

***County of Trinity, California***  
***Comprehensive Annual Financial Report***  
***For the Fiscal Year Ended***  
***June 30, 2016***



***PREPARED BY***  
***AUDITOR-CONTROLLER'S OFFICE***





## Mission Statement

*With transparency and integrity Trinity County works responsively to create and maintain a safe and healthy quality of life for all citizens.*



**COUNTY OF TRINITY**  
**ANNUAL FINANCIAL REPORT**  
**June 30, 2016**

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# TRINITY COUNTY

MARGARET LONG, Interim County Administrative Officer  
P.O. Box 1613, WEAVERVILLE, CALIFORNIA 96093-1613  
PHONE (530) 623-1382

ANGELA BICKLE, Auditor-Controller  
P.O. BOX 1230, WEAVERVILLE, CALIFORNIA 96093-1230  
PHONE (530) 623-1317

December 30, 2016

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, 2016. 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 management of 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 opinion on the County of Trinity's financial statements for the year ended June 30, 2016. 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 staggered four-year terms. 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, with an average of 285 full-time equivalent employees, serves the needs of the local citizens by providing public safety, sanitation, health and social services, the construction and maintenance of highways,

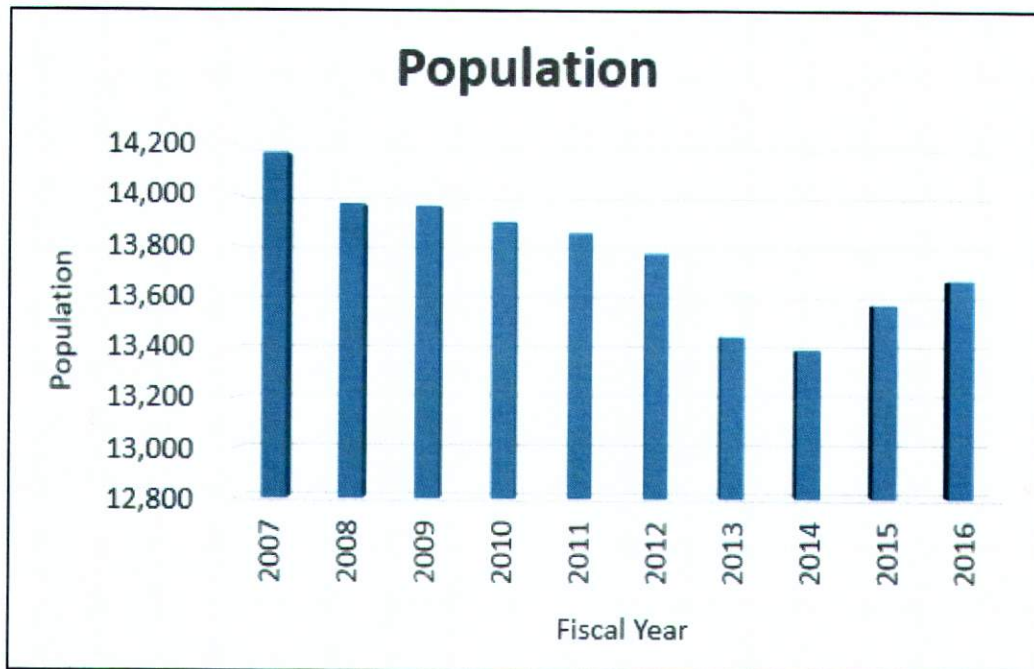
streets, and infrastructure assets, cultural and recreational opportunities, public improvements, planning and zoning, and general administrative services.

The County is required by state law to adopt a final budget no later than October 2<sup>nd</sup>. 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 the County Budget Act. The legal level of budgetary control is maintained at the fund, department, and income code 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.

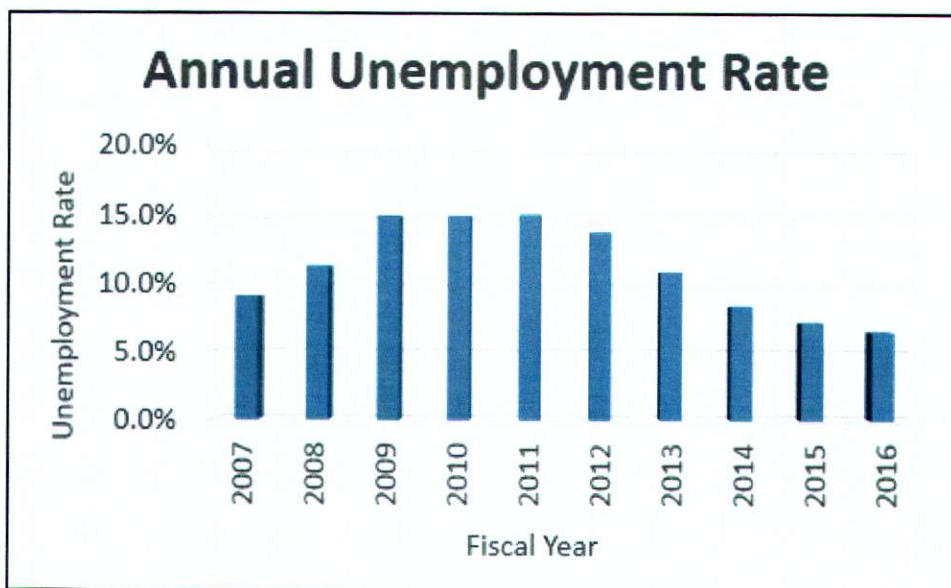
The State Department of Finance estimated Trinity County's population as of July 1, 2016 to be 13,667 an increase of 96 since July 1, 2015.



## **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, 2016, 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 2016, the County's unemployment rate was 6.5%. The California statewide rate at the same time was 5.9%. The County unemployment rate during June of the previous year was 7.2%, an indicator of an improving unemployment rate in the County, yet still 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 slowly improving national and state economies continue to present challenges to local governments throughout California and Trinity County is 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**

While the economy continues a gradual recovery, extraordinary challenges still remain for local governments throughout California, and the County of Trinity is no exception. 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, 2016.

## **Major Accomplishments and Goals**

During the fiscal year ending June 30, 2016, 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:

- Received certificate from the Government Finance Officers Association for our 2014/15 Comprehensive Annual Financial Report. This is the second year we have received this certificate and reflects the highest form of recognition in the area of governmental accounting and financial reporting.
- Received conditional award for construction of an Adult Criminal Justice Facility.
- Transferred land from General Fund to Transit Fund for the construction of a Transit Maintenance Facility.

Future Goals:

- Continue prudent fiscal management.
- Seek grants to improve major County infrastructure.
- Complete the upgrade of the County financial accounting system.
- Develop Cannabis Cultivation Licensing and Certification Program.
- Construct new Adult Criminal Justice Facility.
- Construct new Transit Maintenance Facility.

## **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 (GAAP) 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, as amended by GASB Statement No. 61.

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 30<sup>th</sup> 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.

### **Discretely Presented Component Units**

The County Board of Supervisors appoints the governing board of Trinity County Waterworks District No. 1, and thus they are discretely presented within our financial documents.

**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 safety, liquidity, availability, or diversification.

**Debt Administration**

As of June 30, 2016, the County had total long-term liabilities of \$76,565,942. This includes general obligations and special assessment debt, certificates of participation, capital leases, compensated absences, liability for self-insurance, loans payable, net Other Post Employee Benefits (OPEB) obligation and Net Pension Liability. Activities related to existing long-term debt can be found in the Notes to the Basic Financial Statements.

**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, 2016. 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,



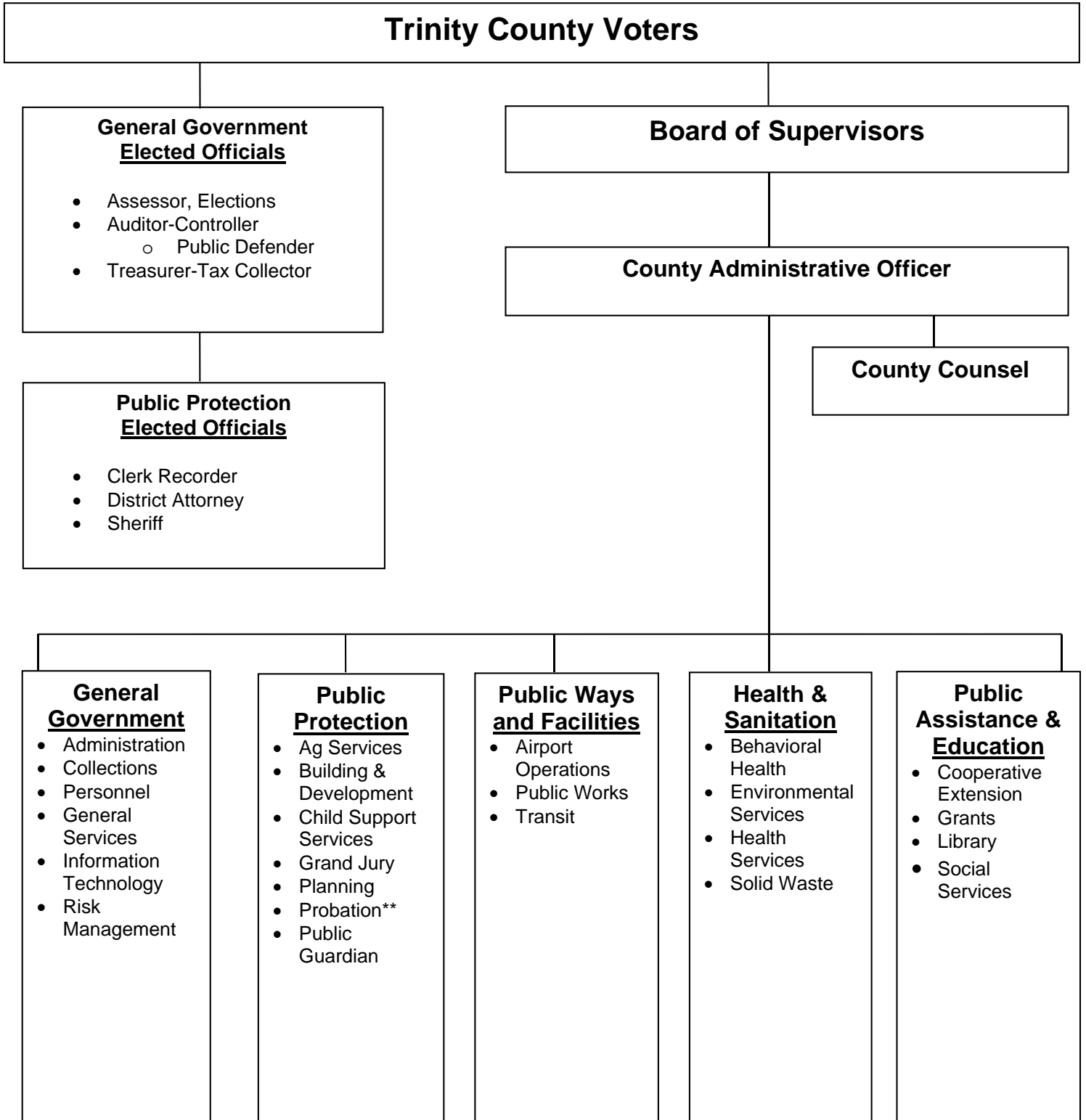
\_\_\_\_\_  
Margaret Long  
Interim County Administrative Officer



\_\_\_\_\_  
Angela Bickle  
Auditor-Controller

COUNTY OF TRINITY

Organizational Chart  
June 30, 2016



\*\* Appointed by the Trinity County Superior Court

**COUNTY OF TRINITY**

**Board of Supervisors and Other County Officials  
June 30, 2016**

**Board of Supervisors**

District 1—Keith Groves  
District 2—Judy Morris  
District 3—Karl Fisher  
District 4—Bill Burton  
District 5—John Fenley

**Elected Department Heads**

Auditor/Controller—Angela Bickle  
Clerk/Recorder/Assessor—Shanna White  
District Attorney—Eric Heryford  
Sheriff—Bruce Haney  
Treasurer/Tax Collector—Terri McBrayer

**Appointed Department Heads**

Interim County Administrative Officer – Margaret Long  
County Counsel—Margaret Long, Prentice, Long & Epperson  
Chief Probation Officer—Hal Ridlehuber  
Department of Transportation—Rick Tippett  
Behavioral Health—Noel O'Neill  
Child Support Services—Lisa Dugan  
Health and Human Services—Leticia Garza  
Ag Commissioner/Sealer—Jeff Dolf



COUNTY OF TRINITY

GFOA Certificate  
June 30, 2016



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Trinity  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO

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*INDEPENDENT AUDITOR'S REPORT*





## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors County of Trinity  
Weaverville, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Waterworks District No. 1 which represent 100 percent of the assets, net position and revenues of the discretely presented component unit. These financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion insofar as they relate to the amounts included in the discretely presented component unit, is based solely on the report by 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2016, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the net pension liability and related ratios, the schedule of County's proportionate share of net pension liability cost sharing plans, schedule of County's pension contributions, schedule of funding progress – other postemployment benefits, and budgetary comparison information, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and is 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 do not express an opinion or provide any assurance on them.

Board of Supervisors County of Trinity  
Weaverville, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Roseville, California  
December 29, 2016

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*MANAGEMENT'S DISCUSSION AND ANALYSIS*



## COUNTY OF TRINITY

### Management's Discussion and Analysis Required Supplementary Information June 30, 2016

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, 2016. This discussion and analysis should be read in conjunction with the County's basic financial statements following this section.

#### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the County exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$90,041,535 (*net position*).
- The government's total net position decreased by \$2,632,910. Governmental activities net position decreased by \$2,714,467. Business-type activities net position increased by \$81,557.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$23,088,760 an increase of \$1,364,031 in comparison with the prior fiscal year. This increase is due to revenues exceeding expenditures.
- The County's unassigned fund balance for the general fund was \$1,025,260. Absent the merger of the old hospital fund, the County's unassigned fund balance would have been \$8,736,818 or 47.6% of total general fund expenditures.
- The County's net investment in capital assets decreased by \$4,688,482 due primarily to depreciation exceeding purchases of capital assets in the current fiscal year.
- The County's total long-term liabilities increased by \$3,483,020 in comparison with the prior fiscal year. This was primarily due to a \$3.3 million increase in the Net Other Post-Employment Benefits (OPEB) obligation and a \$1.9 million increase in net pension liability offset by the annual payments made against existing long-term liabilities.

#### 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 position** presents information on all County assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

## COUNTY OF TRINITY

### Management's Discussion and Analysis Required Supplementary Information June 30, 2016

#### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The **statement of activities** presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and 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).

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. Hayfork Lighting District 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 the 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/CDBG Programs. 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.

## COUNTY OF TRINITY

### Management's Discussion and Analysis Required Supplementary Information June 30, 2016

#### **OVERVIEW OF THE FINANCIAL STATEMENTS** (continued)

**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. *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.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Solid waste is considered a major enterprise fund 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, 2016

**OVERVIEW OF THE FINANCIAL STATEMENTS (continued)**

Following is the comparative analysis of government-wide data for fiscal years 2015-2016 and 2014-2015.

**Statement of Net Position  
June 30, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 33,287,406	\$ 32,610,276	\$ 1,540,574	\$ 1,608,238	\$ 34,827,980	\$ 34,218,514
Capital assets	137,688,451	142,559,925	2,191,216	2,079,729	139,879,667	144,639,654
Total assets	170,975,857	175,170,201	3,731,790	3,687,967	174,707,647	178,858,168
<b>Deferred Outflows of Resources</b>						
Deferred pension	4,243,939	3,283,959	289,980	229,049	4,533,919	3,513,008
<b>Liabilities</b>						
Current and other liabilities	4,087,169	8,144,834	846,618	1,142,097	4,933,787	9,286,931
Long-term liabilities	71,190,247	65,273,951	10,168,655	9,699,009	81,358,902	74,972,960
Total liabilities	75,277,416	73,418,785	11,015,273	10,841,106	86,292,689	84,259,891
<b>Deferred Inflows of Resources</b>						
Deferred pension	2,703,830	5,082,358	203,512	354,482	2,907,342	5,436,840
<b>Net Position</b>						
Invested in capital assets, net of related debt	137,688,451	142,559,925	1,744,412	1,561,420	139,432,863	144,121,345
Restricted	15,291,341	17,165,662	--	--	15,291,341	17,165,662
Unrestricted	(55,741,242)	(59,772,570)	(8,941,427)	(8,839,992)	(64,682,669)	(68,612,562)
Total net assets	\$ 97,238,550	\$ 99,953,017	\$ (7,197,015)	\$ (7,278,572)	\$ 90,041,535	\$ 92,674,445

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$90,041,535 at the close of the most recent fiscal year.

The largest portion of the County's net position, \$139,432,863, 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 position, \$15,291,341, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the County's net position indicates a deficit balance of \$64,682,669.

**COUNTY OF TRINITY**

Management's Discussion and Analysis  
Required Supplementary Information  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS** (continued)

The County's net position decreased \$2.6 million during the current fiscal year. The negative change in the County's net position is due to a \$3.3 million increase in the Net Other Post-Employment Benefits (OPEB) obligation and a \$1.9 million increase in net pension liability.

At the end of the current fiscal year, the County reported a positive net position balance for Governmental activities, but a deficit net position for business-type activities.

**COUNTY OF TRINITY**

Management's Discussion and Analysis  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

The following table indicates the changes in net position for governmental and business-type activities for fiscal years 2015-2016 and 2014-2015.

**Statement of Activities  
For the Years Ended June 30, 2016 and 2015  
(in thousands)**

Revenues	Governmental Activities		Business-Type Activities		Total		Variance
	2016	2015	2016	2015	2016	2015	
<b>Program Revenues:</b>							
Fees, fines and charges for services	\$ 6,264	\$ 5,406	\$ 2,797	\$ 2,710	\$ 9,061	\$ 8,116	11.6%
Operating grants/contributions	29,962	26,686	885	480	30,847	27,166	13.6%
Capital grants/contributions	8,755	20,835	--	--	8,755	20,835	-58.0%
<b>General Revenues:</b>							
Property Taxes	7,573	6,570	147	129	7,720	6,699	15.2%
Sales and Use Taxes	1,263	1,335	--	--	1,263	1,335	-5.4%
Other Taxes	388	334	--	--	388	334	0.0%
Transfers	(2)	47	2	(47)	--	--	0.0%
Miscellaneous	1,370	569	7	3	1,377	572	140.7%
Interest and Investment earnings	455	211	19	17	474	228	107.9%
<b>Total Revenues</b>	<b>56,028</b>	<b>61,993</b>	<b>3,857</b>	<b>3,292</b>	<b>59,885</b>	<b>65,285</b>	<b>-8.3%</b>
<b>Expenses</b>							
General government	4,653	4,655	--	--	4,653	4,655	0.0%
Public protection	13,188	13,158	--	--	13,188	13,158	0.2%
Public ways and facilities	19,870	17,501	--	--	19,870	17,501	13.5%
Health and sanitation	7,720	6,564	--	--	7,720	6,564	17.6%
Public assistance	12,422	10,908	--	--	12,422	10,908	13.9%
Education	368	359	--	--	368	359	2.5%
Recreation and culture	--	--	--	--	--	--	0.0%
Interest on long-term debt	520	602	--	--	520	602	-13.6%
Cemetaries	--	--	5	3	5	3	66.7%
Transit	--	--	807	757	807	757	6.6%
Solid Waste	--	--	2,964	2,846	2,964	2,846	4.1%
<b>Total Expenses</b>	<b>58,741</b>	<b>53,747</b>	<b>3,776</b>	<b>3,606</b>	<b>62,517</b>	<b>57,353</b>	<b>9.0%</b>
Change in Net Position	(2,713)	8,246	81	(314)	(2,632)	7,932	-133.2%
Net position - Beginning	99,952	132,953	(7,278)	(4,172)	145,005	153,363	-5.4%
Prior period adjustment	--	(41,247)	--	(2,792)	--	(44,039)	
<b>Net Position - Ending</b>	<b>\$ 97,239</b>	<b>\$ 99,952</b>	<b>\$( 7,197)</b>	<b>\$( 7,278)</b>	<b>\$ 90,042</b>	<b>\$ 92,674</b>	<b>-2.8%</b>

The County's revenues from governmental activities decreased by \$6.0 million or 9.6% over the prior fiscal year. This decrease was due primarily to a decrease of \$12.1 million in capital grants and contributions offset by an increase of \$3.3 million in operating grants and contributions.

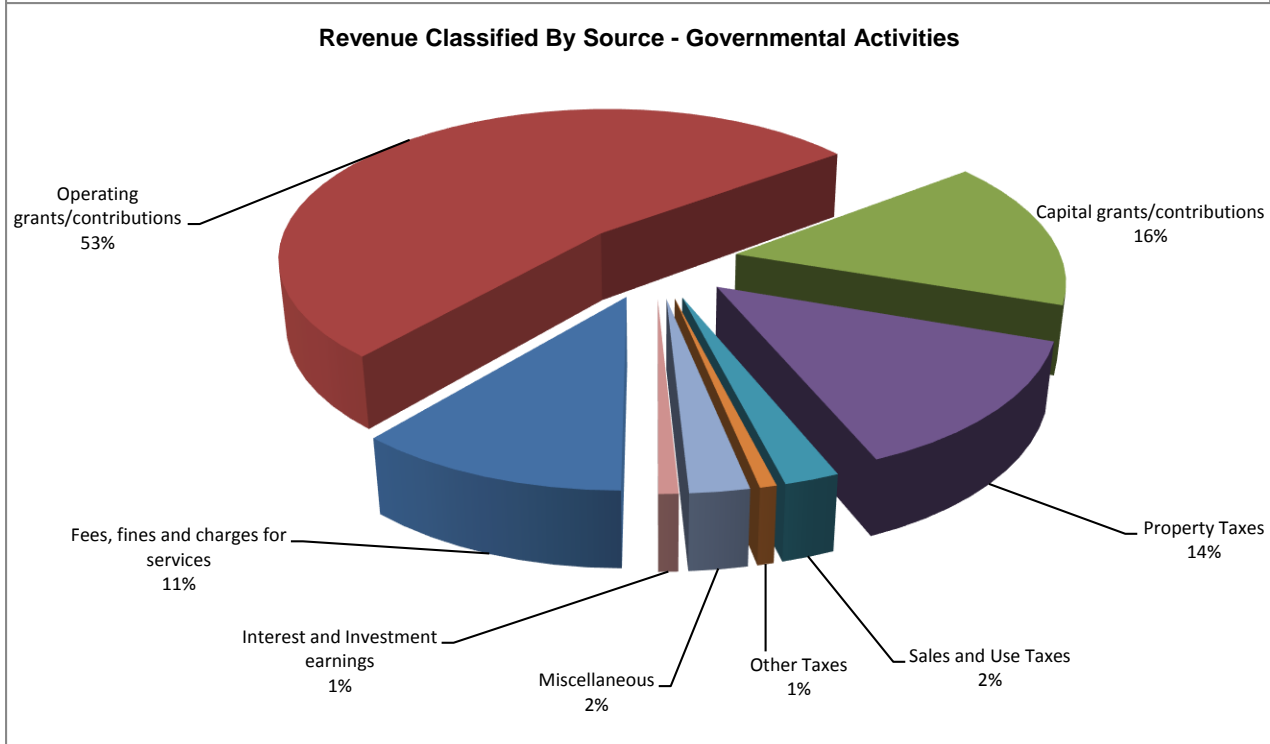
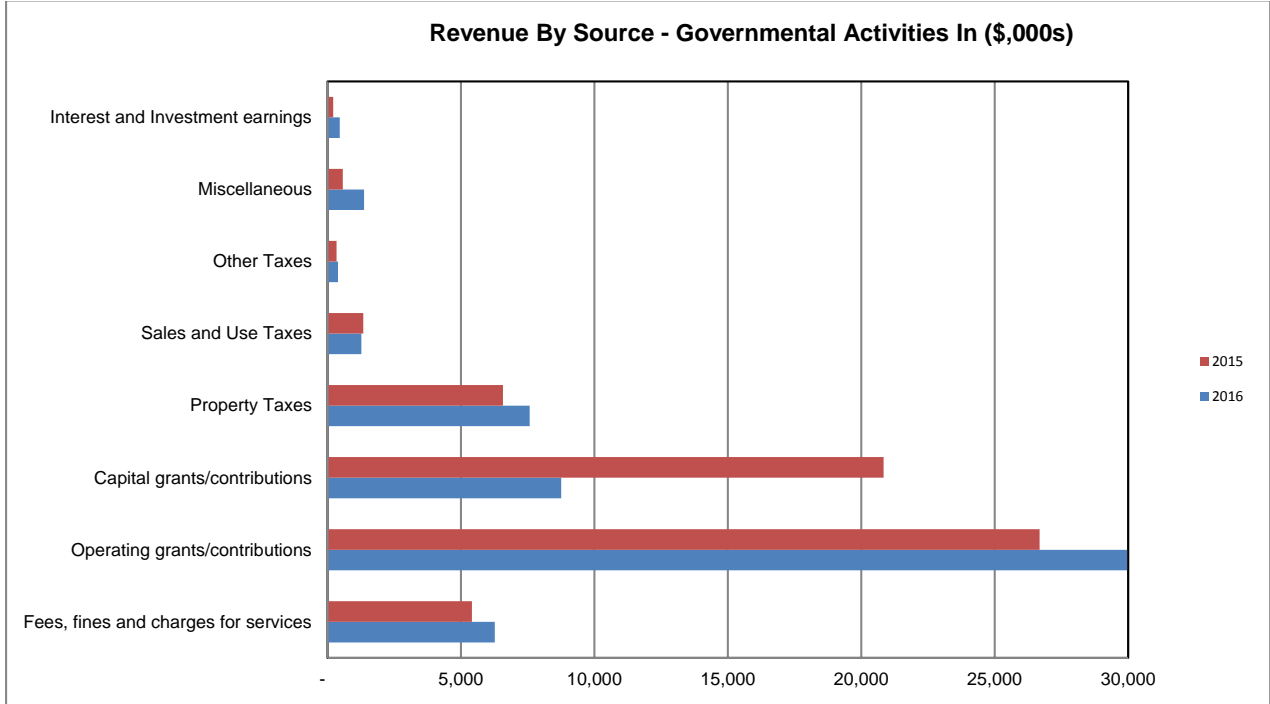
The County's expenses from governmental activities increased by \$5.0 million or 9.3% over the prior fiscal year. This increase was due primarily to increases of \$1.5 million in public assistance expenses, \$1.1 million in health and sanitation expenses and \$2.4 million in public ways and facilities expenses.



