Fiscal Years Ended June 30, 2012 and 2011

<u>Owner</u>	<u>2011/2012 Secured Tax</u>			<u>2010/11 Secured Tax</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Assessed Value</u>
Sierra Pacific Industries, Inc.	\$ 17,815,937	1	1.43%	\$ 18,684,594	1	1.50%
Pacific Gas & Electric Company	16,989,830	2	1.36%	17,388,509	2	1.39%
Verizon California, Inc.	7,980,966	4	0.64%	6,455,777	4	0.52%
Trinity River Lumber Company	7,697,791	3	0.62%	8,028,557	3	0.64%
Ryan Partnership	3,890,587	5	0.31%	3,934,842	5	0.31%
U.S. Department of Interior	2,674,440	6	0.21%	2,647,764	6	0.21%
Weaverville Investment Group	2,066,971	7	0.17%	2,046,355	7	0.16%
Kampgrounds of America, Inc.	1,894,337	8	0.15%	1,916,566	8	0.15%
Hodges, DL & RG TSTES	1,718,597	9	0.14%	1,725,384	9	0.14%
Mountain Resorts	1,594,993	10	0.13%			
Totterof Enterprises, Inc.				1,573,110	10	0.13%
	<u>\$ 64,324,449</u>		<u>5.17%</u>	<u>\$ 64,401,458</u>		<u>5.15%</u>
All others Totals	<u>\$ 1,185,008,716</u>		<u>94.83%</u>	<u>\$ 1,185,008,716</u>		<u>94.85%</u>
	<u><u>\$ 1,249,333,165</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 1,249,410,174</u></u>		<u><u>100.00%</u></u>

Source: Trinity County Tax Collector's Office

County of Trinity
Assessed Value of Taxable Property
For the Last Ten Fiscal Years

<u>Fiscal Year</u> <u>June 30</u>	<u>Total Assessed</u> <u>Valuation</u>	<u>Secured</u> <u>Property</u> <u>Tax Levy</u>	<u>Prior</u> <u>Delinquent</u> <u>Tax Collections</u>	<u>Percent of</u> <u>Current Levy</u> <u>Collected</u>	<u>Current</u> <u>Delinquent</u> <u>Taxes</u>
2013	\$ 1,244,984,306	\$ 12,601,672	\$ N/A	\$ N/A	\$ N/A
2012	1,209,895,638	12,343,221	421,886	94.44%	686,086
2011	1,195,274,898	12,013,948	831,711	94.43%	669,575
2010	1,183,242,938	12,238,335	669,134	94.94%	619,273
2009	1,124,412,781	11,689,173	449,404	94.56%	636,066
2008	1,047,595,619	10,907,357	439,744	95.97%	439,451
2007	972,922,502	9,946,350	894,493	96.52%	346,505
2006	915,117,545	9,033,639	644,000	96.68%	300,015
2005	850,484,419	8,400,834	385,203	96.46%	297,775
2004	798,515,473	7,847,883	543,041	96.54%	271,807

Figures for 2013 are estimates

Source: Trinity County Auditor's Office

County of Trinity
Outstanding Lease and Debt Obligations
For the Next Ten Fiscal Years

Governmental Activities

Fiscal Year (June 30)	Certificates of Participation		Notes	Capital Lease	Total
	General	Pension (1)	Payable		
2013	\$ 532,100	\$ 1,156,830	\$ 150,000	\$ -	\$ 1,838,930
2014	532,650	1,213,370	150,000	-	1,896,020
2015	531,925	1,272,650	150,000	-	1,954,575
2016	529,925	1,334,010	150,000	-	2,013,935
2017	531,650	1,401,790	150,000	-	2,083,440
2018	531,675		150,000	-	681,675
2019	530,000		150,000	-	680,000
2020	531,625		150,000	-	681,625
2021	531,125		150,000		681,125
2022	533,500		150,000		683,500

Business-Type Activities

Fiscal Year (June 30)	Special Assessments	Loans Payable	Notes Payable	Capital Lease (2)	Total
2013	\$ 39,417	\$ 1,902	\$ 20,366	38,946	\$ 100,631
2014	39,378	1,902	21,302	40,601	103,183
2015	44,582	1,902	22,241	42,326	111,051
2016	42,488	1,902	23,813	39,861	108,064
2017	41,352	1,902	17,092		60,346
2018	41,352	1,902	17,092		60,346
2019	41,352	1,902	17,092		60,346
2020	41,352	1,902	17,092		60,346
2021	41,314	1,895	18,974		62,183
2022	41,314	1,895	18,974		62,183

Fiscal Year (June 30)	Total Primary Government
2013	\$ 1,939,561
2014	1,999,203
2015	2,065,626
2016	2,121,999
2017	2,143,786
2018	742,021
2019	740,346
2020	741,971
2021	743,308
2022	745,683

(1) Pension COP matures in 2017

(2) Capital Lease matures in 2016

Source: Trinity County Auditor's Office Amortization Schedules

County of Trinity
County Taxable Retail Sales and Total Taxable Sales
(\$ in 1,000's)

<u>Calendar Year</u>	<u>Total Taxable Sales</u>
2011	n/a
2010	\$ 82,571
2009	71,121
2008	74,298
2007	76,265
2006	75,783
2005	72,880
2004	73,813
2003	67,552
2002	66,526
2001	62,627

Source: Board of Equalization Website

**County of Trinity
Major Employers
For the Fiscal Year Ended June 30, 2012**

<u>Firm</u>	<u>Product or Service</u>	<u>Estimated Employment</u>
Trinity County Schools	K-12 Education	450
Trinity County	Government Services	332
Mountain Community Health Care District	Hospital	195
Trinity River Lumber	Lumber Mill	138
Top's Market	Grocery	85
U.S. Forest Service, Hayfork	Federal Forest	60
U.S. Forest Service, Weaverville	Federal Forest	60
CVS	Drug/Retail	40
Cal Trans	Government Services	26
Trinity Lake Resort & Marina Forever Resort	Recreation	25

Source: Trinity County Auditor's Office, Trinity County Office of Education, State of California Employment Development Department and listed individual employers