**COUNTY OF TRINITY**

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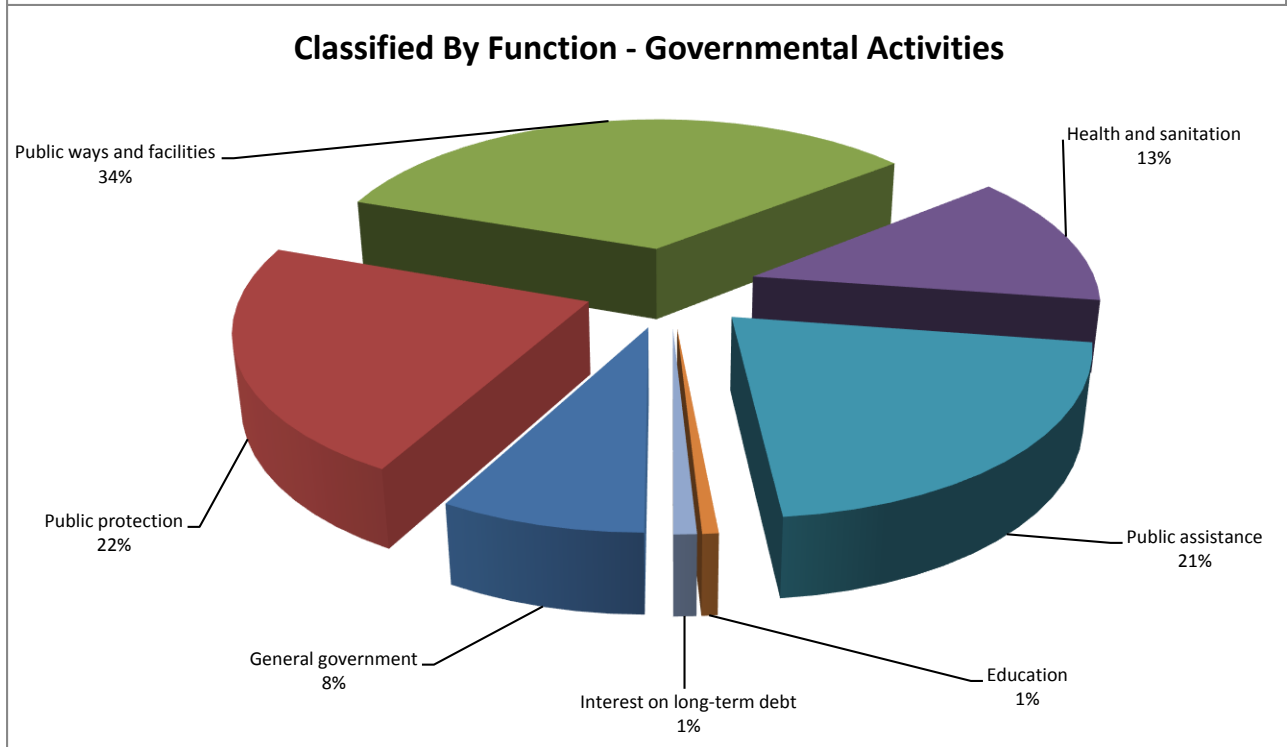
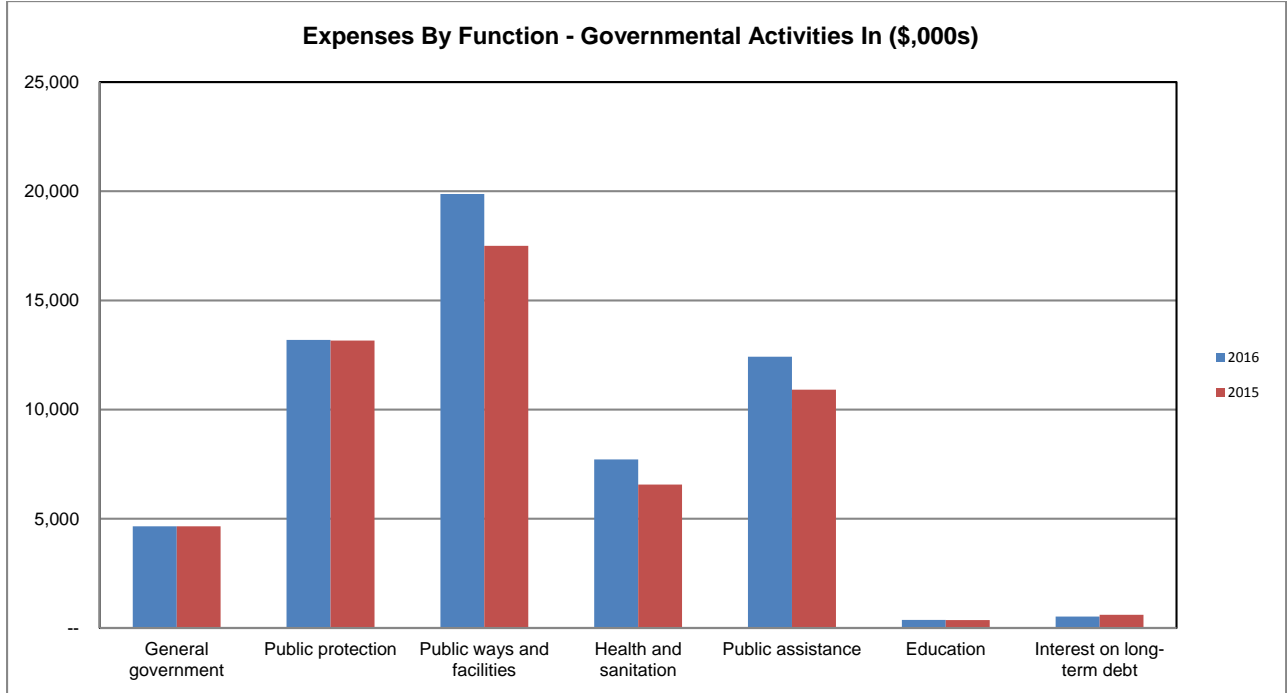
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**



**COUNTY OF TRINITY**

Management's Discussion and Analysis  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**



**COUNTY OF TRINITY**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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 fiscal year. However, committed, assigned, and unassigned fund balances are available for appropriation at any time. See Note 9 – Net Position/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, 2016**

	General	Road Fund	Human Services	HOME Grant	Other Governmental Funds	Total
Revenues	\$ 17,002,259	\$ 13,900,572	\$ 6,940,142	\$ 138,389	\$ 17,814,147	\$ 55,795,509
Expenditures	(18,347,653)	(13,870,614)	(10,435,299)	(213,232)	(11,507,384)	(54,374,182)
Other Financing Sources (Uses), net	1,493,198	(155,574)	3,541,211	--	(4,936,131)	(57,296)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	147,804	(125,616)	46,054	(74,843)	1,370,632	1,364,031
Fund Balance - Beginning of Year	<u>1,132,886</u>	<u>7,512,294</u>	<u>172,311</u>	<u>4,338,375</u>	<u>8,568,863</u>	<u>21,724,729</u>
Fund Balance - End of Year	<u>\$ 1,280,690</u>	<u>\$ 7,386,678</u>	<u>\$ 218,365</u>	<u>\$ 4,263,532</u>	<u>\$ 9,939,495</u>	<u>\$ 23,088,760</u>

At June, 30, 2016, the County's governmental funds reported combined fund balances of \$23,088,760. Of these combined fund balances, \$1,097,766 is *nonspendable fund balance* to indicate that it is not available for new spending because it is not in spendable form, \$18,939,608 constitutes *restricted fund balance* which is available to meet specific current and future County needs, and \$3,051,386 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 \$147,804. This increase was due primarily to an increase in revenues in the General Fund.

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 Mountain Communities Healthcare District (Health District), an entity separate and independent of the County, providing the same services as prior to its transfer to the Healthcare District. Prior to the transfer of the former Trinity Hospital to a separate financing 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, 2016, the accumulated deficit fund balance is \$7,711,558. This amount has been absorbed by the General Fund as the former deficit is now the responsibility of the General Fund.

## COUNTY OF TRINITY

Management's Discussion and Analysis  
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### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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 decreased by \$125,616. This decrease is due to an increase in other financing uses.

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 increased by \$46,054. This increase is primarily due to an increase in Intergovernmental revenues received from various State and Federal sources.

The County uses the HOME/CDBG Programs Fund to account for HOME/CDBG grant program activities within the County. During the fiscal year, fund balance in the HOME/CDBG Programs Fund decreased by \$74,843. This decrease is due to program expenditures exceeding revenues.

**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, 2016, unrestricted net position of the Solid Waste Fund were at a deficit of \$8,138,217, while total net position was a deficit of \$7,176,860. Total net position of the solid waste decreased by \$190,942 due to expenses exceeding revenues.

#### Changes in Net Position – Proprietary Funds For Fiscal Year Ended June 30, 2016

	Solid Waste	Non-major Enterprise Funds	Total
Operating Revenues	\$2,693,700	\$106,942	\$2,800,642
Operating Expenditures	(2,947,407)	(812,014)	(3,759,421)
Operating Income (Loss)	(253,707)	(705,072)	(958,779)
Non-Operating Revenue (Expense)	167,037	871,135	1,038,172
Net Income before Transfers	(86,670)	166,063	79,393
Contributions and Transfers In (Out)	(104,272)	106,436	2,164
Change in Net Assets	(190,942)	272,499	81,557
Fund Balance - Beginning of Year	(6,985,918)	(292,654)	(7,278,572)
Fund Balance - End of Year	<u>(\$7,176,860)</u>	<u>(\$20,155)</u>	<u>(\$7,197,015)</u>

**COUNTY OF TRINITY**

Management's Discussion and Analysis  
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**GENERAL FUND BUDGETARY HIGHLIGHTS**

Resources (revenues) and appropriations (expenditures) represent the legal level of budgetary controls. During the current fiscal year, actual general fund revenues were \$17,002,259 or -3.32% less than budget, while actual general fund expenditures were \$18,347,653 or 13.46% under budget. In addition, actual other financing sources (uses) were \$1,493,198 or 30.37% more than budget.

**Budgetary Comparison Schedule  
General Fund**

	Original	Final	Actual	Variance with Final Budget	
Total Revenues	\$ 16,114,564	\$ 17,585,846	\$ 17,002,259	\$ (583,587)	-3.32%
Total Expenditures	19,779,810	21,200,468	18,347,653	2,852,815	13.46%
Other Financing Sources (Uses)	1,204,078	1,145,328	1,493,198	347,870	30.37%
Net Change in Fund Balance	<u>\$ (2,461,168)</u>	<u>\$ (2,469,294)</u>	<u>\$ 147,804</u>	<u>\$ 2,617,098</u>	<u>105.99%</u>

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.

**CAPITAL ASSETS**

The County's investment in capital assets as of June 30, 2016, amounted to \$139,432,863 (net of accumulated depreciation and related debt). 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, 2016 and 2015**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,193,657	\$ 1,193,657	\$ 241,816	\$ 30,616	\$ 1,435,473	\$ 1,224,273
Construction in Progress	23,738,721	15,169,689	14,152	14,101	23,752,873	15,183,790
Structures & Improvements	22,500,279	22,453,561	1,490,912	1,523,513	23,991,191	23,977,074
Equipment	12,326,061	12,095,894	3,220,830	3,142,002	15,546,891	15,237,896
Infrastructure	260,432,820	261,365,764	18,292	-	260,451,112	261,365,764
Total	<u>320,191,538</u>	<u>312,278,565</u>	<u>4,986,002</u>	<u>4,710,232</u>	<u>325,177,540</u>	<u>316,988,797</u>
Accumulated Depreciation	<u>(182,503,087)</u>	<u>(169,718,640)</u>	<u>(2,794,786)</u>	<u>(2,630,503)</u>	<u>(185,297,873)</u>	<u>(172,349,143)</u>
Net Capital Assets	<u>\$ 137,688,451</u>	<u>\$ 142,559,925</u>	<u>\$ 2,191,216</u>	<u>\$ 2,079,729</u>	<u>\$ 139,879,667</u>	<u>\$ 144,639,654</u>

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  
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**LONG-TERM LIABILITIES**

At June 30, 2016, the County had total long-term liabilities outstanding of \$81,358,902 as compared to \$77,515,882 in the prior fiscal year. During the current fiscal year, retirement of liabilities amounted to \$2,917,790; while additions to long-term liabilities amounted to \$4,833,901 and were comprised primarily of a \$1,893,480 increase in net pension liability and the current fiscal year's increase to the net OPEB obligation of \$3,340,192.

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, 2016 and 2015**

	Governmental Activities		Business Activities		Total Activities	
	2016	2015	2016	2015	2016	2015
Certificate of Participation	\$ 4,805,000	\$ 6,190,000	\$ 0	\$ 0	\$ 4,805,000	\$ 6,190,000
Special Assessment Debt	0	0	0	0	0	0
Capital Lease	0	0	446,804	518,309	446,804	518,309
Compensated absences	1,056,761	962,147	61,471	67,479	1,118,232	1,029,626
Liability for self-insurance	1,678,399	1,593,095	0	0	1,678,399	1,593,095
Loans payable	959,974	1,101,460	0	0	959,974	1,101,460
Net OPEB Obligation	21,641,975	18,586,011	2,015,586	1,731,358	23,657,561	20,317,369
Liability for landfill closure	0	0	4,792,960	4,759,531	4,792,960	4,759,531
Net pension liability	41,048,138	39,267,669	2,851,834	2,738,823	43,899,972	42,006,492
Total	71,190,247	67,700,382	10,168,655	9,815,500	81,358,902	77,515,882
Less Current Portion	(2,654,508)	(2,426,431)	(114,942)	(116,491)	(2,769,450)	(2,542,922)
Net Long-Term Debt	<u>\$ 68,535,739</u>	<u>\$ 65,273,951</u>	<u>\$ 10,053,713</u>	<u>\$ 9,699,009</u>	<u>\$ 78,589,452</u>	<u>\$ 74,972,960</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**

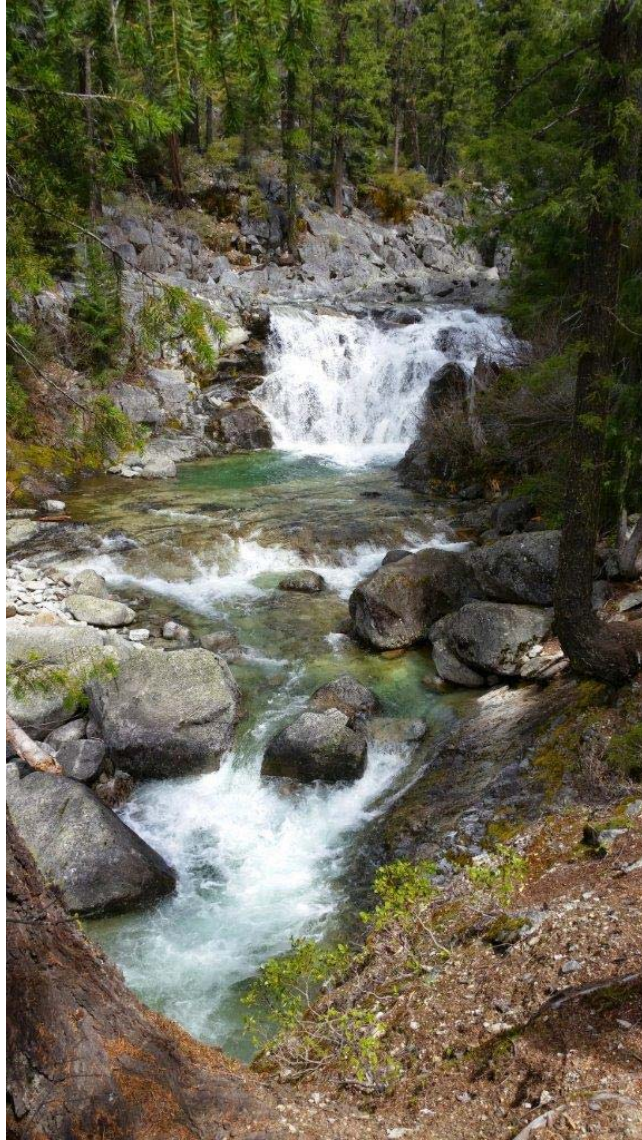
In the 2016-2017 budget year, conservative financial management must continue. This approach will prevent erosion of the County's financial base and allow for future obligations to be met. The local economy has begun a slow recovery, providing a minimal revenue increase. The County should continue to closely monitor cash flow issues and be cognizant of the ever changing streams of State and Federal funding.

**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.



*BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS*





**COUNTY OF TRINITY**

Statement of Net Position  
June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Waterworks District No. 1
<b>ASSETS</b>				
Cash and investments	\$ 19,377,445	\$ 1,321,823	\$ 20,699,268	\$ 496,621
Cash with fiscal agent	464,170	--	464,170	--
Accounts receivable	158,119	23,108	181,227	58,861
Interest receivable	21,704	1,606	23,310	--
Due from other governments	3,904,305	186,710	4,091,015	--
Prepaid expenses	6,641	7,327	13,968	--
Loan and notes receivable	5,068,357	--	5,068,357	--
Deposits with others	3,444,940	--	3,444,940	--
Inventories	841,725	--	841,725	32,195
Capital assets:				
Nondepreciable	24,932,378	255,968	25,188,346	--
Depreciable, net	112,756,073	1,935,248	114,691,321	9,394,970
Total Assets	<u>170,975,857</u>	<u>3,731,790</u>	<u>174,707,647</u>	<u>9,982,647</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension	4,243,939	289,980	4,533,919	26,452
<b>LIABILITIES</b>				
Accounts payable	3,042,959	97,201	3,140,160	15,785
Salaries and benefits payable	104,624	2,360	106,984	--
Interest payable	143,198	1,259	144,457	--
Deposits from others	10,481	1,624	12,105	19,068
Unearned revenue	785,907	744,174	1,530,081	--
Long-Term Liabilities:				
Portion due or payable within one year:				
Bonds payable	1,550,000	--	1,550,000	26,348
Capital leases	--	73,961	73,961	--
Compensated absences	704,508	40,981	745,489	9,519
Contract payable	150,000	--	150,000	--
Liability for unpaid claims	250,000	--	250,000	--
Portion due or payable after one year:				
Bonds payable	3,255,000	--	3,255,000	740,899
Capital leases	--	372,843	372,843	--
Compensated absences	352,253	20,490	372,743	--
Contract payable	809,974	--	809,974	--
Liability for unpaid claims	1,428,399	--	1,428,399	--
Net OPEB obligation	21,641,975	2,015,586	23,657,561	--
Liability for landfill closure	--	4,792,960	4,792,960	--
Net pension liability	41,048,138	2,851,834	43,899,972	1,599,700
Total Liabilities	<u>75,277,416</u>	<u>11,015,273</u>	<u>86,292,689</u>	<u>2,411,319</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension	2,703,830	203,512	2,907,342	40,286
<b>NET POSITION</b>				
Net investment in capital assets	137,688,451	1,744,412	139,432,863	8,601,139
Restricted for:				
General government	882,823	--	882,823	--
Public ways and facilities	8,944,915	--	8,944,915	--
Health and sanitation	2,238,890	--	2,238,890	--
Public assistance	3,224,713	--	3,224,713	--
Unrestricted	(55,741,242)	(8,941,427)	(64,682,669)	(1,043,645)
Total Net Position	<u>\$ 97,238,550</u>	<u>\$ (7,197,015)</u>	<u>\$ 90,041,535</u>	<u>\$ 7,557,494</u>

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

**COUNTY OF TRINITY**

Statement of Activities  
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 4,652,933	\$ 2,763,267	\$ 775,802	\$ --
Public protection	13,188,116	1,581,981	6,641,602	--
Public ways and facilities	19,870,158	974,058	4,005,902	8,754,780
Health and sanitation	7,719,590	642,379	7,838,742	--
Public assistance	12,421,644	299,023	10,695,796	--
Education	368,018	3,271	4,512	--
Interest on long-term debt	520,467	--	--	--
<b>Total Governmental Activities</b>	<b>58,740,926</b>	<b>6,263,979</b>	<b>29,962,356</b>	<b>8,754,780</b>
<b>Business-Type Activities:</b>				
Solid Waste	2,963,628	2,691,340	20,000	--
Cemeteries	5,136	7,423	--	--
Transit	806,878	98,620	865,256	--
<b>Total Business-type Activities</b>	<b>3,775,642</b>	<b>2,797,383</b>	<b>885,256</b>	<b>--</b>
<b>Total Trinity County</b>	<b>\$ 62,516,568</b>	<b>\$ 9,061,362</b>	<b>\$ 30,847,612</b>	<b>\$ 8,754,780</b>
<b>Component Unit:</b>				
Waterworks District No. 1	\$ 921,763	\$ 645,374	\$ 1,551	\$ --

General Revenues and Transfers:

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 Position

Net Position - Beginning of Year, restated

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position			Component Unit
Primary Government			Waterworks District No. 1
Governmental Activities	Business-Type Activities	Total	
\$ (1,113,864)	\$ --	\$ (1,113,864)	\$ --
(4,964,533)	--	(4,964,533)	--
(6,135,418)	--	(6,135,418)	--
761,531	--	761,531	--
(1,426,825)	--	(1,426,825)	--
(360,235)	--	(360,235)	--
(520,467)	--	(520,467)	--
<u>(13,759,811)</u>	<u>--</u>	<u>(13,759,811)</u>	<u>--</u>
--	(252,288)	(252,288)	--
--	2,287	2,287	--
--	156,998	156,998	--
<u>--</u>	<u>(93,003)</u>	<u>(93,003)</u>	<u>--</u>
<u>(13,759,811)</u>	<u>(93,003)</u>	<u>(13,852,814)</u>	<u>--</u>
			<u>(274,838)</u>
7,572,814	146,531	7,719,345	9,574
1,262,879	--	1,262,879	--
155,016	--	155,016	--
232,540	--	232,540	--
454,742	18,586	473,328	37,281
1,369,517	7,279	1,376,796	14,634
(2,164)	2,164	--	--
<u>11,045,344</u>	<u>174,560</u>	<u>11,219,904</u>	<u>61,489</u>
(2,714,467)	81,557	(2,632,910)	(213,349)
<u>99,953,017</u>	<u>(7,278,572)</u>	<u>92,674,445</u>	<u>7,770,843</u>
<u>\$ 97,238,550</u>	<u>\$ (7,197,015)</u>	<u>\$ 90,041,535</u>	<u>\$ 7,557,494</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, 2016

	General	Road	Human Services	HOME/ CDBG Programs	Other Governmental	Total
<u>Assets</u>						
Cash and investments	\$ --	\$ 4,885,490	\$ 247,602	\$ 353,279	\$ 9,635,723	\$ 15,122,094
Imprest cash	16,423	150	50	--	29,451	46,074
Cash with fiscal agent	--	--	--	--	464,170	464,170
Accounts receivable	38,220	38,212	29,716	--	51,971	158,119
Due from other governments	701,360	1,333,126	409,414	--	1,460,405	3,904,305
Interest receivable	2,835	6,845	333	--	7,646	17,659
Deposits with others	3,444,940	--	--	--	--	3,444,940
Prepays and other assets	5,935	--	611	--	--	6,546
Inventories	--	841,725	--	--	--	841,725
Due from other funds	3,562,857	1,583,948	239,383	276,702	524,779	6,187,669
Loans receivable	--	--	--	5,068,357	--	5,068,357
Advances to other funds	249,495	--	--	--	29,000	278,495
<b>Total Assets</b>	<b>\$ 8,022,065</b>	<b>\$ 8,689,496</b>	<b>\$ 927,109</b>	<b>\$ 5,698,338</b>	<b>\$ 12,203,145</b>	<b>\$ 35,540,153</b>
<u>Liabilities</u>						
Accounts payable	\$ 1,133,260	\$ 781,375	\$ 238,171	\$ 5,297	\$ 592,349	\$ 2,750,452
Retention payable	290	130,931	--	--	--	131,221
Salaries and benefits payable	5,372	78,585	17,437	--	3,230	104,624
Due to other funds	4,672,170	--	80,173	674,027	761,299	6,187,669
Unearned revenue	566,533	--	94,729	--	124,645	785,907
Deposits from others	4,051	--	--	--	6,430	10,481
Advances from other funds	28,238	--	--	--	250,257	278,495
<b>Total Liabilities</b>	<b>6,409,914</b>	<b>990,891</b>	<b>430,510</b>	<b>679,324</b>	<b>1,738,210</b>	<b>10,248,849</b>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue	331,461	311,927	278,234	755,482	525,440	2,202,544
<u>Fund Balances</u>						
Nonspendable	255,430	841,725	611	--	--	1,097,766
Restricted	--	6,544,953	217,754	4,263,532	7,913,369	18,939,608
Assigned	--	--	--	--	2,220,455	2,220,455
Unassigned	1,025,260	--	--	--	(194,329)	830,931
<b>Total Fund Balances</b>	<b>1,280,690</b>	<b>7,386,678</b>	<b>218,365</b>	<b>4,263,532</b>	<b>9,939,495</b>	<b>23,088,760</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,022,065</b>	<b>\$ 8,689,496</b>	<b>\$ 927,109</b>	<b>\$ 5,698,338</b>	<b>\$ 12,203,145</b>	<b>\$ 35,540,153</b>

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 Position - Governmental Activities  
June 30, 2016

Fund Balance - total governmental funds	\$ 23,088,760
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>	137,318,557
<p>Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.</p>	2,202,544
<p>Deferred outflows of pension resources reported in the statement of net position.</p>	4,243,939
<p>Deferred inflows of pension resources reported in the statement of net position.</p>	(2,703,830)
<p>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 position.</p>	4,422,025
<p>Long-term liabilities, including capital leases, are not due and payable in the current period, and therefore are not reported in the governmental funds.</p>	
Pension obligation bonds	(1,315,000)
Certificates of participation	(3,490,000)
Accrued interest	(143,198)
Contract payable	(959,974)
Claims liability	(1,678,399)
Compensated absences	(1,056,761)
OPEB Liability	(21,641,975)
Net pension liability	<u>(41,048,138)</u>
Net position of governmental activities	<u>\$ 97,238,550</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, 2016

	General	Road	Human Services	HOME/ CDBG Programs	Other Governmental	Total
<b>Revenues:</b>						
Taxes	\$ 8,881,154	\$ --	\$ --	\$ --	\$ 342,095	\$ 9,223,249
Licenses and permits	636,647	11,564	--	--	17,464	665,675
Fines, forfeitures and penalties	65,601	--	254	--	278,450	344,305
Use of money and property	94,309	20,948	535	138,385	189,039	443,216
Intergovernmental	2,718,417	12,604,145	6,584,500	--	16,649,310	38,556,372
Charges for services	3,800,470	962,494	298,769	--	192,266	5,253,999
Other revenue	805,661	301,421	56,084	4	145,523	1,308,693
<b>Total Revenues</b>	<b>17,002,259</b>	<b>13,900,572</b>	<b>6,940,142</b>	<b>138,389</b>	<b>17,814,147</b>	<b>55,795,509</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	3,981,536	--	--	--	138,165	4,119,701
Public protection	12,260,088	--	85,289	--	1,252,621	13,597,998
Public ways and facilities	256,397	13,870,614	--	--	456,672	14,583,683
Health and sanitation	1,467,011	--	--	--	6,012,675	7,479,686
Public assistance	56,983	--	10,350,010	213,232	1,425,255	12,045,480
Education	323,225	--	--	--	--	323,225
<b>Debt Service:</b>						
Principal	--	--	--	--	1,528,378	1,528,378
Interest	2,413	--	--	--	530,973	533,386
Capital outlay	--	--	--	--	162,645	162,645
<b>Total Expenditures</b>	<b>18,347,653</b>	<b>13,870,614</b>	<b>10,435,299</b>	<b>213,232</b>	<b>11,507,384</b>	<b>54,374,182</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,345,394)</b>	<b>29,958</b>	<b>(3,495,157)</b>	<b>(74,843)</b>	<b>6,306,763</b>	<b>1,421,327</b>
<b>Other Financing Sources (Uses):</b>						
Transfers in	3,590,133	30,540	3,809,033	--	7,227,596	14,657,302
Transfers out	(2,096,935)	(186,114)	(267,822)	--	(12,163,727)	(14,714,598)
<b>Total Other Financing Sources (Uses)</b>	<b>1,493,198</b>	<b>(155,574)</b>	<b>3,541,211</b>	<b>--</b>	<b>(4,936,131)</b>	<b>(57,296)</b>
<b>Net Changes in Fund Balances</b>	<b>147,804</b>	<b>(125,616)</b>	<b>46,054</b>	<b>(74,843)</b>	<b>1,370,632</b>	<b>1,364,031</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,132,886</b>	<b>7,512,294</b>	<b>172,311</b>	<b>4,338,375</b>	<b>8,568,863</b>	<b>21,724,729</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,280,690</b>	<b>\$ 7,386,678</b>	<b>\$ 218,365</b>	<b>\$ 4,263,532</b>	<b>\$ 9,939,495</b>	<b>\$ 23,088,760</b>

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, 2016

Net change to fund balance - total governmental funds \$ 1,364,031

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	\$ 8,731,794	
Less: current year depreciation	(13,818,029)	(5,086,235)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	219,538
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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	(94,614)
Change in OPEB liability	(3,055,964)
Change in net pension liability and related deferred inflows/outflows	1,558,039
Change in interest payable	14,811
Change in claims liability	(85,304)

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

Contract payable	141,486	
Bonds payable/certificates of participation	1,385,000	1,526,486

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.

924,745

Change in net position of governmental activities	\$ (2,714,467)
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The accompanying notes are an integral part of these financial statements.

**COUNTY OF TRINITY**

Statement of Net Position  
Proprietary Funds  
June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 1,290,053	\$ 29,920	\$ 1,319,973	\$ 4,209,277
Imprest cash	1,850	--	1,850	--
Accounts receivable	22,388	720	23,108	--
Due from other governments	--	186,710	186,710	--
Interest receivable	1,037	569	1,606	4,045
Prepays	7,327	--	7,327	95
Total Current Assets	<u>1,322,655</u>	<u>217,919</u>	<u>1,540,574</u>	<u>4,213,417</u>
Noncurrent Assets:				
Capital assets:				
Non-depreciable	6,000	249,968	255,968	--
Depreciable, net	1,402,161	533,087	1,935,248	369,894
Total Noncurrent Assets	<u>1,408,161</u>	<u>783,055</u>	<u>2,191,216</u>	<u>369,894</u>
Total Assets	<u>2,730,816</u>	<u>1,000,974</u>	<u>3,731,790</u>	<u>4,583,311</u>
<u>Deferred Outflows of Resources</u>				
Deferred pension	<u>229,166</u>	<u>60,814</u>	<u>289,980</u>	<u>--</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	81,558	15,643	97,201	161,286
Salaries and benefits payable	1,577	783	2,360	--
Interest payable	1,259	--	1,259	--
Other current liabilities	1,624	--	1,624	--
Unearned revenue	654,805	89,369	744,174	--
Capital leases	73,961	--	73,961	--
Compensated absences	34,407	6,574	40,981	--
Total Current Liabilities	<u>849,191</u>	<u>112,369</u>	<u>961,560</u>	<u>161,286</u>
Noncurrent Liabilities:				
Capital leases	372,843	--	372,843	--
Compensated absences	17,203	3,287	20,490	--
Liability for landfill closure	4,792,960	--	4,792,960	--
Net OPEB obligation	1,721,150	294,436	2,015,586	--
Net pension liability	2,231,523	620,311	2,851,834	--
Total Noncurrent Liabilities	<u>9,135,679</u>	<u>918,034</u>	<u>10,053,713</u>	<u>--</u>
Total Liabilities	<u>9,984,870</u>	<u>1,030,403</u>	<u>11,015,273</u>	<u>161,286</u>
<u>Deferred Inflows of Resources</u>				
Deferred pension	<u>151,972</u>	<u>51,540</u>	<u>203,512</u>	<u>--</u>
<u>Net Position</u>				
Net investment in capital assets	961,357	783,055	1,744,412	369,894
Unrestricted	(8,138,217)	(803,210)	(8,941,427)	4,052,131
Total Net Position	<u>\$ (7,176,860)</u>	<u>\$ (20,155)</u>	<u>\$ (7,197,015)</u>	<u>\$ 4,422,025</u>

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

**COUNTY OF TRINITY**

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:				
Charges for services	\$ 2,691,340	\$ 106,043	\$ 2,797,383	\$ 3,171,604
Other revenue	2,360	899	3,259	--
Total Operating Revenues	<u>2,693,700</u>	<u>106,942</u>	<u>2,800,642</u>	<u>3,171,604</u>
Operating Expenses:				
Salaries and benefits	1,602,924	342,205	1,945,129	--
Services and supplies	1,174,372	347,290	1,521,662	2,246,126
Depreciation and amortization	136,682	122,519	259,201	69,441
Closure and postclosure costs	33,429	--	33,429	--
Total Operating Expenses	<u>2,947,407</u>	<u>812,014</u>	<u>3,759,421</u>	<u>2,315,567</u>
Operating Income (Loss)	<u>(253,707)</u>	<u>(705,072)</u>	<u>(958,779)</u>	<u>856,037</u>
Nonoperating Revenue (Expenses):				
Investment earnings	16,727	1,859	18,586	11,526
Taxes	146,531	--	146,531	--
Intergovernmental	20,000	865,256	885,256	1,226
Gain (loss) on disposal of capital assets	--	4,020	4,020	824
Interest expense	(16,221)	--	(16,221)	--
Total Nonoperating Revenue (Expenses)	<u>167,037</u>	<u>871,135</u>	<u>1,038,172</u>	<u>13,576</u>
Income (Loss) Before Transfers	(86,670)	166,063	79,393	869,613
Transfers in	133	449,988	450,121	55,132
Transfers out	<u>(104,405)</u>	<u>(343,552)</u>	<u>(447,957)</u>	<u>--</u>
Change in Net Position	(190,942)	272,499	81,557	924,745
Net Position - Beginning of Year	<u>(6,985,918)</u>	<u>(292,654)</u>	<u>(7,278,572)</u>	<u>3,497,280</u>
Net Position - End of Year	<u>\$ (7,176,860)</u>	<u>\$ (20,155)</u>	<u>\$ (7,197,015)</u>	<u>\$ 4,422,025</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, 2016

	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>Cash Flows from Operating Activities:</b>				
Cash receipts from customers and users	\$ 2,788,901	\$ 40,160	\$ 2,829,061	\$ --
Receipts from interfund services provided	--	--	--	3,201,343
Cash paid to suppliers	(1,177,669)	(350,117)	(1,527,786)	(2,098,081)
Cash paid to employees	(1,461,001)	(308,340)	(1,769,341)	--
Net Cash Provided (Used) by Operating Activities	<u>150,231</u>	<u>(618,297)</u>	<u>(468,066)</u>	<u>1,103,262</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Aid from other governmental agencies	20,000	1,083,469	1,103,469	1,226
Taxes	146,531	--	146,531	--
Interfund loans	--	(17)	(17)	--
Transfers in	--	--	--	55,132
Transfers out	(104,405)	(343,552)	(447,957)	--
Net Cash Provided (Used) by Noncapital Financing Activities	<u>62,126</u>	<u>739,900</u>	<u>802,026</u>	<u>56,358</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase of capital assets	--	(366,536)	(366,536)	(283,378)
Principal payments on debt	(71,505)	--	(71,505)	--
Interest payments	(16,422)	--	(16,422)	--
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(87,927)</u>	<u>(366,536)</u>	<u>(454,463)</u>	<u>(283,378)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest received (paid)	16,207	1,619	17,826	9,194
Net Cash Provided (Used) by Investing Activities	<u>16,207</u>	<u>1,619</u>	<u>17,826</u>	<u>9,194</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	140,637	(243,314)	(102,677)	885,436
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,151,266</u>	<u>273,234</u>	<u>1,424,500</u>	<u>3,323,841</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,291,903</u>	<u>\$ 29,920</u>	<u>\$ 1,321,823</u>	<u>\$ 4,209,277</u>
<b>Financial statement presentation:</b>				
Cash and investments	\$ 1,290,053	\$ 29,920	\$ 1,319,973	\$ 4,209,277
Imprest cash	1,850	--	1,850	--
Cash and cash equivalents, end of year	<u>\$ 1,291,903</u>	<u>\$ 29,920</u>	<u>\$ 1,321,823</u>	<u>\$ 4,209,277</u>

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, 2016

	Solid Waste	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Reconciliation of Operating Income (Loss) to Net Cash                  Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (253,707)	\$ (705,072)	\$ (958,779)	\$ 856,037
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	136,682	122,519	259,201	69,441
Changes in assets, liabilities and deferred outflows/inflows:				
Decrease (increase) in:				
Accounts receivable	32,546	(66,782)	(34,236)	29,739
Deferred outflows - pension	(50,354)	(10,577)	(60,931)	--
Increase (decrease) in:				
Accounts payable and other liabilities	(3,297)	(2,827)	(6,124)	148,045
Salaries and benefits payable	(4,325)	783	(3,542)	--
Unearned revenue	62,655	--	62,655	--
Deferred inflows - pension	(124,763)	(26,207)	(150,970)	--
Compensated absences payable	(5,501)	(507)	(6,008)	--
Net OPEB obligation	233,473	50,755	284,228	--
Net pension liability	93,393	19,618	113,011	--
Closure/post closure liability	33,429	--	33,429	--
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 150,231</u>	<u>\$ (618,297)</u>	<u>\$ (468,066)</u>	<u>\$ 1,103,262</u>

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

**COUNTY OF TRINITY**

Statement of Fiduciary Net Position  
June 30, 2016

	Investment Trust Fund	Agency Funds
	<hr/>	<hr/>
<u>Assets</u>		
Pooled cash and investments	\$ 19,600,492	\$ 4,655,491
Property taxes receivable	--	2,317,197
Interest receivable	22,290	5,454
	<hr/>	<hr/>
Total Assets	19,622,782	6,978,142
	<hr/>	<hr/>
<u>Liabilities</u>		
Agency funds held for others	--	6,978,142
	<hr/>	<hr/>
Total Liabilities	--	6,978,142
	<hr/>	<hr/>
<u>Net Position</u>		
Net position held in trust for investment pool participants	19,622,782	--
	<hr/>	<hr/>
Total Net Position	\$ 19,622,782	\$ --
	<hr/> <hr/>	<hr/> <hr/>

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

**COUNTY OF TRINITY**

Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2016

	<u>Investment Trust Fund</u>
<u>Additions</u>	
Contributions to pooled investments	\$ 12,027,500
Investment income	<u>62,947</u>
Total Additions	<u>12,090,447</u>
<u>Deductions</u>	
Distributions from pooled investments	<u>11,044,188</u>
Total Deductions	<u>11,044,188</u>
Change in Net Position	1,046,259
Net Position - Beginning of Year	<u>18,576,523</u>
Net Position - End of Year	<u><u>\$ 19,622,782</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, 2016

#### 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 (GASB) Statement No. 14, as amended by GASB Statement No. 61.

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, as amended by GASB Statement No. 61. 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 financial benefit or burden relationship between the primary government and the component unit.
- 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 Transportation Commission

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### A. Description of the Reporting Entity (continued)

The above component units are legally separate entities which are governed by the County's Board of Supervisors and operations are managed by the County; 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 may be obtained by contacting the County.

*Discretely Presented Component Unit* – Trinity County Waterworks District No. 1, is presented as a discretely presented component unit. The District is administered by a governing board of five members, who are appointed by the Board. Its purpose is to provide water, sewer and irrigation water services to consumers in Hayfork, California. The District is presented as a discretely presented component unit of the County because, although the County Board has no control over the revenues, budgets, staff, or funding decisions made by the District, the appointed District members serve at the will of the Board members who appoint them. A separate stand-alone report can be obtained by writing the Trinity County Waterworks District No. 1, P.O. Box 217, Hayfork, CA 96041. This report includes the financial statements of the District as of and for the year then ended June 30, 2016.

##### B. Basis of Presentation

###### *Government-Wide Financial Statements*

The statement of net position and statement of activities display information about the primary government (the County) and its 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. Interfund services provided and used are not eliminated in the process of consolidation. 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.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### B. Basis of Presentation (continued)

###### *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.
- The *Road Fund* is used to account for the planning, design, construction, maintenance and administration of the County's roads and infrastructure. Major sources of revenues include federal and state grants and charges for services, such as snow plowing.
- The *Human Services Fund* accounts for a variety of health and social services programs. Major sources of revenues include various federal and state grants.
- The *HOME/CDBG Programs Fund* is used to account for all of the County's federal and state HOME Grant and Community Development Block Grant (CDBG) loans. Major sources of revenues include federal and state grants for CDBG and HOME programs.

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.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### B. Basis of Presentation (continued)

##### *Fund Financial Statements (continued)*

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, 2016

#### 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.

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.

##### E. 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.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### E. Capital Assets (continued)

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.

##### F. 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.

##### 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".

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 and are not eliminated in the process of consolidation to the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.



## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### H. 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.

##### I. Deferred Inflows/Outflows of Resources

Pursuant to GASB Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"* and GASB Statement No. 65, *"Items Previously Reported as Assets and Liabilities,"* and in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County recognized deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet and related to pensions in its proprietary and government-wide statements. The governmental funds report unavailable revenues from property taxes, intergovernmental revenues from the federal and State governments, and other sources as appropriate. These amounts are deferred and recognized as revenues in the period the amounts become available.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report revenues not susceptible to accrual as deferred inflows of resources.

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

##### J. 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.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### K. 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.

##### L. New Accounting Pronouncements – Current year

###### Governmental Accounting Standards Board Statement No. 72

GASB Statement No. 72, *Fair Value Measurement and Application*, is effective for periods beginning after June 15, 2015. The principal objective of this statement is to provide guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

###### Governmental Accounting Standards Board Statement No. 73

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement No. 67 and No. 68*, is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for financial statement periods beginning after June 15, 2016. The principal objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.

###### Governmental Accounting Standards Board Statement No. 74

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, is effective for periods beginning after June 15, 2016. The principal objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### L. New Accounting Pronouncements – Current year (continued)

###### Governmental Accounting Standards Board Statement No. 76

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*, is effective for periods beginning after June 15, 2015. The principal objective of this statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

###### Governmental Accounting Standards Board Statement No. 79

GASB Statement No. 79, *Certain External Investment Pools*, is effective for periods beginning after June 15, 2015. The principal objective of this statement addresses accounting and financial reporting for certain external investment pools and pool participants by establishing criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

##### M. New Accounting Pronouncements – Future Years

###### Governmental Accounting Standards Board Statement No. 75

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*, is effective for periods beginning after June 15, 2017. The principal objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

###### Governmental Accounting Standards Board Statement No. 77

GASB Statement No. 77, *Tax Abatement Disclosures*, is effective for periods beginning after December 15, 2015. The principal objective of this statement is to assist the users of the financial statements in assessing whether a government’s current year revenues were sufficient to pay current year services; whether a government complied with finance-related legal and contractual obligations; where a government’s financial resources come from and how it uses them; and a government’s financial position and economic condition and how they have changed over time.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### M. New Accounting Pronouncements – Future Years (continued)

###### Governmental Accounting Standards Board Statement No. 78

GASB Statement No. 78, *Blending Requirements for Certain Component Units*, is effective for periods beginning after December 15, 2015. The principal objective of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

###### Governmental Accounting Standards Board Statement No. 80

GASB Statement No. 80, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, is effective for periods beginning after June 15, 2016. The principal objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

###### Governmental Accounting Standards Board Statement No. 81

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, is effective for periods beginning after December 15, 2016. The principal objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

###### Governmental Accounting Standards Board Statement No. 82

GASB Statement No. 82, *Pension Issues*, is effective for periods beginning after June 15, 2016. The principal objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### M. New Accounting Pronouncements – Future Years (continued)

###### Governmental Accounting Standards Board Statement No. 83

GASB Statement No. 83, *Certain Asset Retirement Obligations*, is effective for periods beginning after June 15, 2018. The principal objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

##### N. Pensions

In government-wide financial statements and proprietary fund financial statements, retirement plans are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expenses or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

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

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year recognition period.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### 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.

At June 30, 2016, the difference between cost and fair values was not material. Therefore, an adjustment to fair value was not made (fair value was 99.27% of carrying 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, 2016

NOTE 2 – CASH AND INVESTMENTS (continued)

At June 30, 2016, total County cash and investments were as follows:

	<u>Cash and Investments</u>	<u>In Treasurer's Pool</u>
<i>Cash:</i>		
Cash on hand	\$ 25,095	\$ 25,095
Deposits	3,070,240	3,070,240
Outstanding warrants	(427,942)	(427,942)
Imprest cash	47,924	-
Total Cash	<u>2,715,317</u>	<u>2,667,393</u>
 <i>Investments:</i>		
In treasurer's pool	42,239,934	42,239,934
With fiscal agent	464,170	-
Total Investments	<u>42,704,104</u>	<u>42,239,934</u>
 Total Cash and Investments	 <u>\$ 45,419,421</u>	 <u>\$ 44,907,327</u>

Total cash and investments at June 30, 2016 were presented on the County's financial statements as follows:

	<u>Cash and Investments</u>	<u>In Treasurer's Pool</u>
Primary Government		
Governmental Activities		
Cash and investments in pool	\$ 19,331,371	\$ 19,331,371
Restricted cash with fiscal agent	464,170	-
Imprest cash	46,074	-
Business-type activities		
Cash and investments in pool	1,319,973	1,319,973
Imprest cash	1,850	-
Investment trust funds	19,600,492	19,600,492
Agency Funds	4,655,491	4,655,491
Total Cash and Investments	<u>\$ 45,419,421</u>	<u>\$ 44,907,327</u>

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.

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments (continued)

<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, 2016, 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>
<b>Investments in Investment Pool</b>						
Local Agency Investment Fund (LAIF)	Variable	On Demand	\$ 33,589,000	\$ 33,589,000	\$ 33,609,866	0.46
US Treasuries	0.625%	11/15/2016	500,000	500,000	500,490	0.38
Federal Home Loan Mortgage Company	1.000%	9/28/2017	500,000	499,500	502,390	1.24
Federal Home Loan Mortgage Company	1.250%	8/1/2019	500,000	501,870	506,135	3.09
Federal Home Loan Bank	1.250%	6/8/2018	500,000	499,070	505,645	1.94
Federal Home Loan Bank	1.875%	3/13/2020	500,000	511,379	515,605	3.70
Federal National Mortgage Association	0.875%	10/26/2017	500,000	497,565	501,740	1.32
Federal Farm Credit Bank	1.600%	9/5/2018	500,000	507,000	509,275	2.18
Federal National Mortgage Association	1.875%	2/19/2019	500,000	506,625	513,835	2.64
Federal National Mortgage Association	1.266%	7/20/2018	500,000	498,235	504,400	2.06
Capital Bank Inc	1.000%	10/24/2016	248,000	248,000	248,289	0.32
Sallie Mae Bank	1.500%	10/23/2017	248,000	248,000	249,343	1.31
Ally Bank	1.150%	4/24/2017	248,000	248,000	248,223	0.82
Money Market Mutual Funds	Variable	On Demand	3,385,690	3,385,690	3,012,752	-
Total			<u>\$ 42,218,690</u>	<u>42,239,934</u>	<u>41,927,988</u>	
<b>Investments outside Investment Pool</b>						
<i>Investments with Fiscal Agents</i>						
Money Market Funds	Variable	On Demand	<u>\$ 464,170</u>	<u>464,170</u>	<u>464,170</u>	-
<b>Total Cost</b>				<u>\$ 42,704,104</u>		
<b>Total Fair Value</b>					<u>\$ 42,392,158</u>	
<b>% Fair Value to Cost</b>					<u>99.27%</u>	



**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 2 – CASH AND INVESTMENTS (continued)

Fair Value Measurements

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

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

Investments By Fair Value Level	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal Agency Issues - Coupon	\$ 4,059,025	\$ 4,059,025	\$ -	\$ -
Negotiable CDs	745,855	745,855	-	-
U.S. Treasury Notes	500,490	500,490	-	-
Money Market Mutual Funds	3,476,922	3,476,922	-	-
Total Investments Measured at Fair Value	8,782,292	\$ 8,782,292	\$ -	\$ -
Investments Measured at Amortized Cost:				
Local Agency Investment Fund	33,609,866			
Total Investments	\$ 42,392,158			

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 A-1 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, 2016, 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.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 2 – CASH AND INVESTMENTS (continued)

##### Concentration of Credit Risk (continued)

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, 2016:

<u>Investment Type</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
Local Agency Investment Fund (LAIF)	Unrated	Unrated	79.52%
Certificates of Deposit	Unrated	Unrated	1.76%
Federal Agencies	AA+	Aaa	9.52%
US Treasuries	AA+	Aaa	1.18%
Natixis Advisor funds	Unrated	Unrated	4.73%
Franklin Mutual Funds	Unrated	Unrated	3.28%
			<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.

##### 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, 2016, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$33,609,866, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$75,368,904,612. Of that amount, 1.55% was invested in structured notes and asset-backed securities with the remaining 1.26% invested in other non-derivative financial products.

At June 30, 2016 the difference between the cost and fair value of cash and investments was not material (fair value was 99.27% of carrying value). Therefore, an adjustment to fair value was not recorded. 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.

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 2 – CASH AND INVESTMENTS (continued)

Restricted Cash and Investments

Cash held with fiscal agents in the Debt Service Fund is restricted for debt service.

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2016:

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

Net assets held for pool participants	<u>\$ 44,907,327</u>
Equity of internal pool participants	25,306,835
Equity of external pool participants	<u>19,600,492</u>
Total Net Assets	<u>\$ 44,907,327</u>

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

Net investment earnings	\$ 295,135
Net contributions (withdrawals) from pool participants	<u>977,703</u>
Increase in Net Assets	1,272,838
Net Assets in the Treasurer's Pool at June 30, 2015	<u>43,634,489</u>
Net Assets in the Treasurer's Pool at June 30, 2016	<u>\$ 44,907,327</u>

**Reconciliation to Financial Statement Amounts**

Net Assets in the Treasurer's Pool at June 30, 2016	<u>\$ 44,907,327</u>
Governmental activities cash and investments in the treasurer's pool	19,331,371
Business-type activities cash and investments in the treasurer's pool	1,319,973
Business-type activities restricted cash in the treasurer's pool	
Agency funds cash and investments in the treasurer's pool	4,655,491
Investment trust funds cash and investments in the treasurer's pool	<u>19,600,492</u>
Total Cash and Investments in Treasurer's Pool per Financial Statements	<u>\$ 44,907,327</u>

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

**NOTE 3 – LINE OF CREDIT PAYABLE**

On July 21, 2015, 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 4, 2015 in anticipation of collection of taxes and other revenues to be received during the fiscal year ended June 30, 2016. The loan was repaid with taxes and other revenues in the amounts of \$1,000,000 on December 21, 2015 and \$2,000,000 on April 6, 2016. Total interest paid was \$52,039.

Line of credit payable activity for the year ended June 30, 2016 was as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>
Line of credit payable	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -

**NOTE 4 – INTERFUND TRANSACTIONS**

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General Fund	\$ 3,562,857	\$ 4,672,170
Road Fund	1,583,948	-
Human Services	239,383	80,173
CDBG & HOME Programs	276,702	674,027
Non-major Governmental Funds	524,779	761,299
Total	<u>\$ 6,187,669</u>	<u>\$ 6,187,669</u>

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, 2016 is as follows:

**Advances:**

<u>Advance From</u>	<u>Advance To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Non Major Governmental Fund	\$ 249,495	Prior Year Seed Funding
		<u>249,495</u>	
Non Major Governmental Fund	General Fund	28,238	Prior Year Seed Funding
Non Major Governmental Fund	Non Major Governmental Fund	762	Prior Year Seed Funding
		<u>29,000</u>	
Total Advances From/To		<u>278,495</u>	

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

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	\$ 54,684	Budget transfer
	Non-Major Governmental Funds	522,000	Capital projects
	Non-Major Governmental Funds	603,836	Pension bonds
	Non-Major Governmental Funds	673,303	Debt service payments
	Non-Major Governmental Funds	98,266	Capital projects
	Non-Major Governmental Funds	75,304	Budget transfer
	Non-Major Governmental Funds	50,930	Realignment
	Non-Major Governmental Funds	10,486	Various
		<u>2,088,809</u>	
Road	Non-Major Governmental Funds	186,114	Pension bonds
Human Services	Non-Major Governmental Funds	267,822	Pension bonds
Non-Major Governmental Funds	General Fund	3,533,165	Realignment
	General Fund	56,968	Various
	Road Fund	30,540	Roads
	Human Services Fund	3,754,349	Realignment
	Internal Service Fund	55,132	Equipment
	Non-Major Governmental Funds	292,662	Debt service
	Non-Major Governmental Funds	2,255,604	MHSA
	Non-Major Governmental Funds	224,649	Pension bonds
	Non-Major Governmental Funds	1,378,311	Realignment
	Non-Major Governmental Funds	72,045	LTF/STA Funds
	Non-Major Governmental Funds	68,307	Various
		<u>11,721,732</u>	
Subtotal Transfers		<u>\$ 14,264,477</u>	

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 4 – INTERFUND TRANSACTIONS (continued)

**Between Governmental and Business-Type Activities:**

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Solid Waste	\$ 133	Equipment
	Non-Major Enterprise Funds	<u>7,993</u>	Equipment
		<u>8,126</u>	
Solid Waste	Non-Major Governmental Funds	104,405	Debt service payments
		<u>104,405</u>	
Non-Major Governmental Funds	Non-Major Enterprise Funds	30,000	Transportation
	Non-Major Enterprise Funds	<u>411,995</u>	LTF/STA Funds
		<u>441,995</u>	
Non-Major Enterprise Funds	Non-Major Governmental Funds	22,697	Debt service payments
	Non-Major Governmental Funds	<u>320,855</u>	LTF/STA Funds
		<u>343,552</u>	
Subtotal Transfers		<u>898,078</u>	
Total Transfers In/Out		<u>\$ 15,162,555</u>	

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2016
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 1,193,657	\$ -	\$ -	\$ -	\$ 1,193,657
Construction in progress	15,169,689	8,975,579	-	(406,547)	23,738,721
Total capital assets not being depreciated	<u>16,363,346</u>	<u>8,975,579</u>	<u>-</u>	<u>(406,547)</u>	<u>24,932,378</u>
Capital assets being depreciated:					
Infrastructure	261,365,764	-	(1,280,256)	347,312	260,432,820
Structures and improvements	22,453,561	46,718	-	-	22,500,279
Equipment	12,095,894	744,716	(582,511)	67,962	12,326,061
Total capital assets being depreciated	<u>295,915,219</u>	<u>791,434</u>	<u>(1,862,767)</u>	<u>415,274</u>	<u>295,259,160</u>
Less accumulated depreciation for:					
Infrastructure	(143,028,174)	(13,018,024)	832,166	691,730	(154,522,302)
Structures and improvements	(16,732,656)	(195,441)	-	(1,040,464)	(17,968,561)
Equipment	(9,957,810)	(674,006)	579,293	40,299	(10,012,224)
Total accumulated depreciation	<u>(169,718,640)</u>	<u>(13,887,471)</u>	<u>1,411,459</u>	<u>(308,435)</u>	<u>(182,503,087)</u>
Total capital assets being depreciated net	<u>126,196,579</u>	<u>(13,096,037)</u>	<u>(451,308)</u>	<u>106,839</u>	<u>112,756,073</u>
Governmental Activities Capital Assets Net	<u>\$ 142,559,925</u>	<u>\$ (4,120,458)</u>	<u>\$ (451,308)</u>	<u>\$ (299,708)</u>	<u>\$ 137,688,451</u>
<b>Business-Type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 30,616	\$ 211,200	\$ -	\$ -	\$ 241,816
Construction in progress	14,101	51	-	-	14,152
Total capital assets not being depreciated	<u>44,717</u>	<u>211,251</u>	<u>-</u>	<u>-</u>	<u>255,968</u>
Capital assets being depreciated:					
Infrastructure	-	-	-	18,292	18,292
Structures and improvements	1,523,513	-	-	(32,601)	1,490,912
Equipment	3,142,002	173,746	(94,918)	-	3,220,830
Total capital assets being depreciated	<u>4,665,515</u>	<u>173,746</u>	<u>(94,918)</u>	<u>(14,309)</u>	<u>4,730,034</u>
Less accumulated depreciation for:					
Infrastructure	-	(1,581)	-	(2,439)	(4,020)
Structures and improvements	(430,863)	(30,332)	-	2,439	(458,756)
Equipment	(2,199,640)	(227,288)	94,918	-	(2,332,010)
Total accumulated depreciation	<u>(2,630,503)</u>	<u>(259,201)</u>	<u>94,918</u>	<u>-</u>	<u>(2,794,786)</u>
Total capital assets being depreciated net	<u>2,035,012</u>	<u>(85,455)</u>	<u>-</u>	<u>(14,309)</u>	<u>1,935,248</u>
Business-Type Activities Capital Assets Net	<u>\$ 2,079,729</u>	<u>\$ 125,796</u>	<u>\$ -</u>	<u>\$ (14,309)</u>	<u>\$ 2,191,216</u>

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 5 – CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

	<u>Depreciation</u>
Governmental Activities	
General government	\$ 113,491
Public protection	314,539
Health and sanitation	13,674
Public ways and facilities	13,373,648
Public assistance	45,760
Education	26,359
Total Depreciation Governmental Activities	<u>\$ 13,887,471</u>
Business-Type Activities	
Transit	\$ 122,519
Solid Waste	136,682
Total Depreciation Business-Type Activities	<u>\$ 259,201</u>

NOTE 6 – LONG-TERM LIABILITIES

Long-term debt at June 30, 2016 consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2016</u>
Governmental Activities:						
Pension Obligation Bonds - 1998 issue to refund the County's obligations to PERS	1998	2017	5.90%-6.60%	\$40,000-\$1,315,000	9,140,000	1,315,000
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>3,490,000</u>
Total Governmental Activities					<u>\$ 13,700,000</u>	<u>\$ 4,805,000</u>



**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 6 – LONG-TERM LIABILITIES (continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2016:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
<b>Governmental Activities</b>					
Pension Obligation Bonds - 1998 issue	\$ 2,485,000	\$ -	\$ 1,170,000	\$ 1,315,000	\$ 1,315,000
Certificate of Participation - 2005 issue	3,705,000	-	215,000	3,490,000	235,000
Compensated Absences	962,147	1,263,860	1,169,246	1,056,761	704,508
Liability for Self-Insurance	1,593,095	85,304	-	1,678,399	250,000
Contract Payable	1,101,460	-	141,486	959,974	150,000
Net OPEB Obligation	<u>18,586,011</u>	<u>3,055,964</u>	<u>-</u>	<u>21,641,975</u>	<u>-</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 28,432,713</u>	<u>\$ 4,405,128</u>	<u>\$ 2,695,732</u>	<u>\$ 30,142,109</u>	<u>\$ 2,654,508</u>
<b>Business-Type Activities</b>					
Transit Fund					
Compensated Absences	\$ 10,368	\$ 19,075	\$ 19,582	\$ 9,861	\$ 6,574
Net OPEB Obligation	243,681	50,755	-	294,436	-
Solid Waste Fund					
Capital Lease	518,309	-	71,505	446,804	73,961
Compensated Absences	57,111	125,470	130,971	51,610	34,407
Net OPEB Obligation	<u>1,487,677</u>	<u>233,473</u>	<u>-</u>	<u>1,721,150</u>	<u>-</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 2,317,146</u>	<u>\$ 428,773</u>	<u>\$ 222,058</u>	<u>\$ 2,523,861</u>	<u>\$ 114,942</u>

As of June 30, 2016, 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
2017	\$ 235,000	\$ 296,650	\$ 1,315,000	\$ 86,790
2018	255,000	276,675	-	-
2019	275,000	255,000	-	-
2020	300,000	231,625	-	-
2021	325,000	206,125	-	-
2022-2026	<u>2,100,000</u>	<u>564,400</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,490,000</u>	<u>\$ 1,830,475</u>	<u>\$ 1,315,000</u>	<u>\$ 86,790</u>

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. Claims and judgments will be paid from the County's General Fund. Compensated absences liabilities will be paid by each County department and fund as those absences are taken by its employees or paid out.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 6 – LONG-TERM LIABILITIES (continued)

##### 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, 2016, the outstanding principal amount of the 2005 COPs was \$3,490,000.

##### 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, 2016, the outstanding principal amount of the 1998 POBs was \$1,315,000.

##### 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, 2016 the County owes \$959,974 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.

##### 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.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 6 – LONG-TERM LIABILITIES (continued)

##### Hospital District Operations (continued)

##### *Status of Accumulated Hospital Fund Operating Deficit (continued)*

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, 2016 the total accumulated operational deficit attributable to the old Hospital Fund was \$7,711,558.

#### 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 \$4,792,960 for fiscal year 2016, and was based on approximately 100.00% usage (filled) of the landfill. The estimated total current cost of the landfill closure and post-closure maintenance costs of \$4,792,960 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.

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 \$656,666.

A water release corrective action cost estimate of \$925,490 for groundwater extraction and treatment system was developed in 2008 based on the assumption that discharges of leachate or volatile organic compounds to the groundwater is reasonably foreseeable. While a cost study has been developed for potential discharges in the future, the outcome cannot be predicted with certainty. Because of the uncertainty of whether the County will ever incur these costs, a liability has not been accrued.

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 8 – LEASES

Capital Leases

The County has entered into certain capital lease arrangements under which the related equipment will become the property of the County when all terms of the lease agreement are fulfilled. The following is a schedule of minimum capital lease payments, payable from the Solid Waste Fund as of June 30, 2016:

Fiscal Year Ending June 30	Business-type Activities
2017	\$ 87,927
2018	87,927
2019	87,927
2020	87,927
2021	87,927
2022	51,293
Total minimum lease payments	490,928
Less: Amount representing interest	(44,124)
Net present value of capital lease payments	<u>\$ 446,804</u>

Equipment and related accumulated amortization under capital leases for business-type activities is as follows:

Equipment	\$ 540,004
Less: accumulated depreciation	(96,429)
Net Value	<u>\$ 443,575</u>

Amortization of equipment under capital leases is included with depreciation expense.

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
2017	\$ 334,429
2018	338,117
2019	343,754
2020	320,146
2021	326,446
2022-2023	189,165
Total	<u>\$ 1,852,057</u>

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 8 – LEASES (continued)

##### Operating Leases (continued)

Rent expenditures were \$389,167 for the fiscal year ended June 30, 2016.

#### NOTE 9 – NET POSITION/FUND BALANCES

##### Net Position

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

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

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

##### 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.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 9 – NET POSITION/FUND BALANCES (continued)

##### Fund Balances (continued)

- 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 the Board of Supervisors that do not meet the criteria to be classified as restricted or committed. In the General Fund, the assigned fund balance represents Board of Supervisors' 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, 2016

NOTE 9 – NET POSITION/FUND BALANCES (continued)

Fund Balances (continued)

A detailed schedule of fund balances as of June 30, 2016 is as follows:

	General Fund	Road Fund	Human Services	HOME Grants	Other Governmental	Total
<b>Fund Balances:</b>						
Non-spendable:						
Prepays	5,935	-	611	-	-	6,546
Advances	249,495	-	-	-	-	249,495
Inventory	-	841,725	-	-	-	841,725
Total Non-spendable	<u>255,430</u>	<u>841,725</u>	<u>611</u>	<u>-</u>	<u>-</u>	<u>1,097,766</u>
Restricted:						
General government	-	-	-	-	547,076	547,076
Public protection	-	-	-	-	1,341,139	1,341,139
Public ways and facilities	-	-	-	-	1,448,181	1,448,181
Health and sanitation	-	-	-	-	2,046,854	2,046,854
Public assistance	-	-	-	-	359,650	359,650
Road repairs	-	6,544,953	-	-	-	6,544,953
Human services	-	-	217,754	-	-	217,754
Mental health programs	-	-	-	-	165,333	165,333
Fish and game preservation	-	-	-	-	18,600	18,600
Tobacco programs	-	-	-	-	60,890	60,890
Improvement loan programs	-	-	-	4,263,532	-	4,263,532
Transportation programs	-	-	-	-	157,651	157,651
Non-transit programs	-	-	-	-	12,240	12,240
Lighting district programs	-	-	-	-	335,747	335,747
Mental Health Services Act	-	-	-	-	1,198,989	1,198,989
Realignment - health services	-	-	-	-	221,019	221,019
Total Restricted	<u>-</u>	<u>6,544,953</u>	<u>217,754</u>	<u>4,263,532</u>	<u>7,913,369</u>	<u>18,939,608</u>
Assigned to:						
Capital projects	-	-	-	-	115	115
Capital projects - jail	-	-	-	-	449,605	449,605
Transportation programs	-	-	-	-	3,893	3,893
Debt service	-	-	-	-	1,766,842	1,766,842
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,220,455</u>	<u>2,220,455</u>
Unassigned:	1,025,260	-	-	-	(194,329)	830,931
<b>Total Fund Balance</b>	<b><u>1,280,690</u></b>	<b><u>7,386,678</u></b>	<b><u>218,365</u></b>	<b><u>4,263,532</u></b>	<b><u>9,939,495</u></b>	<b><u>23,088,760</u></b>

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 10 – DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balances/deficit net position at June 30, 2016:

Non-Major Governmental Funds:	
Emergency services	\$ 103,874
Disaster recovery Initiative	68,617
CDC PHEP	21,838
Total Non-Major Governmental Funds	<u>\$ 194,329</u>
Major Proprietary Fund:	
Solid Waste	\$ 7,176,860
Total Major Proprietary Funds	<u>\$ 7,176,860</u>
Non-Major Proprietary Funds:	
Transit fund	\$ 74,825
Total Non-Major Proprietary Funds	<u>\$ 74,825</u>

These deficits are expected to be eliminated through receipts of grants, charges for services or transfers from the General Fund over time.

NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS)

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the County's Safety (sheriff and certain district attorney members) or Miscellaneous (all others) Plans. The County's Safety Plan is a cost-sharing multiple-employer defined benefit plan while the Miscellaneous Plan is an agent multiple-employer defined benefit pension plan. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (CalPERS), a public employee retirement system which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by State statute and County resolution. The County's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. The County selects optional benefit provisions by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues a separate comprehensive annual financial report; however, a separate report for the County's Safety and Miscellaneous Plans are not available. Copies of CalPERS annual financial reports which include required supplementary information (RSI) for each plan may be obtained from CalPERS Executive Offices, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.



## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS) (continued)

##### Benefits Provided

All pension plans provide benefits, upon retirement, disability or death of members. Retirement benefits are based on years of service, final average compensation, and retirement age. Employees terminating before accruing five years of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within a prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Differences between expected and actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are provided to safety members and are based on final compensation. Non-service related disability benefits are provided to both safety and miscellaneous members. The benefit is based on final compensation, multiplied by service, which is determined as follows:

- *Service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *Service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service.
- Death benefits are based upon a variety of factors including whether the participant was retired or not.
- Annual cost-of-living adjustments (COLAs) after retirement are provided in all plans. COLAs are granted to retired members each May based upon the Bureau of Labor Statistics Average Consumer Price Index for All Urban Consumers for the previous calendar year and is subject to a maximum of 2% per annum.

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

**NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS) (continued)**

**A. General Information about the Pension Plans (continued)**

**Benefits Provided (continued)**

The Plans' provisions and benefits in effect at June 30, 2016 are summarized below:

	Miscellaneous			
Hire Date	Prior to April 1997	Prior to Aug 2008	On or after January 2013	On or after January 2013 PEPPRA
Benefit formula	<a href="#">2%@60</a>	<a href="#">2%@55</a>	<a href="#">2%@55</a>	<a href="#">2%@62</a>
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-60	50-55	50-55	62
Monthly benefits, as % of eligible compensation	2%	2%	2%	2%
Required employee contribution rates	8%	8%	8%	6.25%
Required employer contribution rates	11.93%	17.90%	28.41%	28.41%
Status	Closed	Closed	Open	Open

	Safety			
Hire Date	Prior to April 1997	Prior to Aug 2008	On or after January 2013	On or after January 2013 PEPPRA
Benefit formula	<a href="#">2%@55</a>	<a href="#">3%@50</a>	<a href="#">3%@50</a>	<a href="#">2.7@57</a>
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50	50	57
Monthly benefits, as % of eligible compensation	2%	3%	3%	2.7%
Required employee contribution rates	9%	9%	9%	11.50%
Required employer contribution rates	13.87%	29.48%	42.77%	42.77%
Status	Closed	Closed	Open	Open

**Employees Covered**

At June 30, 2016, the following employees were covered by the benefit terms for the Miscellaneous Plan. The corresponding data is not available for employees included in the Safety Plan as the plan is a cost-sharing multiple-employer plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	324
Inactive employees entitled to but not yet receiving benefits	123
Active employees	241
<b>Total</b>	<b>688</b>

**Contributions**

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

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS) (continued)

B. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation date	June 30, 2014	June 30, 2014
Measurement date	June 30, 2015	June 30, 2015
Actuarial cost method	Entry-Age Normal	
Actuarial assumptions:		
Discount rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll growth	3.00%	3.00%
Projected salary increase	Varies by Entry Age and Service	
Investment rate of return	7.50% <sup>1</sup>	7.50%
Mortality	Derived using CalPERS' Membership Data for All Funds	

<sup>1</sup> Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS) (continued)

##### B. Net Pension Liability (continued)

##### Discount Rate (continued)

According to paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-2018 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until there is a change in methodology.

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

The long-term expected rate of return includes both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS)  
(continued)

B. Net Pension Liability (continued)

Discount Rate (continued)

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

<b>Asset Class</b>	Strategic Allocation %	Real Return Years 1-10 <sup>1</sup> %	Real Return Years 11+ <sup>2</sup> %
Global Equity	47.0	5.25	5.71
Global Fixed Income	19.0	0.99	2.43
Inflation Sensative	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

<sup>1</sup> An expected inflation rate of 2.5% used for this period

<sup>2</sup> An expected inflation rate of 3.0% used for this period

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS)  
(continued)

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the County's Miscellaneous Plan follows:

	Total Pension Liability	Increase (Decrease) Total Fiduciary Net Pension	Net Pension Liability (Asset)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance at June 30, 2014	\$ 88,490,360	\$ 55,228,318	\$ 33,262,042
Changes in the year:			
Service cost	1,450,482	-	1,450,482
Interest on total pension liability	6,354,145	-	6,354,145
Changes in benefit terms	-	-	-
Changes in assumptions	(1,407,442)	-	(1,407,442)
Differences between expected and actual experience	125,557	-	125,557
Plan to plan resource movement	-	(2,049)	2,049
Benefit payments, including refunds of employee contributions	(5,228,715)	(5,228,715)	-
Contributions from the employer	-	2,527,631	(2,527,631)
Contributions from employees	-	681,216	(681,216)
Net investment income	-	1,190,226	(1,190,226)
Administrative expenses	-	(59,608)	59,608
Other adjustments	(2,258,634)	(1,409,652)	(848,982)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net changes	(964,607)	(2,300,951)	1,336,344
Balance at June 30, 2015	<u>\$ 87,525,753</u>	<u>\$ 52,927,367</u>	<u>\$ 34,598,386</u>

The County's net pension liability for the Safety Plan was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all plan participants, actuarially determined. The County's net pension liability and related Plan proportion for the Safety Plan is as follows:

	Plan's Proportion to Total Pool @ June 30, 2014	Plan's Proportion to Total Pool @ June 30, 2015	Plan's Proportionate Share of Net Pension Liability
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Safety			
Tier I	0.23312%	0.25457%	\$ 9,302,377
Tier II	0.00000%	0.00982%	(791)
Total			<u>\$ 9,301,586</u>

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS)  
(continued)

C. Changes in the Net Pension Liability (continued)

Sensitivity of the Net Pension Liability to Change in the Discount Rate

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

	<u>Miscellaneous</u>		<u>Safety</u>
1% Decrease	6.65%		6.65%
Net Pension Liability	\$ 45,057,739	\$	17,467,025
Current Discount Rate	7.65%		7.65%
Net Pension Liability	\$ 34,598,386	\$	9,301,586
1% Increase	8.65%		8.65%
Net Pension Liability	\$ 25,853,542	\$	5,504,469

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2016, the County recognized pension expense was \$2,621,666. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual earnings on pension plan investments	\$	\$ 857,922
Difference between actual and expected experience	70,967	138,236
Change in proportion	200,918	479,860
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	244,533	
Change in assumptions		1,431,324
County contributions subsequent to the measurement date	<u>4,017,501</u>	
Total	<u>\$ 4,533,919</u>	<u>\$ 2,907,342</u>

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 11 – PUBLIC EMPLOYEE RETIREMENT SYSTEM (DEFINED BENEFIT PENSION PLANS)  
(continued)

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

The \$4,017,501 reported as deferred outflows of resources related to pensions results from County pension contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	Deferred Outflows/(Inflows) of resources
2017	\$ (1,477,761)
2018	(851,242)
2019	(546,823)
2020	484,902
Total	<u>\$ (2,390,924)</u>

NOTE 12 – 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, 2016, the County had on deposit \$390,078 in the PARS trust for payment of its OPEB liability. The County is charging each department their proportionate share of the pay-as-you-go costs for post-employment benefits. This charge funds the pay-as-you-go cost of about \$2.0 million annually. During the fiscal year 2015-16, 324 retirees received benefits at a cost of \$2,185,147.

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	Other Post Employment Benefits
2014	\$ 4,091	\$ 1,946	47.57%	\$ 17,599
2015	\$ 4,771	\$ 2,053	43.03%	\$ 20,317
2016	\$ 5,525	\$ 2,185	39.55%	\$ 23,658



**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 12 – POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

The status of the net OPEB obligation as of June 30, 2016 was as follows:

Annual required contribution	\$ 5,520,075
Interest on net OPEB-implicit subsidy obligation	812,695
Adjustment to annual required contribution	(807,432)
Annual OPEB-implicit subsidy cost	<u>5,525,338</u>
Contribution made	<u>2,185,147</u>
Increase in obligation	<u>3,340,191</u>
OPEB-implicit subsidy obligation - beginning of year	<u>20,317,370</u>
OPEB-implicit subsidy obligation - end of year	<u>\$ 23,657,561</u>

The funding status of the plan as of June 30, 2015 (the most recent actuarial valuation date) was as follows:

Actuarial value of plan assets	\$ 386,953
Unfunded actuarial accrued liability (UAAL)	\$ 62,658,772
Funded ratio (actuarial value of plan assets/AAL)	0.62%
Covered payroll (active plan members)	\$ 14,498,000
UAAL as a percentage of covered payroll	432.19%

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.

**COUNTY OF TRINITY**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2016

NOTE 12 – POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

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 3.00% 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 13 – 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 Fund (Trindel). 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 up to \$300,000 with excess coverage based on a 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 (CSAC-EIA). CSAC-EIA along with other commercial carriers increases the coverage for general liability to \$25.0 million. Also, CSAC-EIA, with other commercial carriers, covers replacement cost on property to \$600.0 million. CSAC-EIA, with other commercial carriers, covers medical malpractice with an excess insurance layer of coverage up to \$21,505,000.

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.

Changes in the balance of claims liability during the fiscal years ended June 30, 2016 and 2015 was as follows:

	<u>2016</u>	<u>2015</u>
Unpaid claims, Beginning	\$ 1,593,095	\$ 1,184,298
Incurred claims (including IBNRs) current year and adjustments	634,621	1,419,165
Claim payments	<u>(549,317)</u>	<u>(1,010,368)</u>
Unpaid claims, Ending	<u>\$ 1,678,399</u>	<u>\$ 1,593,095</u>

## COUNTY OF TRINITY

### Notes to the Basic Financial Statements For the Year Ended June 30, 2016

#### NOTE 14 – CONTINGENT LIABILITIES

*Federal Grant* – 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, 2016 the County's obligation to TPUD is \$959,974 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.

#### NOTE 15 – SUBSEQUENT EVENTS

On July 19, 2016, the County entered into a loan agreement with a financial institution for \$3,000,000 at 2.25+%. 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 16, 2016, and the final amount of \$2,000,000 is scheduled to be paid on or before May 1, 2017.

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*REQUIRED SUPPLEMENTARY INFORMATION*

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**COUNTY OF TRINITY**

Required Supplementary Information  
For the Year Ended June 30, 2016

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

	Miscellaneous Plans	
	6/30/2015	6/30/2014
Total Pension Liability		
Service cost	\$ 1,450,482	\$ 1,485,629
Interest on total pension liability	6,354,145	6,298,727
Changes of assumptions <sup>2</sup>	(1,407,442)	-
Differences between expected and actual experience	125,557	-
Benefit payments, including refunds of employee contributions	(5,228,715)	(5,068,433)
Other adjustments	(2,258,634)	-
Net Change in total pension liability	(964,607)	2,715,923
Total Pension Liability - beginning	88,490,360	85,774,437
Total Pension Liability - ending (a)	87,525,753	88,490,360
 Plan Fiduciary Net Position		
Plan to plan resource movement	(2,049)	-
Contributions - employer	2,527,631	2,316,859
Contributions - employee	681,216	866,477
Net investment income	1,190,226	8,350,358
Benefit payments, including refunds of employee contributions	(5,228,715)	(5,068,433)
Administrative expense	(59,608)	-
Other adjustments	(1,409,652)	-
Net change in plan fiduciary net position	(2,300,951)	6,465,261
Plan Fiduciary Net Position - beginning	55,228,318	48,763,057
Plan Fiduciary Net Position - ending (b)	52,927,367	55,228,318
Net pension liability - ending (a) - (b)	\$ 34,598,386	\$ 33,262,042
 Plan fiduciary net position as a percentage of total pension liability	60.47%	62.41%
County's covered-employee payroll	9,580,106	8,773,050
Net pension liability as a percentage of covered-employee payroll	361.15%	379.14%

<sup>1</sup> Benefit changes: In 2015, benefit terms were modified to base miscellaneous employee pensions on a final three-year average salary instead of a five-year average salary.

<sup>2</sup> Change in assumptions: In 2015, amounts reported as change in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

\* Fiscal year 2015 was the 1st year of implementation. Additional years will be presented as they become available.

**COUNTY OF TRINITY**

Required Supplementary Information  
For the Year Ended June 30, 2016

**County's Proportionate Share of Net Pensions Liability Cost Sharing Plans**

Last 10 Fiscal Years\*

**Safety Tier I - Cost-Sharing Multiple Employer Defined Benefit Pension Plan**

	Safety Plans	
	6/30/2015	6/30/2014
County's proportion of the net pension liability/(asset)	0.25457%	0.23312%
County's proportionate share of the net pension liability/(asset)	\$ 9,302,377	\$ 8,744,305
County's covered-employee payroll	\$ 2,896,364	\$ 2,896,364
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	321.17%	301.91%
Plan's fiduciary net position	21,102,514	20,477,082
Plan fiduciary net position as a percentage of total pension liability	69.40%	70.08%

**Safety Plan PEPPRA - Tier II - Cost-Sharing Multiple Employer Defined Benefit Pension Plan**

	6/30/2015	6/30/2014
	County's proportion of the net pension liability/(asset)	0.00010%
County's proportionate share of the net pension liability/(asset)	\$ (792)	\$ 143
County's covered-employee payroll	\$ 55,195	\$ 55,195
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-1.43%	0.26%
Plan's fiduciary net position	29,984	626
Plan fiduciary net position as a percentage of total pension liability	102.71%	81.40%

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



**COUNTY OF TRINITY**

Required Supplementary Information  
For the Year Ended June 30, 2016

**Schedule of County's Pension Contribution**

Last 10 Fiscal Years\*

**Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan**

	6/30/2015	6/30/2014
Actuarially determined contribution	\$ 2,762,927	\$ 2,316,859
Contributions in relation to the actuarilly determined contributions	2,762,927	2,316,859
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 9,580,106	\$ 8,773,050
Contributions as a percentage of covered-employee payroll	28.84%	26.41%

**Safety Plan - Cost Sharing Multiple-Employer Defined Benefit Pension Plan**

	6/30/2015	6/30/2014
Actuarially determined contribution	\$ 1,200,689	\$ 1,214,820
Contributions in relation to the actuarilly determined contributions	1,200,689	1,214,820
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,896,364	\$ 2,896,364
Contributions as a percentage of covered-employee payroll	41.46%	41.94%

**Safety Plan PEPRA - Cost Sharing Multiple-Employer Defined Benefit Pension Plan**

	6/30/2015	6/30/2014
Actuarially determined contribution	\$ 6,508	\$ 17,314
Contributions in relation to the actuarilly determined contributions	6,508	17,314
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 55,195	\$ 55,195
Contributions as a percentage of covered-employee payroll	11.79%	31.37%

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

**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:

	(a)	(b)	(a)-(b) Underfunded	(b)/(a)	(c)	[(a)-(b)/(c)]
Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Asset Value (AVA)	Actuarial Accrued Liability (UL)	Funded Ratio	Covered Payroll	UL as a % of Payroll
6/30/2011	\$ 60,198,823	\$ 310,611	\$ 59,888,212	0.52%	\$ 12,501,000	479.07%
6/30/2013	55,278,677	343,079	54,935,598	0.62%	11,981,000	458.52%
6/30/2015	63,045,725	386,953	62,658,772	0.61%	14,498,000	432.19%

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 7,713,900	\$ 8,129,986	\$ 8,881,154	\$ 751,168
Licenses and permits	581,280	596,180	636,647	40,467
Fines, forfeitures and penalties	97,290	106,290	65,601	(40,689)
Use of money and property	52,407	71,639	94,309	22,670
Intergovernmental	2,055,868	2,217,310	2,718,417	501,107
Charges for services	3,556,180	3,768,615	3,800,470	31,855
Miscellaneous	2,057,639	2,695,826	805,661	(1,890,165)
<b>Total revenues</b>	<b>16,114,564</b>	<b>17,585,846</b>	<b>17,002,259</b>	<b>(583,587)</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Assessor:</b>				
Salaries and benefits	284,207	266,963	244,477	22,486
Services and supplies	36,764	54,008	53,889	119
<b>Total Assessor</b>	<b>320,971</b>	<b>320,971</b>	<b>298,366</b>	<b>22,605</b>
<b>Auditor-Controller's Office:</b>				
Salaries and benefits	557,987	557,987	554,693	3,294
Services and supplies	169,517	249,517	189,602	59,915
Reimbursements	(136,211)	(136,211)	(136,211)	--
Capital assets	86,672	50,672	--	50,672
<b>Total Auditor-Controller's Office</b>	<b>677,965</b>	<b>721,965</b>	<b>608,084</b>	<b>113,881</b>
<b>Board of Supervisors:</b>				
Salaries and benefits	286,259	286,259	280,374	5,885
Services and supplies	131,124	153,513	145,491	8,022
<b>Total Board of Supervisors</b>	<b>417,383</b>	<b>439,772</b>	<b>425,865</b>	<b>13,907</b>
<b>Administration and Personnel:</b>				
Salaries and benefits	507,663	521,194	489,886	31,308
Services and supplies	189,612	295,514	257,275	38,239
Reimbursements	(145,844)	(145,844)	(145,844)	--
<b>Total Administration and Personnel</b>	<b>551,431</b>	<b>670,864</b>	<b>601,317</b>	<b>69,547</b>
<b>Delinquent Collections:</b>				
Salaries and benefits	161,045	161,045	157,896	3,149
Services and supplies	47,618	47,619	27,478	20,141
<b>Total Delinquent Collections</b>	<b>208,663</b>	<b>208,664</b>	<b>185,374</b>	<b>23,290</b>

continued

**COUNTY OF TRINITY**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
County Counsel:				
Services and supplies	\$ 187,560	\$ 318,602	\$ 305,334	\$ 13,268
Reimbursements	(85,204)	(85,204)	(85,204)	--
Total County Counsel	<u>102,356</u>	<u>233,398</u>	<u>220,130</u>	<u>13,268</u>
Director of General Plan				
Salaries and benefits	25,000	25,000	5,631	19,369
Services and supplies	36,025	36,025	12,354	23,671
Total Director of General Plan	<u>61,025</u>	<u>61,025</u>	<u>17,985</u>	<u>43,040</u>
Elections Department:				
Salaries and benefits	96,931	94,594	70,976	23,618
Services and supplies	108,452	110,789	110,651	138
Total Elections Department	<u>205,383</u>	<u>205,383</u>	<u>181,627</u>	<u>23,756</u>
General Services:				
Salaries and benefits	522,049	522,049	487,107	34,942
Services and supplies	319,749	316,358	285,370	30,988
Reimbursements	(240,722)	(240,722)	(240,722)	--
Total General Services	<u>601,076</u>	<u>597,685</u>	<u>531,755</u>	<u>65,930</u>
Information Technology:				
Salaries and benefits	377,219	386,456	376,546	9,910
Services and supplies	74,688	65,451	64,667	784
Reimbursements	(158,230)	(158,230)	(158,230)	--
Total Information Technology	<u>293,677</u>	<u>293,677</u>	<u>282,983</u>	<u>10,694</u>
Insurance General:				
Salaries and benefits	119,518	136,683	136,175	508
Services and supplies	220,384	227,273	102,761	124,512
Reimbursements	(148,603)	(148,603)	(148,603)	--
Total Insurance General	<u>191,299</u>	<u>215,353</u>	<u>90,333</u>	<u>125,020</u>
Treasurer-Tax Collector:				
Salaries and benefits	359,040	359,040	337,772	21,268
Services and supplies	68,316	72,150	53,091	19,059
Reimbursements	(47,220)	(47,220)	(47,220)	--
Total Treasurer-Tax Collector	<u>380,136</u>	<u>383,970</u>	<u>343,643</u>	<u>40,327</u>
County Audit:				
Services and supplies	9,000	9,000	7,748	1,252
Total County Audit	<u>9,000</u>	<u>9,000</u>	<u>7,748</u>	<u>1,252</u>

continued

**COUNTY OF TRINITY**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
County Advertising:				
Services and supplies	\$ 91,820	\$ 91,820	\$ 91,775	\$ 45
Total County Advertising	<u>91,820</u>	<u>91,820</u>	<u>91,775</u>	<u>45</u>
Contributions to Other Funds				
Services and supplies	29,275	29,275	58,023	(28,748)
Total Contributions to Other Funds	<u>29,275</u>	<u>29,275</u>	<u>58,023</u>	<u>(28,748)</u>
Surveyor:				
Services and supplies	47,000	47,000	36,528	10,472
Total Surveyor	<u>47,000</u>	<u>47,000</u>	<u>36,528</u>	<u>10,472</u>
Total General Government	<u>4,188,460</u>	<u>4,529,822</u>	<u>3,981,536</u>	<u>548,286</u>
Public Protection:				
Agricultural Commissioner:				
Salaries and benefits	95,048	96,588	92,183	4,405
Services and supplies	91,044	89,504	77,675	11,829
Total Agricultural Commissioner	<u>186,092</u>	<u>186,092</u>	<u>169,858</u>	<u>16,234</u>
Animal Control:				
Salaries and benefits	164,219	161,689	160,298	1,391
Services and supplies	28,336	38,556	32,701	5,855
Total Animal Control	<u>192,555</u>	<u>200,245</u>	<u>192,999</u>	<u>7,246</u>
Building Inspector:				
Salaries and benefits	472,639	462,239	458,398	3,841
Services and supplies	194,016	275,416	257,352	18,064
Total Building Inspector	<u>666,655</u>	<u>737,655</u>	<u>715,750</u>	<u>21,905</u>
Recorder:				
Salaries and benefits	134,877	122,806	122,806	--
Services and supplies	53,871	55,685	55,697	(12)
Capital assets	--	10,257	10,257	--
Total Recorder	<u>188,748</u>	<u>188,748</u>	<u>188,760</u>	<u>(12)</u>
Court Services:				
Services and supplies	39,000	54,670	54,536	134
Total Court Services	<u>39,000</u>	<u>54,670</u>	<u>54,536</u>	<u>134</u>

continued

**COUNTY OF TRINITY**

Budgetary Comparison Schedule (continued)  
General Fund  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
District Attorney-Public Advocate:				
Salaries and benefits	\$ 952,333	\$ 943,065	\$ 914,637	\$ 28,428
Services and supplies	171,589	153,718	128,393	25,325
Total DA - Public Advocate	<u>1,123,922</u>	<u>1,096,783</u>	<u>1,043,030</u>	<u>53,753</u>
Jail:				
Salaries and benefits	1,747,740	1,693,740	1,691,188	2,552
Services and supplies	497,994	519,024	516,493	2,531
Capital assets	--	5,470	5,470	--
Total Jail	<u>2,245,734</u>	<u>2,218,234</u>	<u>2,213,151</u>	<u>5,083</u>
Jail Health:				
Salaries and benefits	74,640	59,640	59,280	360
Services and supplies	298,194	313,194	285,368	27,826
Total Jail Health	<u>372,834</u>	<u>372,834</u>	<u>344,648</u>	<u>28,186</u>
Juvenile Hall:				
Salaries and benefits	483,040	483,040	439,450	43,590
Services and supplies	226,162	231,636	155,934	75,702
Total Juvenile Hall	<u>709,202</u>	<u>714,676</u>	<u>595,384</u>	<u>119,292</u>
Planning Department:				
Salaries and benefits	231,946	180,608	157,002	23,606
Services and supplies	86,925	209,313	181,892	27,421
Total Planning Department	<u>318,871</u>	<u>389,921</u>	<u>338,894</u>	<u>51,027</u>
Probation Department:				
Salaries and benefits	1,092,616	1,163,366	1,161,927	1,439
Services and supplies	250,224	263,210	238,301	24,909
Capital assets	40,000	40,000	39,795	205
Total Probation Department	<u>1,382,840</u>	<u>1,466,576</u>	<u>1,440,023</u>	<u>26,553</u>
Sheriff Department:				
Salaries and benefits	2,674,848	2,722,566	2,720,345	2,221
Services and supplies	674,285	1,214,147	1,190,729	23,418
Capital assets	65,900	53,401	45,360	8,041
Total Sheriff Department	<u>3,415,033</u>	<u>3,990,114</u>	<u>3,956,434</u>	<u>33,680</u>
Coroner:				
Services and supplies	62,178	97,178	86,269	10,909
Total Coroner	<u>62,178</u>	<u>97,178</u>	<u>86,269</u>	<u>10,909</u>
Fire Protection:				
Services and supplies	22,554	22,554	14,613	7,941
Total Fire Protection	<u>22,554</u>	<u>22,554</u>	<u>14,613</u>	<u>7,941</u>
Grand Jury:				
Services and supplies	17,000	17,000	16,219	781
Total Grand Jury	<u>17,000</u>	<u>17,000</u>	<u>16,219</u>	<u>781</u>

continued

**COUNTY OF TRINITY**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
LAFCO:				
Services and supplies	\$ 7,000	\$ 7,000	\$ 7,000	\$ --
Total LAFCO	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>--</u>
Public Defender:				
Services and supplies	748,499	883,732	882,520	1,212
Total Public Defender	<u>748,499</u>	<u>883,732</u>	<u>882,520</u>	<u>1,212</u>
Total Public Protection	<u>11,698,717</u>	<u>12,644,012</u>	<u>12,260,088</u>	<u>383,924</u>
Public Ways and Facilities:				
Public Works Miscellaneous:				
Services and supplies	275,152	394,710	256,397	138,313
Total Public Works Miscellaneous	<u>275,152</u>	<u>394,710</u>	<u>256,397</u>	<u>138,313</u>
Total Public Ways and Facilities	<u>275,152</u>	<u>394,710</u>	<u>256,397</u>	<u>138,313</u>
Health and Sanitation:				
Health Department:				
Salaries and benefits	1,021,955	999,059	792,652	206,407
Services and supplies	2,216,451	2,235,913	674,359	1,561,554
Total Health Department	<u>3,238,406</u>	<u>3,234,972</u>	<u>1,467,011</u>	<u>1,767,961</u>
Total Health and Sanitation	<u>3,238,406</u>	<u>3,234,972</u>	<u>1,467,011</u>	<u>1,767,961</u>
Public Assistance:				
Veteran's Services Office:				
Salaries and benefits	44,771	42,769	42,768	1
Services and supplies	9,603	20,097	14,215	5,882
Total Veteran's Services Office	<u>54,374</u>	<u>62,866</u>	<u>56,983</u>	<u>5,883</u>
Commission on Aging:				
Services and supplies	250	250	--	250
Total Commission on Aging	<u>250</u>	<u>250</u>	<u>--</u>	<u>250</u>
Total Public Assistance	<u>54,624</u>	<u>63,116</u>	<u>56,983</u>	<u>6,133</u>

continued

**COUNTY OF TRINITY**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Education:				
Library Department:				
Salaries and benefits	\$ 248,274	\$ 226,475	\$ 225,662	\$ 813
Services and supplies	54,077	85,261	80,445	4,816
Total Library Department	<u>302,351</u>	<u>311,736</u>	<u>306,107</u>	<u>5,629</u>
Trinity County Co-op Extension:				
Salaries and benefits	5,582	4,838	3,417	1,421
Services and supplies	15,518	16,262	13,701	2,561
Total Trinity County Co-op Ext.	<u>21,100</u>	<u>21,100</u>	<u>17,118</u>	<u>3,982</u>
Total Education	<u>323,451</u>	<u>332,836</u>	<u>323,225</u>	<u>9,611</u>
Debt service: interest	<u>1,000</u>	<u>1,000</u>	<u>2,413</u>	<u>(1,413)</u>
Total Expenditures	<u>19,779,810</u>	<u>21,200,468</u>	<u>18,347,653</u>	<u>2,852,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,665,246)</u>	<u>(3,614,622)</u>	<u>(1,345,394)</u>	<u>2,269,228</u>
Other financing sources (uses):				
Transfers in	5,877,007	6,052,940	3,590,133	(2,462,807)
Transfers out	<u>(4,672,929)</u>	<u>(4,907,612)</u>	<u>(2,096,935)</u>	<u>2,810,677</u>
Total other financing sources (uses)	<u>1,204,078</u>	<u>1,145,328</u>	<u>1,493,198</u>	<u>347,870</u>
Net change in fund balance	<u>\$ (2,461,168)</u>	<u>\$ (2,469,294)</u>	147,804	<u>\$ 2,617,098</u>
Fund balance - beginning			<u>1,132,886</u>	
Fund balance - ending			<u>\$ 1,280,690</u>	

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Road Fund  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 21,000	\$ 21,000	\$ 11,564	\$ (9,436)
Use of money and property	--	--	20,948	20,948
Intergovernmental	16,154,724	16,154,724	12,604,145	(3,550,579)
Charges for services	1,870,000	1,870,000	962,494	(907,506)
Other revenues	112,500	112,500	301,421	188,921
Total Revenues	<u>18,158,224</u>	<u>18,158,224</u>	<u>13,900,572</u>	<u>(4,257,652)</u>
Expenditures:				
Current:				
Public way and facilities	18,788,718	18,788,718	13,870,614	4,918,104
Total Expenditures	<u>18,788,718</u>	<u>18,788,718</u>	<u>13,870,614</u>	<u>4,918,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(630,494)</u>	<u>(630,494)</u>	<u>29,958</u>	<u>660,452</u>
Other Financing Sources (Uses):				
Transfers in	13,277,552	13,277,552	30,540	(13,247,012)
Transfers out	(13,433,126)	(13,433,126)	(186,114)	13,247,012
Total Other Financing Sources (Uses)	<u>(155,574)</u>	<u>(155,574)</u>	<u>(155,574)</u>	<u>--</u>
Net Change in Fund Balances	(786,068)	(786,068)	(125,616)	660,452
Fund Balances - Beginning of Year	<u>7,512,294</u>	<u>7,512,294</u>	<u>7,512,294</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 6,726,226</u>	<u>\$ 6,726,226</u>	<u>\$ 7,386,678</u>	<u>\$ 660,452</u>



**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Human Services Fund  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines, forfeitures and penalties	\$ 214	\$ 214	\$ 254	\$ 40
Use of money and property	(1,509)	(1,509)	535	2,044
Intergovernmental	7,257,850	7,280,250	6,584,500	(695,750)
Charges for services	224,422	224,422	298,769	74,347
Other revenue	13,241	13,241	56,084	42,843
Total Revenues	<u>7,494,218</u>	<u>7,516,618</u>	<u>6,940,142</u>	<u>(576,476)</u>
Expenditures:				
Current:				
Public protection	92,420	92,420	85,289	7,131
Public assistance	11,877,545	12,255,073	10,350,010	1,905,063
Total Expenditures	<u>11,969,965</u>	<u>12,347,493</u>	<u>10,435,299</u>	<u>1,912,194</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,475,747)</u>	<u>(4,830,875)</u>	<u>(3,495,157)</u>	<u>1,335,718</u>
Other Financing Sources (Uses):				
Transfers in	4,743,569	5,087,107	3,809,033	(1,278,074)
Transfers out	(267,822)	(267,822)	(267,822)	--
Total Other Financing Sources (Uses)	<u>4,475,747</u>	<u>4,819,285</u>	<u>3,541,211</u>	<u>(1,278,074)</u>
Net Change in Fund Balances	--	(11,590)	46,054	57,644
Fund Balances - Beginning of Year	<u>172,311</u>	<u>172,311</u>	<u>172,311</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 172,311</u>	<u>\$ 160,721</u>	<u>\$ 218,365</u>	<u>\$ 57,644</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
HOME/CDBG Programs Fund  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 3,577	\$ 3,577	\$ 138,385	\$ 134,808
Other revenue	39,156	39,156	4	(39,152)
Total Revenues	<u>42,733</u>	<u>42,733</u>	<u>138,389</u>	<u>95,656</u>
Expenditures:				
Current:				
Public assistance	240,375	240,375	213,232	27,143
Total Expenditures	<u>240,375</u>	<u>240,375</u>	<u>213,232</u>	<u>27,143</u>
Net Change in Fund Balances	(197,642)	(197,642)	(74,843)	122,799
Fund Balances - Beginning of Year, restated	<u>4,338,375</u>	<u>4,338,375</u>	<u>4,338,375</u>	--
Fund Balances - End of Year	<u>\$ 4,140,733</u>	<u>\$ 4,140,733</u>	<u>\$ 4,263,532</u>	<u>\$ 122,799</u>

## COUNTY OF TRINITY

### Notes to the Required Supplementary Information For the Year Ended June 30, 2016

#### 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.

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*SUPPLEMENTARY FINANCIAL INFORMATION*



## **NON-MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

#### **Tobacco Program**

The Tobacco Program fund accounts for revenues and expenditures for support of various educational tobacco programs.

#### **Mental Health**

The Mental Health fund accounts for revenues and expenditures for support of various mental health programs.

#### **Fish and Game**

The Fish and Game fund receives all fine, forfeiture and penalty moneys collected and earmarked for support of the local fish and game programs.

#### **Non-Transit**

The Non-Transit Fund accounts for all revenues and expenditures for support of non-transit programs.

#### **TRANS**

The TRANS fund is used to manage the short term borrowing and paying of moneys used to assist the County smooth its cash flow needs throughout the year. Moneys are borrowed at the beginning of the fiscal year and repaid before the fiscal year ends.

#### **Special Aviation**

The Special Aviation Fund is used to account for all revenues and expenditures for five local area airports.

#### **Hayfork Lighting District**

The Hayfork Lighting District Fund is used to account for the planning, design, construction, maintenance and administration of Hayfork lighting.

#### **Weaverville Lighting District**

The Weaverville Lighting District Fund is used to account for the planning, design, construction, maintenance and administration of Weaverville lighting.

#### **Transportation Commission**

The Transportation Commission Fund is used to account for the revenues and expenditures associated with transportation planning and regional coordination, transportation alternatives and marketing, claimant funding and oversight, grants application and management, and administration of the Transportation Commission and its programs.

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **CDC PHEP**

The CDC PHEP Fund accounts for a variety of public health emergency preparedness programs.

### **MHSA Other Funding**

The MHSA Other Funding accounts for the MHSA reserve and a minority of the MHSA programs.

### **MHSA**

The Mental Health Services Act (MHSA) Fund accounts for the revenues and expenditures associated with a majority of the MHSA programs.

### **General Government**

The General Government Fund accounts for a variety of small general government programs.

### **Public Protection**

The Public Protection Fund accounts for a variety of small public protection programs.

### **Public Ways**

The Public Ways Fund accounts for a variety of small public ways programs.

### **Health and Sanitation**

The Health and Sanitation Fund accounts for a variety of small health and sanitation programs.

### **Public Assistance**

The Public Assistance Fund accounts for a variety of small public assistance programs.

### **Disaster Recovery Initiative**

The Disaster Recovery Initiative Fund accounts for multi-year grant revenues that reimburse the County for qualified disaster recovery projects.

### **Health Realignment**

The Health Realignment Fund is used to account for all health realignment moneys received by the County. These moneys are transferred to the health operating fund to cover certain qualified health expenditures not covered by other grant programs.

### **Mental Health Realignment**

The Mental Health Realignment Fund is used to account for all mental health realignment moneys received by the County. These moneys are transferred to the mental health operating fund to cover certain qualified mental health expenditures not covered by other grant programs.

### **Emergency Services**

The Emergency Services Fund accounts for all revenues and expenditures dealing with emergency services programs, such as "Maddy" funds.

## **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 GOVERNMENTAL FUNDS**

### **Capital Projects**

The Capital Projects Fund accounts for the financing of various improvements including renovation, acquisition and construction of major capital assets. It provides for the appropriation of State authorized surcharges on fines for non-parking and other criminal cases, which are statutorily designated for renovation and/or construction of courtroom facilities. It provides for the appropriation of certain fine and forfeiture revenues, restricted by Government Code Section 76101 for the support of construction, reconstruction, expansion, improvement, operation or maintenance of County criminal justice and Court facilities, and for improvement of criminal justice automated information systems. It also provides for the accumulation of assigned reserves, by the Board of Supervisors, for future capital needs.

### **JDF Capital Projects**

The JDF Capital Projects Fund accounts for the specific improvements including renovation, acquisition, and construction of the Juvenile Detention Facility.

### **DEBT SERVICE FUND**

The Debt Service Fund is 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, 2016

	Special Revenue				
	Tobacco Program	Mental Health	Fish and Game	Non-Transit	TRANS
<u>Assets</u>					
Cash and investments	\$ 116,630	\$ 222,544	\$ 18,730	\$ 12,222	\$ 3,771
Imprest cash	--	--	--	--	--
Cash with fiscal agent	--	--	--	--	--
Accounts receivable	--	7,347	--	--	--
Due from other governments	--	63,766	--	--	--
Interest receivable	150	--	20	18	122
Due from other funds	--	144,251	--	--	--
Advances to other funds	--	--	--	--	--
 Total Assets	 <u>\$ 116,780</u>	 <u>\$ 437,908</u>	 <u>\$ 18,750</u>	 <u>\$ 12,240</u>	 <u>\$ 3,893</u>
<u>Liabilities</u>					
Accounts payable	\$ 31,803	\$ 235,189	\$ 150	\$ --	\$ --
Salaries and benefits payable	--	2,978	--	--	--
Due to other funds	--	--	--	--	--
Unearned revenue	24,087	--	--	--	--
Deposits from others	--	--	--	--	--
Advances from other funds	--	--	--	--	--
 Total Liabilities	 <u>55,890</u>	 <u>238,167</u>	 <u>150</u>	 <u>--</u>	 <u>--</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	--	34,408	--	--	--
<u>Fund Balance</u>					
Restricted	60,890	165,333	18,600	12,240	--
Assigned	--	--	--	--	3,893
Unassigned	--	--	--	--	--
 Total Fund Balances	 <u>60,890</u>	 <u>165,333</u>	 <u>18,600</u>	 <u>12,240</u>	 <u>3,893</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 116,780</u>	 <u>\$ 437,908</u>	 <u>\$ 18,750</u>	 <u>\$ 12,240</u>	 <u>\$ 3,893</u>

continued

**COUNTY OF TRINITY**

Combining Balance Sheet (continued)  
 Nonmajor Governmental Funds  
 June 30, 2016

	Special Revenue				
	Special Aviation	Hayfork Lighting District	Weaverville Lighting District	Transportation Commission	CDC PHEP
<u>Assets</u>					
Cash and investments	\$ 20,963	\$ 124,149	\$ 214,609	\$ 157,225	\$ --
Imprest cash	--	--	--	--	--
Cash with fiscal agent	--	--	--	--	--
Accounts receivable	--	--	--	--	37,534
Due from other governments	26,045	--	--	116,852	82,428
Interest receivable	--	134	227	263	--
Due from other funds	--	--	--	--	--
Advances to other funds	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 47,008</b>	<b>\$ 124,283</b>	<b>\$ 214,836</b>	<b>\$ 274,340</b>	<b>\$ 119,962</b>
<u>Liabilities</u>					
Accounts payable	\$ 16,277	\$ 701	\$ 2,671	\$ 34,218	\$ 10,618
Salaries and benefits payable	--	--	--	--	--
Due to other funds	--	--	--	--	78,593
Unearned revenue	--	--	--	20,000	--
Deposits from others	--	--	--	--	--
Advances from other funds	--	--	--	--	--
<b>Total Liabilities</b>	<b>16,277</b>	<b>701</b>	<b>2,671</b>	<b>54,218</b>	<b>89,211</b>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	26,045	--	--	67,157	52,589
<u>Fund Balance</u>					
Restricted	4,686	123,582	212,165	152,965	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	(21,838)
<b>Total Fund Balances</b>	<b>4,686</b>	<b>123,582</b>	<b>212,165</b>	<b>152,965</b>	<b>(21,838)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 47,008</b>	<b>\$ 124,283</b>	<b>\$ 214,836</b>	<b>\$ 274,340</b>	<b>\$ 119,962</b>

continued

**COUNTY OF TRINITY**

Combining Balance Sheet (continued)  
 Nonmajor Governmental Funds  
 June 30, 2016

	Special Revenue					
	MHSA Other Funding	MHSA	General Government	Public Protection	Public Ways	Health and Sanitation
<u>Assets</u>						
Cash and investments	\$ 445,222	\$ 529,901	\$ 591,603	\$ 1,360,015	\$ 1,446,874	\$ 1,954,222
Imprest cash	--	--	--	29,451	--	--
Cash with fiscal agent	--	--	--	--	--	--
Accounts receivable	--	--	--	5,000	695	1,395
Due from other governments	53,213	168,507	1,300	269,411	27,342	402,209
Interest receivable	1,081	1,065	217	923	1,295	737
Due from other funds	--	--	--	380,528	--	--
Advances to other funds	--	--	--	29,000	--	--
<b>Total Assets</b>	<b>\$ 499,516</b>	<b>\$ 699,473</b>	<b>\$ 593,120</b>	<b>\$ 2,074,328</b>	<b>\$ 1,476,206</b>	<b>\$ 2,358,563</b>
<u>Liabilities</u>						
Accounts payable	\$ --	\$ --	\$ 46,044	\$ 85,904	\$ 125	\$ 34,691
Salaries and benefits payable	--	--	--	137	--	--
Due to other funds	--	--	--	267,066	--	224,868
Unearned revenue	--	--	--	80,000	558	--
Deposits from others	--	--	--	6,410	--	20
Advances from other funds	--	--	--	207,403	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>46,044</b>	<b>646,920</b>	<b>683</b>	<b>259,579</b>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue	--	--	--	86,269	27,342	52,130
<u>Fund Balance</u>						
Restricted	499,516	699,473	547,076	1,341,139	1,448,181	2,046,854
Assigned	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--
<b>Total Fund Balances</b>	<b>499,516</b>	<b>699,473</b>	<b>547,076</b>	<b>1,341,139</b>	<b>1,448,181</b>	<b>2,046,854</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 499,516</b>	<b>\$ 699,473</b>	<b>\$ 593,120</b>	<b>\$ 2,074,328</b>	<b>\$ 1,476,206</b>	<b>\$ 2,358,563</b>

continued

**COUNTY OF TRINITY**

Combining Balance Sheet (continued)  
 Nonmajor Governmental Funds  
 June 30, 2016

	Special Revenue				
	Public Assistance	Disaster Recovery Initiative	Health Realignment	Mental Health Realignment	Emergency Services
<u>Assets</u>					
Cash and investments	\$ 359,650	\$ --	\$ 221,019	\$ --	\$ --
Imprest cash	--	--	--	--	--
Cash with fiscal agent	--	--	--	--	--
Accounts receivable	--	--	--	--	--
Due from other governments	--	91,812	--	--	156,836
Interest receivable	--	--	--	--	--
Due from other funds	--	--	--	--	--
Advances to other funds	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 359,650</b>	<b>\$ 91,812</b>	<b>\$ 221,019</b>	<b>\$ --</b>	<b>\$ 156,836</b>
<u>Liabilities</u>					
Accounts payable	\$ --	\$ 26,406	\$ --	\$ --	\$ 24,346
Salaries and benefits payable	--	--	--	--	115
Due to other funds	--	42,211	--	--	148,561
Unearned revenue	--	--	--	--	--
Deposits from others	--	--	--	--	--
Advances from other funds	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>68,617</b>	<b>--</b>	<b>--</b>	<b>173,022</b>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	--	91,812	--	--	87,688
<u>Fund Balance</u>					
Restricted	359,650	--	221,019	--	--
Assigned	--	--	--	--	--
Unassigned	--	(68,617)	--	--	(103,874)
<b>Total Fund Balances</b>	<b>359,650</b>	<b>(68,617)</b>	<b>221,019</b>	<b>--</b>	<b>(103,874)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 359,650</b>	<b>\$ 91,812</b>	<b>\$ 221,019</b>	<b>\$ --</b>	<b>\$ 156,836</b>

continued

**COUNTY OF TRINITY**

Combining Balance Sheet (continued)  
 Nonmajor Governmental Funds  
 June 30, 2016

	Capital Projects			
		JDF		
	Capital Projects	Capital Projects	Debt Service	Total
<u>Assets</u>				
Cash and investments	\$ 517,985	\$ 115	\$ 1,318,274	\$ 9,635,723
Imprest cash	--	--	--	29,451
Cash with fiscal agent	--	--	464,170	464,170
Accounts receivable	--	--	--	51,971
Due from other governments	--	--	684	1,460,405
Interest receivable	474	--	920	7,646
Due from other funds	--	--	--	524,779
Advances to other funds	--	--	--	29,000
Total Assets	\$ 518,459	\$ 115	\$ 1,784,048	\$ 12,203,145
<u>Liabilities</u>				
Accounts payable	\$ 26,000	\$ --	\$ 17,206	\$ 592,349
Salaries and benefits payable	--	--	--	3,230
Due to other funds	--	--	--	761,299
Unearned revenue	--	--	--	124,645
Deposits from others	--	--	--	6,430
Advances from other funds	42,854	--	--	250,257
Total Liabilities	68,854	--	17,206	1,738,210
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	--	--	--	525,440
<u>Fund Balance</u>				
Restricted	--	--	--	7,913,369
Assigned	449,605	115	1,766,842	2,220,455
Unassigned	--	--	--	(194,329)
Total Fund Balances	449,605	115	1,766,842	9,939,495
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 518,459	\$ 115	\$ 1,784,048	\$ 12,203,145

**COUNTY OF TRINITY**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

	Special Revenue				
	Tobacco Program	Mental Health	Fish and Game	Non-Transit	TRANS
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--
Fines, forfeitures and penalties	--	--	435	--	--
Use of money and property	409	4,536	64	56	5,260
Intergovernmental	125,912	1,523,392	524	--	--
Charges for services	--	47,608	--	--	--
Other revenue	--	10,293	--	--	--
Total Revenues	<u>126,321</u>	<u>1,585,829</u>	<u>1,023</u>	<u>56</u>	<u>5,260</u>
Expenditures:					
Current:					
General government	--	--	--	--	11,001
Public protection	--	--	1,958	--	--
Public ways and facilities	--	--	--	2,451	--
Health and sanitation	141,243	4,626,708	--	--	--
Public assistance	--	--	--	--	--
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	52,038
Capital outlay	--	--	--	--	--
Total Expenditures	<u>141,243</u>	<u>4,626,708</u>	<u>1,958</u>	<u>2,451</u>	<u>63,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,922)</u>	<u>(3,040,879)</u>	<u>(935)</u>	<u>(2,395)</u>	<u>(57,779)</u>
Other Financing Sources (Uses):					
Transfers in	--	3,633,915	--	6,200	59,004
Transfers out	--	(165,686)	--	(2,349)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>3,468,229</u>	<u>--</u>	<u>3,851</u>	<u>59,004</u>
Net Change in Fund Balances	(14,922)	427,350	(935)	1,456	1,225
Fund Balances - Beginning of Year	<u>75,812</u>	<u>(262,017)</u>	<u>19,535</u>	<u>10,784</u>	<u>2,668</u>
Fund Balances - End of Year	<u>\$ 60,890</u>	<u>\$ 165,333</u>	<u>\$ 18,600</u>	<u>\$ 12,240</u>	<u>\$ 3,893</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, 2016

	Special Revenue				
	Special Aviation	Hayfork Lighting District	Weaverville Lighting District	Transportation Commission	CDC PHEP
Revenues:					
Taxes	\$ --	\$ 15,194	\$ 52,737	\$ --	\$ --
Licenses and permits	--	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--	--
Use of money and property	--	400	662	970	(77)
Intergovernmental	42,268	175	614	234,451	204,522
Charges for services	--	--	--	--	--
Other revenue	--	--	--	2,252	--
<b>Total Revenues</b>	<b>42,268</b>	<b>15,769</b>	<b>54,013</b>	<b>237,673</b>	<b>204,445</b>
Expenditures:					
Current:					
General government	--	8,490	32,182	--	--
Public protection	--	--	--	--	--
Public ways and facilities	135,630	--	--	274,626	--
Health and sanitation	--	--	--	--	161,611
Public assistance	--	--	--	--	--
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Capital outlay	--	--	--	--	--
<b>Total Expenditures</b>	<b>135,630</b>	<b>8,490</b>	<b>32,182</b>	<b>274,626</b>	<b>161,611</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(93,362)	7,279	21,831	(36,953)	42,834
Other Financing Sources (Uses):					
Transfers in	56,900	--	--	62,200	--
Transfers out	(3,907)	--	--	(61,836)	--
<b>Total Other Financing Sources (Uses)</b>	<b>52,993</b>	<b>--</b>	<b>--</b>	<b>364</b>	<b>--</b>
Net Change in Fund Balances	(40,369)	7,279	21,831	(36,589)	42,834
Fund Balances - Beginning of Year	45,055	116,303	190,334	189,554	(64,672)
Fund Balances - End of Year	\$ 4,686	\$ 123,582	\$ 212,165	\$ 152,965	\$ (21,838)

continued

**COUNTY OF TRINITY**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

	Special Revenue					
	MHSA Other Funding	MHSA	General Government	Public Protection	Public Ways	Health and Sanitation
Revenues:						
Taxes	\$ --	\$ --	\$ 24,000	\$ --	\$ 250,164	\$ --
Licenses and permits	--	--	--	17,464	--	--
Fines, forfeitures and penalties	--	--	16,897	244,795	--	16,323
Use of money and property	3,076	3,409	465	2,771	137,505	6,757
Intergovernmental	381,599	1,208,398	106,814	2,995,569	45,466	4,342,277
Charges for services	--	--	73,330	20,053	--	51,275
Other revenue	--	--	--	61,290	--	21
Total Revenues	<u>384,675</u>	<u>1,211,807</u>	<u>221,506</u>	<u>3,341,942</u>	<u>433,135</u>	<u>4,416,653</u>
Expenditures:						
Current:						
General government	--	--	57,445	--	--	--
Public protection	--	--	--	1,032,943	--	--
Public ways and facilities	--	--	--	--	43,965	--
Health and sanitation	597	675	--	--	--	1,081,841
Public assistance	--	--	--	--	--	--
Debt Service:						
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Total Expenditures	<u>597</u>	<u>675</u>	<u>57,445</u>	<u>1,032,943</u>	<u>43,965</u>	<u>1,081,841</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>384,078</u>	<u>1,211,132</u>	<u>164,061</u>	<u>2,308,999</u>	<u>389,170</u>	<u>3,334,812</u>
Other Financing Sources (Uses):						
Transfers in	--	--	--	20,861	328,408	58,430
Transfers out	<u>(758,646)</u>	<u>(1,504,458)</u>	<u>(32,549)</u>	<u>(2,359,820)</u>	<u>(537,295)</u>	<u>(3,122,756)</u>
Total Other Financing Sources (Uses)	<u>(758,646)</u>	<u>(1,504,458)</u>	<u>(32,549)</u>	<u>(2,338,959)</u>	<u>(208,887)</u>	<u>(3,064,326)</u>
Net Change in Fund Balances	(374,568)	(293,326)	131,512	(29,960)	180,283	270,486
Fund Balances - Beginning of Year	<u>874,084</u>	<u>992,799</u>	<u>415,564</u>	<u>1,371,099</u>	<u>1,267,898</u>	<u>1,776,368</u>
Fund Balances - End of Year	<u>\$ 499,516</u>	<u>\$ 699,473</u>	<u>\$ 547,076</u>	<u>\$ 1,341,139</u>	<u>\$ 1,448,181</u>	<u>\$ 2,046,854</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, 2016

	Special Revenue				
	Public Assistance	Disaster Recovery Initiative	Health Realignment	Mental Health Realignment	Emergency Services
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--	--
Use of money and property	--	(1,436)	--	--	--
Intergovernmental	1,312,613	1,883,386	1,399,272	711,019	131,039
Charges for services	--	--	--	--	--
Other revenue	--	20,000	--	--	--
<b>Total Revenues</b>	<b>1,312,613</b>	<b>1,901,950</b>	<b>1,399,272</b>	<b>711,019</b>	<b>131,039</b>
Expenditures:					
Current:					
General government	--	--	--	--	--
Public protection	--	--	--	--	217,720
Public ways and facilities	--	--	--	--	--
Health and sanitation	--	--	--	--	--
Public assistance	247	1,425,008	--	--	--
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Capital outlay	--	--	--	--	--
<b>Total Expenditures</b>	<b>247</b>	<b>1,425,008</b>	<b>--</b>	<b>--</b>	<b>217,720</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>1,312,366</b>	<b>476,942</b>	<b>1,399,272</b>	<b>711,019</b>	<b>(86,681)</b>
Other Financing Sources (Uses):					
Transfers in	--	--	292,662	5,924	--
Transfers out	(1,312,366)	--	(1,584,593)	(716,943)	(523)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,312,366)</b>	<b>--</b>	<b>(1,291,931)</b>	<b>(711,019)</b>	<b>(523)</b>
Net Change in Fund Balances	--	476,942	107,341	--	(87,204)
Fund Balances - Beginning of Year	359,650	(545,559)	113,678	--	(16,670)
Fund Balances - End of Year	<b>\$ 359,650</b>	<b>\$ (68,617)</b>	<b>\$ 221,019</b>	<b>\$ --</b>	<b>\$ (103,874)</b>

continued

**COUNTY OF TRINITY**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (continued)  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

	Capital Projects			Total
	Capital Projects	JDF Capital Projects	Debt Service	
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 342,095
Licenses and permits	--	--	--	17,464
Fines, forfeitures and penalties	--	--	--	278,450
Use of money and property	539	--	23,673	189,039
Intergovernmental	--	--	--	16,649,310
Charges for services	--	--	--	192,266
Other revenue	--	--	51,667	145,523
Total Revenues	<u>539</u>	<u>--</u>	<u>75,340</u>	<u>17,814,147</u>
Expenditures:				
Current:				
General government	24	--	29,023	138,165
Public protection	--	--	--	1,252,621
Public ways and facilities	--	--	--	456,672
Health and sanitation	--	--	--	6,012,675
Public assistance	--	--	--	1,425,255
Debt Service:				
Principal	--	--	1,528,378	1,528,378
Interest	--	--	478,935	530,973
Capital outlay	162,645	--	--	162,645
Total Expenditures	<u>162,669</u>	<u>--</u>	<u>2,036,336</u>	<u>11,507,384</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(162,130)</u>	<u>--</u>	<u>(1,960,996)</u>	<u>6,306,763</u>
Other Financing Sources (Uses):				
Transfers in	620,266	--	2,082,826	7,227,596
Transfers out	--	--	--	(12,163,727)
Total Other Financing Sources (Uses)	<u>620,266</u>	<u>--</u>	<u>2,082,826</u>	<u>(4,936,131)</u>
Net Change in Fund Balances	458,136	--	121,830	1,370,632
Fund Balances - Beginning of Year	<u>(8,531)</u>	<u>115</u>	<u>1,645,012</u>	<u>8,568,863</u>
Fund Balances - End of Year	<u>\$ 449,605</u>	<u>\$ 115</u>	<u>\$ 1,766,842</u>	<u>\$ 9,939,495</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Tobacco Program  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ --	\$ --	\$ 409	\$ 409
Intergovernmental	150,000	150,000	125,912	(24,088)
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>126,321</u>	<u>(23,679)</u>
Expenditures:				
Current:				
Health and sanitation	150,000	165,315	141,243	24,072
Total Expenditures	<u>150,000</u>	<u>165,315</u>	<u>141,243</u>	<u>24,072</u>
Fund Balances - Beginning of Year	<u>75,812</u>	<u>75,812</u>	<u>75,812</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 75,812</u>	<u>\$ 60,497</u>	<u>\$ 60,890</u>	<u>\$ 393</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Mental Health  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ (5,000)	\$ (5,000)	\$ 4,536	\$ 9,536
Intergovernmental	1,808,313	1,808,313	1,523,392	(284,921)
Charges for services	106,768	106,768	47,608	(59,160)
Other revenue	64,000	64,000	10,293	(53,707)
Total Revenues	<u>1,974,081</u>	<u>1,974,081</u>	<u>1,585,829</u>	<u>(388,252)</u>
Expenditures:				
Current:				
Health and sanitation	4,951,296	4,941,296	4,626,708	314,588
Total Expenditures	<u>4,951,296</u>	<u>4,941,296</u>	<u>4,626,708</u>	<u>314,588</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,977,215)</u>	<u>(2,967,215)</u>	<u>(3,040,879)</u>	<u>(73,664)</u>
Other Financing Sources (Uses):				
Transfers in	3,142,902	3,153,827	3,633,915	480,088
Transfers out	<u>(165,687)</u>	<u>(165,687)</u>	<u>(165,686)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>2,977,215</u>	<u>2,988,140</u>	<u>3,468,229</u>	<u>480,089</u>
Net Change in Fund Balances	--	20,925	427,350	406,425
Fund Balances - Beginning of Year	<u>(262,017)</u>	<u>(262,017)</u>	<u>(262,017)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ (262,017)</u>	<u>\$ (241,092)</u>	<u>\$ 165,333</u>	<u>\$ 406,425</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Fish and Game  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines, forfeitures and penalties	\$ 725	\$ 725	\$ 435	\$ (290)
Use of money and property	45	45	64	19
Intergovernmental	550	550	524	(26)
Total Revenues	<u>1,320</u>	<u>1,320</u>	<u>1,023</u>	<u>(297)</u>
Expenditures:				
Current:				
Public protection	2,955	2,955	1,958	997
Total Expenditures	<u>2,955</u>	<u>2,955</u>	<u>1,958</u>	<u>997</u>
Fund Balances - Beginning of Year	<u>19,535</u>	<u>19,535</u>	<u>19,535</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 17,900</u>	<u>\$ 17,900</u>	<u>\$ 18,600</u>	<u>\$ 700</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Non-Transit  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ --	\$ --	\$ 56	\$ 56
Total Revenues	<u>    --</u>	<u>    --</u>	<u>    56</u>	<u>    56</u>
Expenditures:				
Current:				
Public way and facilities	10,000	10,000	2,451	7,549
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>2,451</u>	<u>7,549</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>(2,395)</u>	<u>7,605</u>
Other Financing Sources (Uses):				
Transfers in	6,200	6,200	6,200	--
Transfers out	--	--	(2,349)	(2,349)
Total Other Financing Sources (Uses)	<u>6,200</u>	<u>6,200</u>	<u>3,851</u>	<u>(2,349)</u>
Net Change in Fund Balances	(3,800)	(3,800)	1,456	5,256
Fund Balances - Beginning of Year	<u>10,784</u>	<u>10,784</u>	<u>10,784</u>	<u>    --</u>
Fund Balances - End of Year	<u>\$ 6,984</u>	<u>\$ 6,984</u>	<u>\$ 12,240</u>	<u>\$ 5,256</u>



**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
TRANS  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 5,000	\$ 5,200	\$ 5,260	\$ 60
Total Revenues	<u>5,000</u>	<u>5,200</u>	<u>5,260</u>	<u>60</u>
Expenditures:				
Current:				
General government	12,005	12,005	11,001	1,004
Debt Service:				
Interest	52,000	52,200	52,038	162
Total Expenditures	<u>64,005</u>	<u>64,205</u>	<u>63,039</u>	<u>1,166</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(59,005)</u>	<u>(59,005)</u>	<u>(57,779)</u>	<u>1,226</u>
Other Financing Sources (Uses):				
Transfers in	59,005	59,005	59,004	(1)
Total Other Financing Sources (Uses)	<u>59,005</u>	<u>59,005</u>	<u>59,004</u>	<u>(1)</u>
Net Change in Fund Balances	--	--	1,225	1,225
Fund Balances - Beginning of Year	<u>2,668</u>	<u>2,668</u>	<u>2,668</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 2,668</u>	<u>\$ 2,668</u>	<u>\$ 3,893</u>	<u>\$ 1,225</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Special Aviation  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 808,250	\$ 808,250	\$ 42,268	\$ (765,982)
Total Revenues	<u>808,250</u>	<u>808,250</u>	<u>42,268</u>	<u>(765,982)</u>
Expenditures:				
Current:				
Public way and facilities	873,353	878,853	135,630	743,223
Total Expenditures	<u>873,353</u>	<u>878,853</u>	<u>135,630</u>	<u>743,223</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(65,103)</u>	<u>(70,603)</u>	<u>(93,362)</u>	<u>(22,759)</u>
Other Financing Sources (Uses):				
Transfers in	170,650	170,650	56,900	(113,750)
Transfers out	<u>(162,500)</u>	<u>(157,000)</u>	<u>(3,907)</u>	<u>153,093</u>
Total Other Financing Sources (Uses)	<u>8,150</u>	<u>13,650</u>	<u>52,993</u>	<u>39,343</u>
Net Change in Fund Balances	(56,953)	(56,953)	(40,369)	16,584
Fund Balances - Beginning of Year	<u>45,055</u>	<u>45,055</u>	<u>45,055</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ (11,898)</u>	<u>\$ (11,898)</u>	<u>\$ 4,686</u>	<u>\$ 16,584</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Hayfork Lighting District  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 13,450	\$ 13,450	\$ 15,194	\$ 1,744
Use of money and property	250	250	400	150
Intergovernmental	200	200	175	(25)
Total Revenues	<u>13,900</u>	<u>13,900</u>	<u>15,769</u>	<u>1,869</u>
Expenditures:				
Current:				
General government	9,150	9,150	8,490	660
Total Expenditures	<u>9,150</u>	<u>9,150</u>	<u>8,490</u>	<u>660</u>
Net Change in Fund Balances	4,750	4,750	7,279	2,529
Fund Balances - Beginning of Year	<u>116,303</u>	<u>116,303</u>	<u>116,303</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 121,053</u>	<u>\$ 121,053</u>	<u>\$ 123,582</u>	<u>\$ 2,529</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
 Weaverville Lighting District  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 47,500	\$ 47,500	\$ 52,737	\$ 5,237
Use of money and property	400	400	662	262
Intergovernmental	600	600	614	14
Total Revenues	<u>48,500</u>	<u>48,500</u>	<u>54,013</u>	<u>5,513</u>
Expenditures:				
Current:				
General government	33,200	33,200	32,182	1,018
Total Expenditures	<u>33,200</u>	<u>33,200</u>	<u>32,182</u>	<u>1,018</u>
Net Change in Fund Balances	15,300	15,300	21,831	6,531
Fund Balances - Beginning of Year	<u>190,334</u>	<u>190,334</u>	<u>190,334</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 205,634</u>	<u>\$ 205,634</u>	<u>\$ 212,165</u>	<u>\$ 6,531</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
 Transportation Commission  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ --	\$ --	\$ 970	\$ 970
Intergovernmental	318,540	318,540	234,451	(84,089)
Other revenue	--	--	2,252	2,252
Total Revenues	<u>318,540</u>	<u>318,540</u>	<u>237,673</u>	<u>(80,867)</u>
Expenditures:				
Current:				
Public ways and facilities	320,200	320,200	274,626	45,574
Total Expenditures	<u>320,200</u>	<u>320,200</u>	<u>274,626</u>	<u>45,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,660)</u>	<u>(1,660)</u>	<u>(36,953)</u>	<u>(35,293)</u>
Other Financing Sources (Uses):				
Transfers in	62,200	62,200	62,200	--
Transfers out	<u>(60,540)</u>	<u>(60,540)</u>	<u>(61,836)</u>	<u>(1,296)</u>
Total Other Financing Sources (Uses)	<u>1,660</u>	<u>1,660</u>	<u>364</u>	<u>(1,296)</u>
Net Change in Fund Balances	--	--	(36,589)	(36,589)
Fund Balances - Beginning of Year	<u>189,554</u>	<u>189,554</u>	<u>189,554</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 189,554</u>	<u>\$ 189,554</u>	<u>\$ 152,965</u>	<u>\$ (36,589)</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
 CDC PHEP  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ --	\$ --	\$ (77)	\$ (77)
Intergovernmental	190,779	204,483	204,522	39
Total Revenues	<u>190,779</u>	<u>204,483</u>	<u>204,445</u>	<u>(38)</u>
Expenditures:				
Current:				
Health and sanitation	190,779	204,483	161,611	42,872
Total Expenditures	<u>190,779</u>	<u>204,483</u>	<u>161,611</u>	<u>42,872</u>
Net Change in Fund Balances	--	--	42,834	42,834
Fund Balances - Beginning of Year	<u>(64,672)</u>	<u>(64,672)</u>	<u>(64,672)</u>	--
Fund Balances - End of Year	<u>\$ (64,672)</u>	<u>\$ (64,672)</u>	<u>\$ (21,838)</u>	<u>\$ 42,834</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
MHSA Other Funding  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 3,076	\$ 2,076
Intergovernmental	464,526	464,526	381,599	(82,927)
Total Revenues	<u>465,526</u>	<u>465,526</u>	<u>384,675</u>	<u>(80,851)</u>
Expenditures:				
Current:				
Health and sanitation	1,200	1,200	597	603
Total Expenditures	<u>1,200</u>	<u>1,200</u>	<u>597</u>	<u>603</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>464,326</u>	<u>464,326</u>	<u>384,078</u>	<u>(80,248)</u>
Other Financing Sources (Uses):				
Transfers out	(959,776)	(959,776)	(758,646)	201,130
Total Other Financing Sources (Uses)	<u>(959,776)</u>	<u>(959,776)</u>	<u>(758,646)</u>	<u>201,130</u>
Net Change in Fund Balances	(495,450)	(495,450)	(374,568)	120,882
Fund Balances - Beginning of Year	874,084	874,084	874,084	--
Fund Balances - End of Year	<u>\$ 378,634</u>	<u>\$ 378,634</u>	<u>\$ 499,516</u>	<u>\$ 120,882</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
MHTSA  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 2,000	\$ 2,000	\$ 3,409	\$ 1,409
Intergovernmental	1,471,000	1,471,000	1,208,398	(262,602)
Total Revenues	<u>1,473,000</u>	<u>1,473,000</u>	<u>1,211,807</u>	<u>(261,193)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,471,800</u>	<u>1,471,800</u>	<u>1,211,132</u>	<u>(260,668)</u>
Other Financing Sources (Uses):				
Transfers out	<u>(2,040,000)</u>	<u>(2,040,000)</u>	<u>(1,504,458)</u>	<u>535,542</u>
Total Other Financing Sources (Uses)	<u>(2,040,000)</u>	<u>(2,040,000)</u>	<u>(1,504,458)</u>	<u>535,542</u>
Net Change in Fund Balances	(568,200)	(568,200)	(293,326)	274,874
Fund Balances - Beginning of Year	<u>992,799</u>	<u>992,799</u>	<u>992,799</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 424,599</u>	<u>\$ 424,599</u>	<u>\$ 699,473</u>	<u>\$ 274,874</u>



**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
General Government  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 15,000	\$ 15,000	\$ 24,000	\$ 9,000
Fines, forfeits and penalties	23,003	23,003	16,897	(6,106)
Use of money and property	300	300	465	165
Intergovernmental	22,274	--	106,814	106,814
Charges for services	24,000	24,000	73,330	49,330
Total Revenues	<u>84,577</u>	<u>62,303</u>	<u>221,506</u>	<u>159,203</u>
Expenditures:				
Current:				
General government	22,712	108,748	57,445	51,303
Total Expenditures	<u>22,712</u>	<u>108,748</u>	<u>57,445</u>	<u>51,303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>61,865</u>	<u>(46,445)</u>	<u>164,061</u>	<u>210,506</u>
Other Financing Sources (Uses):				
Transfers out	<u>(33,000)</u>	<u>(33,000)</u>	<u>(32,549)</u>	<u>451</u>
Total Other Financing Sources (Uses)	<u>(33,000)</u>	<u>(33,000)</u>	<u>(32,549)</u>	<u>451</u>
Net Change in Fund Balances	28,865	(79,445)	131,512	210,957
Fund Balances - Beginning of Year, Restated	<u>415,564</u>	<u>415,564</u>	<u>415,564</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 444,429</u>	<u>\$ 336,119</u>	<u>\$ 547,076</u>	<u>\$ 210,957</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Public Protection  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 20,000	\$ 20,000	\$ 17,464	\$ (2,536)
Fines, forfeits and penalties	8,500	166,979	244,795	77,816
Use of money and property	214	214	2,771	2,557
Intergovernmental	2,715,101	2,899,511	2,995,569	96,058
Charges for services	16,500	16,500	20,053	3,553
Other revenue	20,420	20,420	61,290	40,870
Total Revenues	<u>2,780,735</u>	<u>3,123,624</u>	<u>3,341,942</u>	<u>218,318</u>
Expenditures:				
Current:				
Public protection	1,090,243	1,247,120	1,032,943	214,177
Total Expenditures	<u>1,090,243</u>	<u>1,247,120</u>	<u>1,032,943</u>	<u>214,177</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,690,492</u>	<u>1,876,504</u>	<u>2,308,999</u>	<u>432,495</u>
Other Financing Sources (Uses):				
Transfers in	10,375	49,065	20,861	(28,204)
Transfers out	(2,130,887)	(2,360,816)	(2,359,820)	996
Total Other Financing Sources (Uses)	<u>(2,120,512)</u>	<u>(2,311,751)</u>	<u>(2,338,959)</u>	<u>(27,208)</u>
Net Change in Fund Balances	(430,020)	(435,247)	(29,960)	405,287
Fund Balances - Beginning of Year	<u>1,371,099</u>	<u>1,371,099</u>	<u>1,371,099</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 941,079</u>	<u>\$ 935,852</u>	<u>\$ 1,341,139</u>	<u>\$ 405,287</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Public Ways  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 245,000	\$ 245,000	\$ 250,164	\$ 5,164
Use of money and property	73,285	73,285	137,505	64,220
Intergovernmental	70,414	70,414	45,466	(24,948)
Total Revenues	<u>388,699</u>	<u>388,699</u>	<u>433,135</u>	<u>44,436</u>
Expenditures:				
Current:				
Public ways and facilities	83,135	77,635	43,965	33,670
Total Expenditures	<u>83,135</u>	<u>77,635</u>	<u>43,965</u>	<u>33,670</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>305,564</u>	<u>311,064</u>	<u>389,170</u>	<u>78,106</u>
Other Financing Sources (Uses):				
Transfers in	178,054	172,554	328,408	155,854
Transfers out	(572,295)	(572,295)	(537,295)	35,000
Total Other Financing Sources (Uses)	<u>(394,241)</u>	<u>(399,741)</u>	<u>(208,887)</u>	<u>190,854</u>
Net Change in Fund Balances	(88,677)	(88,677)	180,283	268,960
Fund Balances - Beginning of Year	<u>1,267,898</u>	<u>1,267,898</u>	<u>1,267,898</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 1,179,221</u>	<u>\$ 1,179,221</u>	<u>\$ 1,448,181</u>	<u>\$ 268,960</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Health and Sanitation  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Fines, forfeitures and penalties	\$ 28,075	\$ 28,075	\$ 16,323	\$ (11,752)
Use of money and property	382	482	6,757	6,275
Intergovernmental	4,651,108	4,647,891	4,342,277	(305,614)
Charges for services	6,000	40,950	51,275	10,325
Other revenue	150	150	21	(129)
Total Revenues	<u>4,685,715</u>	<u>4,717,548</u>	<u>4,416,653</u>	<u>(300,895)</u>
Expenditures:				
Current:				
Health and sanitation	1,203,702	1,251,760	1,081,841	169,919
Total Expenditures	<u>1,203,702</u>	<u>1,251,760</u>	<u>1,081,841</u>	<u>169,919</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,482,013</u>	<u>3,465,788</u>	<u>3,334,812</u>	<u>(130,976)</u>
Other Financing Sources (Uses):				
Transfers in	260,223	274,457	58,430	(216,027)
Transfers out	(3,698,751)	(4,043,089)	(3,122,756)	920,333
Total Other Financing Sources (Uses)	<u>(3,438,528)</u>	<u>(3,768,632)</u>	<u>(3,064,326)</u>	<u>704,306</u>
Net Change in Fund Balances	43,485	(302,844)	270,486	573,330
Fund Balances - Beginning of Year	<u>1,776,368</u>	<u>1,776,368</u>	<u>1,776,368</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 1,819,853</u>	<u>\$ 1,473,524</u>	<u>\$ 2,046,854</u>	<u>\$ 573,330</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Public Assistance  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,912,942	\$ 1,912,942	\$ 1,312,613	\$ (600,329)
Total Revenues	<u>1,912,942</u>	<u>1,912,942</u>	<u>1,312,613</u>	<u>(600,329)</u>
Expenditures:				
Current:				
Public assistance	258	258	247	11
Total Expenditures	<u>258</u>	<u>258</u>	<u>247</u>	<u>11</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,912,684</u>	<u>1,912,684</u>	<u>1,312,366</u>	<u>(600,318)</u>
Other Financing Sources (Uses):				
Transfers out	<u>(2,104,257)</u>	<u>(2,104,257)</u>	<u>(1,312,366)</u>	<u>791,891</u>
Total Other Financing Sources (Uses)	<u>(2,104,257)</u>	<u>(2,104,257)</u>	<u>(1,312,366)</u>	<u>791,891</u>
Net Change in Fund Balances	(191,573)	(191,573)	--	191,573
Fund Balances - Beginning of Year	<u>359,650</u>	<u>359,650</u>	<u>359,650</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 168,077</u>	<u>\$ 168,077</u>	<u>\$ 359,650</u>	<u>\$ 191,573</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
 Disaster Recovery Initiative  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ (1,300)	\$ (1,300)	\$ (1,436)	\$ (136)
Intergovernmental	1,654,678	1,654,678	1,883,386	228,708
Other revenue	--	--	20,000	20,000
Total Revenues	<u>1,653,378</u>	<u>1,653,378</u>	<u>1,901,950</u>	<u>248,572</u>
Expenditures:				
Current:				
Public assistance	1,653,378	1,653,378	1,425,008	228,370
Total Expenditures	<u>1,653,378</u>	<u>1,653,378</u>	<u>1,425,008</u>	<u>228,370</u>
Net Change in Fund Balances	--	--	476,942	476,942
Fund Balances - Beginning of Year	<u>(545,559)</u>	<u>(545,559)</u>	<u>(545,559)</u>	--
Fund Balances - End of Year	<u>\$ (545,559)</u>	<u>\$ (545,559)</u>	<u>\$ (68,617)</u>	<u>\$ 476,942</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Health Realignment  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,334,552	\$ 1,334,552	\$ 1,399,272	\$ 64,720
Total Revenues	<u>1,334,552</u>	<u>1,334,552</u>	<u>1,399,272</u>	<u>64,720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,410,948</u>	<u>1,334,552</u>	<u>1,399,272</u>	<u>64,720</u>
Other Financing Sources (Uses):				
Transfers in	292,662	292,662	292,662	--
Transfers out	<u>(1,813,094)</u>	<u>(1,736,698)</u>	<u>(1,584,593)</u>	<u>152,105</u>
Total Other Financing Sources (Uses)	<u>(1,520,432)</u>	<u>(1,444,036)</u>	<u>(1,291,931)</u>	<u>152,105</u>
Net Change in Fund Balances	(109,484)	(109,484)	107,341	216,825
Fund Balances - Beginning of Year	<u>113,678</u>	<u>113,678</u>	<u>113,678</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 4,194</u>	<u>\$ 4,194</u>	<u>\$ 221,019</u>	<u>\$ 216,825</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Mental Health Realignment  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 690,171	\$ 690,171	\$ 711,019	\$ 20,848
Total Revenues	<u>690,171</u>	<u>690,171</u>	<u>711,019</u>	<u>20,848</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>690,121</u>	<u>690,121</u>	<u>711,019</u>	<u>20,898</u>
Other Financing Sources (Uses):				
Transfers in	5,924	5,924	5,924	--
Transfers out	(696,045)	(716,970)	(716,943)	27
Total Other Financing Sources (Uses)	<u>(690,121)</u>	<u>(711,046)</u>	<u>(711,019)</u>	<u>27</u>
Net Change in Fund Balances	--	(20,925)	--	20,925
Fund Balances - Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ (20,925)</u>	<u>\$ --</u>	<u>\$ 20,925</u>



**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Emergency Services  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 216,589	\$ 221,589	\$ 131,039	\$ (90,550)
Total Revenues	<u>216,589</u>	<u>221,589</u>	<u>131,039</u>	<u>(90,550)</u>
Expenditures:				
Current:				
Public protection	216,590	220,972	217,720	3,252
Total Expenditures	<u>216,590</u>	<u>220,972</u>	<u>217,720</u>	<u>3,252</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1)</u>	<u>617</u>	<u>(86,681)</u>	<u>(87,298)</u>
Other Financing Sources (Uses):				
Transfers out	--	(618)	(523)	95
Total Other Financing Sources (Uses)	<u>--</u>	<u>(618)</u>	<u>(523)</u>	<u>95</u>
Net Change in Fund Balances	(1)	(1)	(87,204)	(87,203)
Fund Balances - Beginning of Year	<u>(16,670)</u>	<u>(16,670)</u>	<u>(16,670)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ (16,671)</u>	<u>\$ (16,671)</u>	<u>\$ (103,874)</u>	<u>\$ (87,203)</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Capital Projects  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures:				
Current:				
General government	\$ 100	\$ 100	\$ 24	\$ 76
Capital outlay	55,193	577,193	162,645	414,548
Total Expenditures	<u>55,293</u>	<u>577,293</u>	<u>162,669</u>	<u>414,624</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(55,293)</u>	<u>(577,293)</u>	<u>(162,130)</u>	<u>415,163</u>
Other Financing Sources (Uses):				
Transfers in	1,020,000	1,098,266	620,266	(478,000)
Total Other Financing Sources (Uses)	<u>1,020,000</u>	<u>1,098,266</u>	<u>620,266</u>	<u>(478,000)</u>
Net Change in Fund Balances	964,707	520,973	458,136	(62,837)
Fund Balances - Beginning of Year	<u>(8,531)</u>	<u>(8,531)</u>	<u>(8,531)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 956,176</u>	<u>\$ 512,442</u>	<u>\$ 449,605</u>	<u>\$ (62,837)</u>

**COUNTY OF TRINITY**

Budgetary Comparison Schedule  
Debt Service  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money and property	\$ 4,000	\$ 4,000	\$ 23,673	\$ 19,673
Other revenue	51,667	51,667	51,667	--
Total Revenues	<u>55,667</u>	<u>55,667</u>	<u>75,340</u>	<u>19,673</u>
Expenditures:				
Current:				
General government	15,600	15,600	29,023	(13,423)
Debt Service:				
Principal	1,535,000	1,535,000	1,528,378	6,622
Interest	478,935	478,935	478,935	--
Total Expenditures	<u>2,029,535</u>	<u>2,029,535</u>	<u>2,036,336</u>	<u>(6,801)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,973,868)</u>	<u>(1,973,868)</u>	<u>(1,960,996)</u>	<u>12,872</u>
Other Financing Sources (Uses):				
Transfers in	2,089,448	2,089,448	2,082,826	(6,622)
Total Other Financing Sources (Uses)	<u>2,089,448</u>	<u>2,089,448</u>	<u>2,082,826</u>	<u>(6,622)</u>
Net Change in Fund Balances	115,580	115,580	121,830	6,250
Fund Balances - Beginning of Year	<u>1,645,012</u>	<u>1,645,012</u>	<u>1,645,012</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 1,760,592</u>	<u>\$ 1,760,592</u>	<u>\$ 1,766,842</u>	<u>\$ 6,250</u>

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## **NON-MAJOR ENTERPRISE FUNDS**

### **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 governing body is that the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### **Cemetery Fund**

The Cemetery Fund is used to fund operations, maintenance and capital improvements for the Trinity County's cemeteries.

#### **Transit Fund**

The Transit Fund is used to fund the operations of Trinity Transit. Trinity Transit provides services between the communities of Douglas City, Hayfork, Junction City, Lewiston, Redding, Weaverville, and Willow Creek. Regional services connect with neighboring systems: Redding Area Bus Authority in Redding, and Redwood Transit System and Klamath-Trinity Non-Emergency Medical Transportation in Willow Creek. Trinity Transit service is managed by the Trinity County Transportation Commission.

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**COUNTY OF TRINITY**

Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 June 30, 2016

	<u>Cemetery</u> <u>Fund</u>	<u>Transit</u> <u>Fund</u>	<u>Total</u>
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 29,920	\$ --	\$ 29,920
Accounts receivable	--	720	720
Due from other governments	--	186,710	186,710
Interest receivable	34	535	569
Total Current Assets	<u>29,954</u>	<u>187,965</u>	<u>217,919</u>
Noncurrent Assets:			
Capital assets:			
Non-depreciable	24,616	225,352	249,968
Depreciable, net	100	532,987	533,087
Total Noncurrent Assets	<u>24,716</u>	<u>758,339</u>	<u>783,055</u>
Total Assets	<u>54,670</u>	<u>946,304</u>	<u>1,000,974</u>
<u>Deferred Outflows of Resources</u>			
Deferred pension	--	60,814	60,814
<u>Liabilities</u>			
Current Liabilities:			
Accounts payable	--	15,643	15,643
Salaries and benefits payable	--	783	783
Unearned revenue	--	89,369	89,369
Compensated absences	--	6,574	6,574
Total Current Liabilities	<u>--</u>	<u>112,369</u>	<u>112,369</u>
Noncurrent Liabilities:			
Compensated absences	--	3,287	3,287
Net OPEB obligation	--	294,436	294,436
Net pension liability	--	620,311	620,311
Total Noncurrent Liabilities	<u>--</u>	<u>918,034</u>	<u>918,034</u>
Total Liabilities	<u>--</u>	<u>1,030,403</u>	<u>1,030,403</u>
<u>Deferred Inflows of Resources</u>			
Deferred pension	--	51,540	51,540
<u>Net Position</u>			
Net investment in capital assets	24,716	758,339	783,055
Unrestricted	29,954	(833,164)	(803,210)
Total Net Position	<u>\$ 54,670</u>	<u>\$ (74,825)</u>	<u>\$ (20,155)</u>

**COUNTY OF TRINITY**

Combining Statement of Revenues, Expenses and Changes in Net Position  
 Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2016

	Cemetery Fund	Transit Fund	Total
Operating Revenues:			
Charges for services	\$ 7,423	\$ 98,620	\$ 106,043
Other revenue	--	899	899
Total Operating Revenues	<u>7,423</u>	<u>99,519</u>	<u>106,942</u>
Operating Expenses:			
Salaries and benefits	--	342,205	342,205
Services and supplies	5,136	342,154	347,290
Depreciation	--	122,519	122,519
Total Operating Expenses	<u>5,136</u>	<u>806,878</u>	<u>812,014</u>
Operating Income (Loss)	<u>2,287</u>	<u>(707,359)</u>	<u>(705,072)</u>
Nonoperating Revenue (Expenses):			
Investment earnings	103	1,756	1,859
Intergovernmental	--	865,256	865,256
Gain (loss) on disposal of capital assets	--	4,020	4,020
Total Nonoperating Revenue (Expenses)	<u>103</u>	<u>871,032</u>	<u>871,135</u>
Income (Loss) Before Capital Contributions and Transfers	2,390	163,673	166,063
Transfers in	--	449,988	449,988
Transfers out	--	(343,552)	(343,552)
Change in Net Position	2,390	270,109	272,499
Net Position - Beginning of Year, restated	<u>52,280</u>	<u>(344,934)</u>	<u>(292,654)</u>
Net Position - End of Year	<u>\$ 54,670</u>	<u>\$ (74,825)</u>	<u>\$ (20,155)</u>



**COUNTY OF TRINITY**

Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2016

	Cemetery Fund	Transit Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from customers and users	\$ 7,423	\$ 32,737	\$ 40,160
Cash paid to suppliers	(5,783)	(344,334)	(350,117)
Cash paid to employees	--	(308,340)	(308,340)
Net Cash Provided (Used) by Operating Activities	<u>1,640</u>	<u>(619,937)</u>	<u>(618,297)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Aid from other governmental agencies	--	1,083,469	1,083,469
Interfund loans	(17)	--	(17)
Transfers out	--	(343,552)	(343,552)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(17)</u>	<u>739,917</u>	<u>739,900</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital grants and allocations	--	--	--
Purchases of capital assets	--	(366,536)	(366,536)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(366,536)</u>	<u>(366,536)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received (paid)	<u>103</u>	<u>1,516</u>	<u>1,619</u>
Net Cash Provided (Used) by Investing Activities	<u>103</u>	<u>1,516</u>	<u>1,619</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,726	(245,040)	(243,314)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>28,194</u>	<u>245,040</u>	<u>273,234</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 29,920</u>	<u>\$ --</u>	<u>\$ 29,920</u>

continued

**COUNTY OF TRINITY**

Combining Statement of Cash Flows (continued)  
 Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2016

	<u>Cemetery Fund</u>	<u>Transit Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 2,287	\$ (707,359)	\$ (705,072)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	--	122,519	122,519
Changes in assets, liabilities and deferred inflows/outflows:			
Decrease (increase) in:			
Accounts receivable	--	(66,782)	(66,782)
Deferred outflows - pension	--	(10,577)	(10,577)
Increase (decrease) in:			
Accounts payable	(647)	(2,180)	(2,827)
Accrued salaries and benefits	--	783	783
Deferred inflows - pension	--	(26,207)	(26,207)
Compensated absences payable	--	(507)	(507)
Net OPEB obligation	--	50,755	50,755
Net pension liability	--	19,618	19,618
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 1,640</u>	<u>\$ (619,937)</u>	<u>\$ (618,297)</u>

## **INTERNAL SERVICE FUNDS**

### **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

#### **Copier**

The copier fund is a working capital fund for the acquisition, operation and maintenance of the County-owned and/or leased copy machines. Departments are charged for their use of the copiers based on the number of copies made. The revenue offsets the cost of the program.

#### **Motor Pool**

The motor pool is a working capital fund for the acquisition, operation and maintenance of the County-owned vehicle fleet and road maintenance equipment. Vehicles purchased are assigned to the operating departments. The departments are then charged for the use of the vehicles. The revenue offsets the cost of the program.

#### **OPEB**

The Other Post-Employment Benefits (OPEB) fund is a working capital fund for the billing and accumulation of department's share of OPEB costs and payment of the pay-as-you-go costs in addition to contributions made to an irrevocable trust fund when authorized by the Board of Supervisors. The revenue offsets the cost of the program.

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**COUNTY OF TRINITY**

Combining Statement of Net Position  
Internal Service Funds  
June 30, 2016

	<u>Copier</u>	<u>Motor Pool</u>	<u>OPEB</u>	<u>Total</u>
<u>Assets</u>				
Current Assets:				
Pooled cash and investments	\$ 97,370	\$ 212,784	\$ 3,899,123	\$ 4,209,277
Interest receivable	100	210	3,735	4,045
Prepays	95	--	--	95
Total Current Assets	<u>97,565</u>	<u>212,994</u>	<u>3,902,858</u>	<u>4,213,417</u>
Noncurrent Assets:				
Capital assets:				
Depreciable, net	25,915	343,979	--	369,894
Total Noncurrent Assets	<u>25,915</u>	<u>343,979</u>	<u>--</u>	<u>369,894</u>
Total Assets	<u>123,480</u>	<u>556,973</u>	<u>3,902,858</u>	<u>4,583,311</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	31,345	129,941	--	161,286
Total Liabilities	<u>31,345</u>	<u>129,941</u>	<u>--</u>	<u>161,286</u>
<u>Net Position</u>				
Net investment in capital assets	25,915	343,979	--	369,894
Unrestricted	66,220	83,053	3,902,858	4,052,131
Total Net Position	<u>\$ 92,135</u>	<u>\$ 427,032</u>	<u>\$ 3,902,858</u>	<u>\$ 4,422,025</u>

**COUNTY OF TRINITY**

Combining Statement of Revenues, Expenses and  
Changes in Net Position  
Internal Service Funds  
For the Year Ended June 30, 2016

	<u>Copier</u>	<u>Motor Pool</u>	<u>OPEB</u>	<u>Total</u>
Operating Revenues:				
Charges for services	<u>\$ 53,020</u>	<u>\$ 163,888</u>	<u>\$ 2,954,696</u>	<u>\$ 3,171,604</u>
Total Operating Revenues	<u>53,020</u>	<u>163,888</u>	<u>2,954,696</u>	<u>3,171,604</u>
Operating Expenses:				
Services and supplies	45,593	13,243	2,187,290	2,246,126
Depreciation	<u>4,309</u>	<u>65,132</u>	<u>--</u>	<u>69,441</u>
Total Operating Expenses	<u>49,902</u>	<u>78,375</u>	<u>2,187,290</u>	<u>2,315,567</u>
Operating Income (Loss)	<u>3,118</u>	<u>85,513</u>	<u>767,406</u>	<u>856,037</u>
Nonoperating Revenue:				
Investment earnings	292	557	10,677	11,526
Gain (loss) disposal of capital assets	--	824	--	824
Intergovernmental	<u>--</u>	<u>--</u>	<u>1,226</u>	<u>1,226</u>
Total Nonoperating Revenue	<u>292</u>	<u>1,381</u>	<u>11,903</u>	<u>13,576</u>
Income (Loss) Before Transfers	3,410	86,894	779,309	869,613
Transfers in	<u>--</u>	<u>55,132</u>	<u>--</u>	<u>55,132</u>
Change in net position	3,410	142,026	779,309	924,745
Net Position - Beginning of Year	<u>88,725</u>	<u>285,006</u>	<u>3,123,549</u>	<u>3,497,280</u>
Net Position - End of Year	<u>\$ 92,135</u>	<u>\$ 427,032</u>	<u>\$ 3,902,858</u>	<u>\$ 4,422,025</u>

**COUNTY OF TRINITY**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2016

	<u>Copier</u>	<u>Motor Pool</u>	<u>OPEB</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from interfund services provided	\$ 53,031	\$ 164,369	\$ 2,983,943	\$ 3,201,343
Cash paid to suppliers	<u>(25,535)</u>	<u>116,698</u>	<u>(2,189,244)</u>	<u>(2,098,081)</u>
Net Cash Provided (Used) by Operating Activities	<u>27,496</u>	<u>281,067</u>	<u>794,699</u>	<u>1,103,262</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Aid from other governmental entities	--	--	1,226	1,226
Transfers in	--	55,132	--	55,132
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>55,132</u>	<u>1,226</u>	<u>56,358</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	<u>(15,324)</u>	<u>(268,054)</u>	--	<u>(283,378)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(15,324)</u>	<u>(268,054)</u>	--	<u>(283,378)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received (paid)	<u>240</u>	<u>438</u>	<u>8,516</u>	<u>9,194</u>
Net Cash Provided (Used) by Investing Activities	<u>240</u>	<u>438</u>	<u>8,516</u>	<u>9,194</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	12,412	68,583	804,441	885,436
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>84,958</u>	<u>144,201</u>	<u>3,094,682</u>	<u>3,323,841</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 97,370</u>	<u>\$ 212,784</u>	<u>\$ 3,899,123</u>	<u>\$ 4,209,277</u>

continued

**COUNTY OF TRINITY**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2016

	<u>Copier</u>	<u>Motor Pool</u>	<u>OPEB</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 3,118	\$ 85,513	\$ 767,406	\$ 856,037
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	4,309	65,132	--	69,441
Changes in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	11	481	29,247	29,739
Increase (decrease) in:				
Accounts payable	20,058	129,941	(1,954)	148,045
	<u>20,058</u>	<u>129,941</u>	<u>(1,954)</u>	<u>148,045</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 27,496</u>	<u>\$ 281,067</u>	<u>\$ 794,699</u>	<u>\$ 1,103,262</u>



## FIDUCIARY FUNDS

### **AGENCY FUNDS**

Agency funds are custodial in nature and do not involve the measurement of results of operations. Such funds have no equity accounts since all assets are due to local governments and individuals at some future time.

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**COUNTY OF TRINITY**

Agency Funds  
Statement of Changes in Assets and Liabilities  
For the Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>Assets</u>				
Pooled cash and investments	\$ 5,463,493	\$ --	\$ 808,002	\$ 4,655,491
Property taxes receivable	2,408,628	--	91,431	2,317,197
Interest receivable	3,426	2,028	--	5,454
	<u>3,426</u>	<u>2,028</u>	<u>--</u>	<u>5,454</u>
Total Assets	<u>\$ 7,875,547</u>	<u>\$ 2,028</u>	<u>\$ 899,433</u>	<u>\$ 6,978,142</u>
<u>Liabilities</u>				
Agency funds held for others	<u>\$ 7,875,547</u>	<u>\$ 2,028</u>	<u>\$ 899,433</u>	<u>\$ 6,978,142</u>
Total Liabilities	<u>\$ 7,875,547</u>	<u>\$ 2,028</u>	<u>\$ 899,433</u>	<u>\$ 6,978,142</u>

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*STATISTICAL SECTION*



## COUNTY OF TRINITY

### Statistical Section

This part of the County of Trinity's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and required supplementary information.

	<u>Page</u>
<b>Financial Trends Information</b>	
These schedules contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective	131
<b>Revenue Capacity Information</b>	
These schedules contain information that may assist the reader in assessing the viability of the County's most significant local revenue sources; property taxes	136
<b>Debt Capacity Information</b>	
These schedules present information that may assist the reader in analyzing the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	141
<b>Demographic &amp; Economic Information</b>	
These schedules offer economic and demographic indicators that are commonly used for financial analysis and that can enhance a reader's understanding of the County's present and ongoing financial status	146
<b>Operating Information</b>	
These schedules contain service and infrastructure indicators about how the information in the County's financial statements relates to the services the County provides and the activities it performs	147

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**County of Trinity**  
**Government-wide Net Position by Component**  
**For the Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2016	2015 <sup>4</sup>	2014	2013 <sup>3</sup>	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt <sup>1</sup>	\$ 137,688,451	\$ 142,559,925	\$ 133,266,455	\$ 129,167,006	\$ 136,825,865	\$ 140,907,817	\$ 146,115,881	\$ 144,181,786	\$ 171,513,586	\$ 164,498,571
Restricted <sup>2</sup>	15,291,341	17,165,662	17,696,027	19,372,789	22,853,328	22,740,173	13,674,039	13,674,039	13,674,039	10,686,922
Unrestricted	<u>(55,741,242)</u>	<u>(59,772,570)</u>	<u>(18,009,183)</u>	<u>(20,749,537)</u>	<u>(22,740,998)</u>	<u>(18,953,961)</u>	<u>(7,964,831)</u>	<u>(41,008,663)</u>	<u>2,291,030</u>	<u>(678,457)</u>
Total governmental activities net position	<u>\$ 97,238,550</u>	<u>\$ 99,953,017</u>	<u>\$ 132,953,299</u>	<u>\$ 127,790,258</u>	<u>\$ 136,938,195</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>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt <sup>1</sup>	1,744,412	1,561,420	1,553,201	1,675,146	11,570,130	12,401,020	11,545,289	11,194,001	11,508,670	11,578,253
Restricted <sup>2</sup>	-	-	-	-	-	-	103,208	-	-	-
Unrestricted	<u>(8,941,427)</u>	<u>(8,839,992)</u>	<u>(5,724,999)</u>	<u>(4,445,856)</u>	<u>(3,502,992)</u>	<u>(3,731,928)</u>	<u>(10,507,587)</u>	<u>(14,869,867)</u>	<u>(9,926,571)</u>	<u>(9,450,939)</u>
Total business-type activities net position	<u>\$ (7,197,015)</u>	<u>\$ (7,278,572)</u>	<u>\$ (4,171,798)</u>	<u>\$ (2,770,710)</u> <sup>3</sup>	<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>
<b>Primary Government</b>										
Invested in capital assets, net of related debt <sup>1</sup>	139,432,863	144,121,345	134,819,656	130,842,152	148,395,995	153,308,837	157,661,170	155,375,787	183,022,256	176,076,824
Restricted <sup>2</sup>	15,291,341	17,165,662	17,696,027	19,372,789	22,853,328	22,740,173	13,777,247	13,674,039	13,674,039	10,686,922
Unrestricted	<u>(64,682,669)</u>	<u>(68,612,562)</u>	<u>(23,734,182)</u>	<u>(25,195,393)</u>	<u>(26,243,990)</u>	<u>(22,685,889)</u>	<u>(18,472,418)</u>	<u>(55,878,530)</u>	<u>(7,635,541)</u>	<u>(10,129,396)</u>
Total primary government net position	<u>\$ 90,041,535</u>	<u>\$ 92,674,445</u>	<u>\$ 128,781,501</u>	<u>\$ 125,019,548</u>	<u>\$ 145,005,333</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>

Notes:

<sup>1</sup> Capital assets include land, easements, construction in progress, structures and improvements, and equipment.

<sup>2</sup> 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.

<sup>3</sup> In 2013, GASB Statement No. 61 amended the process in determining component units of the primary government. Due to these changes, Trinity County Waterworks District No. 1 was changed from a blended component unit to a discretely presented component unit.

<sup>4</sup> In 2015, GASB Statement Nos. 68 & 71 required entities to adjust their net positions and to report net pension liabilities on the statement of financial positions.

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

**County of Trinity**  
**Changes in Net Position**  
**For the Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 4,652,933	\$ 4,654,963	\$ 3,662,243	\$ 3,279,153	\$ 3,352,682	\$ 4,316,266	\$ 4,133,083	\$ 4,986,467	\$ 6,645,690	\$ 4,548,037
Public protection	13,188,116	13,157,832	13,351,834	14,346,337	12,584,410	11,649,415	10,879,074	10,932,558	13,260,582	12,485,709
Public ways and facilities	19,870,158	17,500,858	16,903,911	16,810,768	17,595,067	17,219,700	19,022,868	20,260,538	6,368,378	17,417,866
Health and sanitation	7,719,590	6,564,298	6,278,183	6,761,926	7,266,864	6,969,232	6,564,267	6,193,325	6,843,570	7,093,843
Public assistance	12,421,644	10,908,429	9,602,244	8,735,699	8,470,969	7,749,746	7,379,055	6,987,791	7,368,044	6,857,847
Education	368,018	358,760	343,129	352,530	373,304	411,766	387,830	349,531	316,584	433,357
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	520,467	601,519	693,516	774,660	836,347	883,825	862,010	1,010,408	1,070,913	984,830
<b>Total governmental activities expenses</b>	<b>58,740,926</b>	<b>53,746,659</b>	<b>50,835,060</b>	<b>51,061,073</b>	<b>50,479,643</b>	<b>49,199,950</b>	<b>49,228,187</b>	<b>50,720,618</b>	<b>41,873,761</b>	<b>49,821,489</b>
<b>Business-type Activities:</b>										
Solid Waste	2,963,628	2,846,250	4,058,271	2,686,161	2,672,505	2,642,332	2,472,165	2,364,033	3,099,765	2,218,317
Waterworks District No. 1	-	-	-	-	806,765	789,533	911,287	911,287	784,271	823,362
Cemeteries	5,136	3,134	10,223	7,699	7,432	6,332	11,817	9,001	7,617	10,815
Transit	806,878	756,372	691,213	699,678	599,991	509,931	398,210	324,318	295,899	220,368
<b>Total business-type activities expenses</b>	<b>3,775,642</b>	<b>3,605,756</b>	<b>4,759,707</b>	<b>3,393,538</b>	<b>4,086,693</b>	<b>3,948,128</b>	<b>3,793,479</b>	<b>3,608,639</b>	<b>4,187,552</b>	<b>3,272,862</b>
<b>Total Primary government expenses</b>	<b>\$ 62,516,568</b>	<b>\$ 57,352,415</b>	<b>\$ 55,594,767</b>	<b>\$ 54,454,611</b>	<b>\$ 54,566,336</b>	<b>\$ 53,148,078</b>	<b>\$ 53,021,666</b>	<b>\$ 54,329,257</b>	<b>\$ 46,061,313</b>	<b>\$ 53,094,351</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Fees, fines & charges for services										
General government	2,763,267	2,158,069	2,055,080	2,147,942	1,995,691	1,899,101	2,115,873	2,878,858	1,488,774	1,043,613
Public protection	1,581,981	1,626,645	1,824,750	1,795,582	1,639,311	1,521,761	1,763,372	1,781,417	2,344,757	2,343,930
Public ways and facilities	974,058	966,728	1,028,196	1,248,004	1,214,243	1,049,881	863,068	926,362	1,072,108	809,486
Health and sanitation	642,379	483,964	355,843	390,401	438,287	458,478	361,442	364,930	438,956	357,277
Public assistance	299,023	168,195	137,567	113,753	105,672	136,559	97,235	141,973	237,107	196,326
Education	3,271	2,782	2,815	3,783	4,827	4,788	3,488	5,987	16,496	3,060
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	29,962,356	26,686,002	28,354,959	25,544,623	25,913,802	27,254,095	21,361,499	23,114,085	32,430,396	25,493,738
Capital grants and contributions	8,754,780	20,834,893	15,054,197	2,084,841	3,267,688	1,445,414	8,353,713	8,353,713	8,353,713	3,351,646
<b>Total governmental activities program revenues</b>	<b>44,981,115</b>	<b>52,927,278</b>	<b>48,813,407</b>	<b>33,328,929</b>	<b>34,579,521</b>	<b>33,770,077</b>	<b>34,919,690</b>	<b>37,567,325</b>	<b>46,382,307</b>	<b>33,599,076</b>
<b>Business-type Activities:</b>										
Fees, fines & charges for services										
Solid Waste	2,691,340	2,608,578	2,737,429	2,140,316	2,222,736	2,214,900	2,237,318	2,696,980	2,265,211	1,545,637
Waterworks District No. 1	-	-	-	-	432,694	439,408	442,615	442,615	526,346	487,602
Cemeteries	7,423	5,824	10,968	10,763	13,362	3,811	10,832	5,416	7,018	12,076
Transit	98,620	95,267	90,159	78,769	73,458	46,930	31,463	38,479	22,462	17,956
Operating grants and contributions	885,256	480,204	438,865	678,060	456,601	905,653	441,160	79,872	89,862	196,770
Capital grants and contributions	-	-	-	-	64,804	14,520	-	-	-	95,000
<b>Total business-type activities program revenues</b>	<b>3,682,639</b>	<b>3,189,873</b>	<b>3,277,421</b>	<b>2,907,908</b>	<b>3,263,655</b>	<b>3,625,222</b>	<b>3,163,388</b>	<b>3,263,362</b>	<b>2,910,899</b>	<b>2,355,041</b>
<b>Total primary government program revenues</b>	<b>\$ 48,663,754</b>	<b>\$ 56,117,151</b>	<b>\$ 52,090,828</b>	<b>\$ 36,236,837</b>	<b>\$ 37,843,176</b>	<b>\$ 37,395,299</b>	<b>\$ 38,083,078</b>	<b>\$ 40,830,687</b>	<b>\$ 49,293,206</b>	<b>\$ 35,954,117</b>

<sup>1</sup> In 2013, GASB Statement No. 61 amended the process in determining component units of the primary government. Due to these changes, Trinity County Waterworks District No. 1 was changed from a blended component unit to a discretely presented component unit.

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

**County of Trinity**  
**Changes in Net Position - continued**  
**For the Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expense)/Revenue <sup>1</sup>										
Governmental activities	\$ (13,759,811)	\$ (819,381)	\$ (2,021,653)	\$ (17,732,144)	\$ (15,900,122)	\$ (15,429,873)	\$ (14,308,497)	\$ (13,153,293)	\$ 4,508,546	\$ (16,222,413)
Business-type activities	(93,003)	(415,883)	(1,482,286)	(485,630)	(823,038)	(322,906)	(630,091)	(345,277)	(1,276,653)	(917,821)
Total primary government net expense	<u>\$ (13,852,814)</u>	<u>\$ (1,235,264)</u>	<u>\$ (3,503,939)</u>	<u>\$ (18,217,774)</u>	<u>\$ (16,723,160)</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>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 7,572,814	\$ 6,570,302	\$ 6,322,796	\$ 5,955,766	\$ 6,211,025	\$ 5,656,667	\$ 3,436,487	\$ 3,555,181	\$ 4,107,847	\$ 4,860,733
Sales and use taxes	1,262,879	1,335,358	1,204,416	1,057,980	1,131,953	1,053,647	2,517,641	2,441,996	2,398,104	1,324,413
Transient occupancy taxes	155,016	171,244	175,302	140,058	203,384	202,050	206,005	225,624	241,841	238,072
Property transfer taxes	145,535	97,668	92,557	77,470	53,565	56,333	55,207	45,344	61,635	70,955
Other	87,005	65,547	53,803	83,628	59,097	(7,403)	(23,974)	33,093	145,985	281,208
Unrestricted interest and investment earnings	454,742	210,671	123,814	128,099	164,963	283,808	181,204	485,613	612,975	655,862
Miscellaneous	1,369,517	568,532	709,413	990,502	702,040	862,655	931,869	605,032	1,816,800	1,042,168
Gain (Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Special items	-	-	-	-	-	436,146	-	-	(932,380)	-
Transfers	(2,164)	46,836	59,894	(81,173)	(44,935)	(67,180)	(345,072)	(459,135)	(551,225)	(185,288)
Total governmental activities	<u>11,045,344</u>	<u>9,066,158</u>	<u>8,741,995</u>	<u>8,352,330</u>	<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>
Business-type Activities:										
Taxes	146,531	128,671	129,249	146,967	144,004	200,866	211,234	190,212	90,005	108,791
Investment earnings	18,586	16,993	15,406	16,213	19,555	21,522	(9,922)	(57,946)	(125,373)	(164,926)
Miscellaneous	7,279	2,781	4,865	6,385	12,591	72,043	(9,581)	8,958	(83,686)	2,837
Special items	-	-	-	-	-	-	-	-	356,402 <sup>2</sup>	-
Transfers	2,164	(46,836)	(59,894)	81,173	44,935	67,180	345,072	459,135	551,225	185,288
Total business-type activities	<u>174,560</u>	<u>101,609</u>	<u>89,626</u>	<u>250,738</u>	<u>221,085</u>	<u>361,611</u>	<u>536,803</u>	<u>600,359</u>	<u>788,573</u>	<u>131,990</u>
Total Primary government	<u>\$ 11,219,904</u>	<u>\$ 9,167,767</u>	<u>\$ 8,831,621</u>	<u>\$ 8,603,068</u>	<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>
Change in Net Position										
Governmental activities:	\$ (2,714,467)	\$ 8,246,777	\$ 6,720,342	\$ (9,379,814)	\$ (7,419,030)	\$ (6,953,150)	\$ (7,349,130)	\$ (6,220,545)	\$ 12,410,128	\$ (7,934,290)
Business-type activities	81,557	(314,274)	(1,392,660)	(234,892)	(601,953)	38,705	(93,288)	255,082	(488,080)	(785,831)
Total primary government	<u>\$ (2,632,910)</u>	<u>\$ 7,932,503</u>	<u>\$ 5,327,682</u>	<u>\$ (9,614,706)</u>	<u>\$ (8,020,983)</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>

Notes:

<sup>1</sup> 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.

<sup>2</sup> 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

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

**County of Trinity**  
**Fund Balances, Governmental Funds**  
**For the Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<sup>1,2</sup> <u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,351,369	\$ 9,125	\$ 8,125	\$ 9,384
Unreserved	-	-	-	-	-	-	4,613,612	5,019,772	5,721,809	5,777,105
Nonspendable	255,430	282,837	286,164	5,075	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	1,025,260	850,049	914,646	1,038,765	(17,640)	(501,553)	-	-	-	-
Total general fund	<u>\$ 1,280,690</u>	<u>\$ 1,132,886</u>	<u>\$ 1,200,810</u>	<u>\$ 1,043,840</u>	<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>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,840,571	\$ 5,100,728	\$ 4,580,279	\$ 5,142,375
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	7,097,303	9,135,445	6,273,474	3,389,890
Capital projects funds	-	-	-	-	-	-	32,971	(35,832)	(306,319)	(149,270)
Debt service funds	-	-	-	-	-	-	1,181,601	1,292,368	1,535,046	1,464,548
Nonspendable	842,336	922,680	977,397	1,461,085	5,479,570	5,718,959	-	-	-	-
Restricted	18,939,608	18,918,817	18,055,216	17,809,068	15,671,686	14,208,369	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	2,220,455	1,647,795	1,531,307	1,419,363	1,314,174	1,276,112	-	-	-	-
Unassigned	(194,329)	(897,449)	(670,650)	(1,662,873)	(959,471)	(648,876)	-	-	-	-
Total all other governmental funds	<u>\$ 21,808,070</u>	<u>\$ 20,591,843</u>	<u>\$ 19,893,270</u>	<u>\$ 19,026,643</u>	<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>

<sup>1</sup> 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.

<sup>2</sup> Beginning in fiscal year 2010-11, the old Hospital Fund was merged into the General Fund due to the County's obligation to absorb the accumulated operational deficit.

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

**County of Trinity**  
**Changes in Fund Balances, Governmental Funds:**  
**For the Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Taxes	\$ 9,223,249	\$ 8,240,119	\$ 7,848,874	\$ 7,314,902	\$ 7,659,024	\$ 6,961,294	\$ 6,191,366	\$ 6,301,238	\$ 6,955,412	\$ 6,775,381
Licenses, fees and permits	665,675	639,195	604,691	544,961	522,827	590,004	563,454	556,057	571,671	590,113
Fines, forfeits and penalties	344,305	355,745	462,227	574,392	287,149	314,356	341,351	455,063	213,914	118,027
Use of money and property	443,216	204,263	119,635	123,785	161,082	177,692	180,433	483,944	612,123	657,878
Aid from other governments	38,556,372	35,766,317	33,072,663	26,372,165	28,375,928	27,291,510	29,715,211	31,467,797	40,784,109	28,845,384
Charges for services	5,253,999	4,411,443	4,337,333	4,580,112	4,588,055	4,151,213	4,113,840	4,914,136	4,615,950	4,025,258
Other	1,308,693	566,138	756,826	991,600	702,040	862,104	924,972	602,273	1,955,256	1,037,544
<b>Total Revenues</b>	<b>\$ 55,795,509</b>	<b>\$ 50,183,220</b>	<b>\$ 47,202,249</b>	<b>\$ 40,501,917</b>	<b>\$ 42,296,105</b>	<b>\$ 40,348,173</b>	<b>\$ 42,030,627</b>	<b>\$ 44,780,508</b>	<b>\$ 55,708,435</b>	<b>\$ 42,049,585</b>
<b>Expenditures:</b>										
<b>Current:</b>										
General government	\$ 4,119,701	\$ 3,831,540	\$ 3,237,781	\$ 2,929,229	\$ 2,532,495	\$ 3,892,119	\$ 3,572,711	\$ 4,223,982	\$ 6,205,815	\$ 4,528,653
Public protection	13,597,998	12,686,171	12,593,932	13,043,157	11,637,937	10,750,244	10,018,104	10,879,697	13,243,897	12,056,408
Public ways and facilities	14,583,683	14,018,718	11,080,180	9,342,412	8,894,463	8,373,237	7,657,746	9,194,147	14,553,306	10,317,542
Health and sanitation	7,479,686	6,324,938	6,101,679	6,292,233	6,915,113	6,561,991	6,274,981	6,159,022	6,855,397	7,043,297
Public assistance	12,045,480	10,479,401	9,342,043	8,277,326	7,980,766	7,281,059	6,987,667	6,992,170	7,356,604	6,798,452
Education	323,225	313,987	303,957	298,718	313,467	346,454	345,966	344,891	318,192	331,032
Recreational and cultural services	-	-	-	-	-	-	-	-	-	-
Capital Outlay	162,645	-	46,560	-	-	-	1,005,470	1,426,164	1,136,343	273,963
Debt Service:										
Principal	1,528,378	1,387,955	1,239,778	1,130,000	1,014,379	910,000	720,000	788,038	1,391,661	490,000
Interest	533,386	614,542	705,783	775,025	831,798	876,585	1,030,086	956,967	1,077,978	988,511
<b>Total Expenditures</b>	<b>\$ 54,374,182</b>	<b>\$ 49,657,252</b>	<b>\$ 44,651,693</b>	<b>\$ 42,088,100</b>	<b>\$ 40,120,418</b>	<b>\$ 38,991,689</b>	<b>\$ 37,612,731</b>	<b>\$ 40,965,078</b>	<b>\$ 52,139,193</b>	<b>\$ 42,827,858</b>
Excess of revenue over (under) expenditures										
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,714
Special item	-	-	-	-	-	-	-	-	(932,380)	-
Loss contingency upon transfer of hospital	-	-	-	-	-	-	-	-	-	-
Transfers in	14,657,302	12,957,499	16,559,479	13,366,278	9,786,738	7,095,892	12,327,790	11,858,742	12,369,644	8,359,156
Transfers out	(14,714,598)	(12,910,663)	(16,499,585)	(13,447,451)	(10,172,673)	(7,163,072)	(12,672,562)	(12,317,877)	(12,920,869)	(8,520,256)
<b>Total other financing sources (uses)</b>	<b>(57,296)</b>	<b>46,836</b>	<b>59,894</b>	<b>(81,173)</b>	<b>(385,935)</b>	<b>(67,180)</b>	<b>(344,772)</b>	<b>(459,135)</b>	<b>(1,483,605)</b>	<b>16,614</b>
<b>Net change in fund balance</b>	<b>\$ 1,364,031</b>	<b>\$ 572,804</b>	<b>\$ 2,610,450</b>	<b>\$ (1,667,356)</b>	<b>\$ 1,789,752</b>	<b>\$ 1,289,304</b>	<b>\$ 4,073,124</b>	<b>\$ 3,356,295</b>	<b>\$ 2,085,637</b>	<b>\$ (761,659)</b>
Debt service as a percentage of noncapital expenditures	3.80%	4.03%	4.36%	4.53%	4.60%	4.58%	4.78%	4.41%	4.84%	3.47%

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**

<u>Fiscal Year Ending June 30</u>	<u>Property Tax <sup>1</sup></u>	<u>Sales &amp; Use Tax <sup>2</sup></u>	<u>Transient Occupancy Tax <sup>3</sup></u>	<u>Property Transfer Tax <sup>4</sup></u>	<u>Other Taxes</u>	<u>Total</u>
2016	\$ 7,719,346	\$ 1,262,879	\$ 155,016	\$ 145,535	\$ 87,005	\$ 9,369,781
2015	6,698,973	1,335,358	171,244	97,668	65,547	8,368,790
2014	6,452,045	1,204,416	175,302	92,557	53,803	7,978,123
2013	6,102,733	1,057,980	140,058	77,470	83,628	7,461,869
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
 Change 2007-2016	 58.8%	 -4.6%	 -34.9%	 105.1%	 -69.1%	 38.3%

Notes:

- <sup>1</sup> Property tax revenues increased 58.8% in the last 10 fiscal years due to additional assessments by the Assessor's Office based on reappraisals of real property due to changes in ownership or completion of new construction.
- <sup>2</sup> Sales and use tax revenues decreased 4.6% in the last ten years due to a combination of (i) rate increases (an additional 1% sales tax effective April 1, 2009), (ii) a decline in taxable sales, and (iii) Proposition 172 Sales tax Augmentation Revenues previously recorded as Sales & Use Tax is now recorded as Operating Grants and Contributions.
- <sup>3</sup> Transient Occupancy Tax (5% as of August 20, 1996, decreased by 34.9% in the last ten years due to a decrease in tourism and room rates.
- <sup>4</sup> Property transfer tax revenues increased 105.1% in the last 10 years due to an increase in sales activity.

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

**County of Trinity**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**For the Last Ten Fiscal Years**  
**(in thousands)**

Fiscal Year <u>June 30</u>	Real Property <sup>1</sup>	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Net Increase	
						Amount	Percentage
2016	\$ 1,414,331	\$ 53,179	\$ 25,467	\$ 1,442,043	1.0%	\$ 65,918	4.79%
2015	1,353,299	48,116	25,290	1,376,125	1.0	46,135	3.47
2014	1,323,905	50,019	43,934	1,329,990	1.0	47,984	3.74
2013	1,294,894	30,025	42,913	1,282,006	1.0	26,116	2.08
2012	1,264,173	33,801	42,084	1,255,890	1.0	31,141	2.54
2011	1,233,471	32,981	41,703	1,224,749	1.0	14,013	1.16
2010	1,213,190	36,915	39,369	1,210,736	1.0	62,304	5.43
2009	1,151,688	35,852	39,108	1,148,432	1.0	74,749	6.96
2008	1,074,614	36,153	37,084	1,073,683	1.0	76,321	7.65
2007	995,998	36,071	34,707	997,362	1.0	91,588	10.11

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

Source: California State Board of Equalization - Tables 5 & 9

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

<u>Fiscal Year</u>	<u>County Direct Rate</u> <sup>1</sup>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping</u> <sup>2</sup>
		<u>Local Special Districts</u>	<u>Schools</u>	
2016	1.00	0.03	0.10	1.13
2015	1.00	0.03	0.09	1.12
2014	1.00	0.03	0.13	1.17
2013	1.00	0.04	0.13	1.17
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

Notes:

<sup>1</sup> 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.

<sup>2</sup> 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  
Current Year and Nine Years Ago**

<u>Owner</u>	<u>2015/16 Secured Tax</u>			<u>2006/07 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>
Trinity River Lumber Company	\$ 29,010,958	1	2.25%	\$ 9,207,082	3	1.06%
Pacific Gas & Electric Company	22,133,244	2	1.72%	10,949,934	2	1.26%
Sierra Pacific Industries, Inc	16,822,190	3	1.31%	15,730,529	1	1.81%
Verizon California, Inc.	4,803,927	4	0.37%	8,703,599	4	1.00%
AT&T	4,188,564	5	0.33%	-		0.00%
Ryan Partnership	3,884,132	6	0.30%	3,840,753	5	0.44%
U.S. Department of Interior	2,887,119	7	0.22%	2,403,865	8	0.28%
Angelo, Paul Tste	2,278,175	8	0.18%	-		0.00%
Kampgrounds of America, Inc.	2,074,079	9	0.16%	-		0.00%
Chagdud Gonpa Foundation	1,928,767	9	0.15%	-		0.00%
Mountain Resorts	1,884,069	10	0.15%	-		0.00%
Weaverville Investment Group	-		0.00%	-		0.00%
Hodges, DL & RG Tstes	-		0.00%	-		0.00%
Behrens, Henning & Marion	-		0.00%	2,602,989	6	0.30%
Doshay, David G. & Susan A.	-		0.00%	2,550,461	7	0.29%
Sierra Pacific Holding Company	-		0.00%	2,337,489	9	0.27%
Sumner, Michael & Polly	-		0.00%	2,335,793	10	0.27%
	-		0.00%			
	<u>\$ 91,895,224</u>		<u>7.16%</u>	<u>\$ 60,662,494</u>		<u>6.97%</u>
All others Totals	<u>1,195,374,835</u>		<u>92.84%</u>	<u>810,230,747</u>		<u>93.03%</u>
	<u><u>\$ 1,287,270,059</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 870,893,241</u></u>		<u><u>100.00%</u></u>

Source: Tax Collector's Office - County of Trinity, California

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

<u>Fiscal Year June 30</u>	<u>Total Assessed Valuation</u>	<u>Secured Property Tax Levy</u>	<u>Prior Delinquent Tax Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Current Delinquent Taxes</u>
2016	\$ 1,387,259,792	\$ 14,511,113	\$ 1,442,874	94.90%	\$ 743,086
2015	1,350,635,363	13,196,239	1,435,434	94.70%	742,143
2014	1,299,139,324	12,841,349	1,147,784	94.20%	784,941
2013	1,253,751,229	12,648,721	1,046,908	94.90%	672,409
2012	1,209,895,638	12,799,651	702,432	94.44%	686,086
2011	1,195,274,898	12,477,380	831,711	94.43%	669,575
2010	1,183,242,938	12,238,404	669,134	94.94%	619,273
2009	1,124,412,781	11,691,207	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

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

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

Governmental Activities

Fiscal Year (June 30)	Certificates of Participation		Notes Payable	Capital Lease	Total
	General	Pension <sup>1</sup>			
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
2023	533,325	-	59,974	-	593,299
2024	530,600	-	-	-	530,600
2025	535,325	-	-	-	535,325
2026	531,650	-	-	-	531,650

Business-Type Activities

Fiscal Year (June 30)	Capital Lease <sup>2</sup>	Total
2017	\$ 101,895	\$ 101,895
2018	99,355	99,355
2019	96,728	96,728
2020	94,011	94,011
2021	91,200	91,200
2022	51,864	51,864
2023	-	-
2024	-	-
2025	-	-
2026	-	-

Fiscal Year (June 30)	Total Primary Government
2017	\$ 2,185,335
2018	781,030
2019	776,728
2020	775,636
2021	772,325
2022	735,364
2023	593,299
2024	530,600
2025	535,325
2026	531,650

<sup>1</sup> Pension COP matures in 2017

<sup>2</sup> Capital Lease matures in 2022

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

**County of Trinity**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2016	n/a	n/a	\$ -	n/a	n/a
2015	n/a	n/a	-	n/a	n/a
2014	n/a	n/a	-	n/a	n/a
2013	n/a	n/a	-	n/a	n/a
2012	n/a	n/a	-	n/a	n/a
2011	n/a	n/a	-	n/a	n/a
2010	n/a	n/a	-	n/a	n/a
2009	n/a	n/a	-	n/a	n/a
2008	n/a	n/a	-	n/a	n/a
2007	n/a	n/a	-	n/a	n/a

Notes: Trinity County does not have any general obligation bonds.

**County of Trinity**  
**Direct and Overlapping Debt**  
**As of June 30, 2016**

Assessed Valuation (including unitary utility valuation)	\$	<u>1,442,332,696</u>	
	\$	<u>1,442,332,696</u>	
	<b>Total Debt</b>	<b>Percentage</b>	<b>County's Share of</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</b>	<b>6/30/2016</b>	<b>Applicable <sup>1</sup></b>	<b>6/30/2016 Debt</b>
<b>Direct General Fund Obligation Debt</b>			
Trinity County Certificates of Participation	\$ 3,490,000	100.000%	\$ 3,490,000
Trinity County Pension Obligations	1,315,000	100.000%	1,315,000
Contract Payable	959,974	100.000%	959,974
	<u>5,764,974</u>		<u>5,764,974</u>
<b>Overlapping General Fund Obligation Debt</b>			
Redwood Joint Community College District Certificates of Participation	56,200	0.270%	152
Shasta-Tehama-Trinity Community College District Certificates of Participati	16,225,000	6.224%	1,009,844
<b>Total Overlapping General Fund Obligation Debt</b>	<u>16,281,200</u>		<u>1,009,996</u>
<b>Total Direct and Overlapping Debt</b>	<u>22,046,174</u>		<u>6,774,970</u>
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
<i>School Districts</i>			
Redwoods Joint Community College District	31,015,000	0.270%	83,741
Shasta-Tehama-Trinity Community College District	24,090,000	6.224%	1,499,362
Klamath-Trinity Joint Unified School District	7,649,195	12.883%	985,446
South Trinity Joint Unified School District	2,249,999	83.194%	1,871,864
<b>Total Overlapping Tax and Assessment Debt</b>	<u>65,004,194</u>		<u>4,440,412</u>
<b>COMBINED TOTAL DEBT</b>	<u>\$ 87,050,368</u>		<u>\$ 11,215,382 <sup>2</sup></u>

Ratios to 2015-16 Assessed Valuation:

Total Direct Debt (\$5,764,974) . . . . .	0.40%
Overlapping Tax and Assessment Debt . . . . .	0.33%
Combined Total Debt . . . . .	0.78%

Notes:

<sup>1</sup> The percentage of overlapping debt applicable to the county is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the county divided by the district's total taxable assessed value.

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

**County of Trinity  
Legal Debt Margin Information  
As of June 30, 2016  
(in thousands)**

	<b>Fiscal Year 2015</b>	
	<b>1.25%</b>	<b>3.75%</b>
Debt limit	\$ 18,026	\$ 54,077
Total net debt applicabl to limit	3,034	-
Legal debt margin	14,992	54,077
Total net debt applicable to the limit as a percentage of debt limit		
Legal Debt Margin Calculation:		
Assessed value	\$ 1,467,510	\$ 1,467,510
Less: Exempt real property	25,467	25,467
Total assessed value	\$ 1,442,043	\$ 1,442,043
<b>CERTIFICATES OF PARTICIPATION</b>		
Debt limit (1.25% and 3.75% of total assessed value)	\$ 18,026	\$ 54,077
Debt applicable to limit:		
Certificates of Participation	3,490	3,490
Less: Amount set aside for repayment of outstanding debt	(456)	(456)
Total net certificates of participation applicable to limit	3,034	
<b>PENSION OBLIGATION BONDS</b>		
Debt applicable to limit:		
Pension Obligation Bonds	1,315	1,315
Less: Amount set aside for repayment of outstanding debt	(8)	(8)
Total net pension obligation bonds applicable to limit	1,307	
Total net debt applicable to limit	4,341	4,341
Legal debt margin	\$ 13,685	\$ 49,736

Notes:

- 1 Using the California Attorney General's Opinion regarding Revenue and Taxation Code section 135 and applying that opinion to the California Government Code Section 29909, the County of Trinity's outstanding bonded debt should not exceed 1.25% of total assessed property value. By law, the bonded debt subject to these limitations may be offset by amounts set aside for repaying bonded debt.

Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Sources:

- 1 Auditor Controller's Office - County of Trinity, California
- 2 California State Board of Equalization - Table 9

**County of Trinity**  
**County Total Sales and Use Tax Revenues**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Total Sales and Use Revenues</u>
2015-2016	\$ N/A
2014-2015	785,969
2013-2014	735,212
2012-2013	655,112
2011-2012	646,429
2010-2011	644,788
2009-2010	549,333
2008-2009	549,351
2007-2008	565,630
2006-2007	578,216

*Source: California State Board of Equalization - Table 21A*

**County of Trinity  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population<sup>1</sup></u>	<u>Personal Income<sup>1</sup></u>	<u>Per Capita Personal Income<sup>1</sup></u>	<u>School Enrollment<sup>2</sup></u>	<u>Unemployment Rate<sup>3</sup></u>
2016	13,667	n/a	n/a	1,509	6.5%
2015	13,583	n/a	n/a	1,517	7.2%
2014	13,614	\$ 485,026	\$ 35,627	1,577	8.4%
2013	13,459	470,557	34,962	1,622	10.9%
2012	13,496	460,245	34,102	1,657	13.8%
2011	13,525	442,187	32,694	1,729	15.1%
2010	13,705	417,573	30,469	1,711	15.0%
2009	13,771	397,952	28,898	1,785	15.0%
2008	13,730	400,183	29,147	1,888	11.3%
2007	13,787	386,174	28,010	1,936	9.1%
2006	13,823	365,798	26,463	2,007	8.4%

Sources:

- 1 California State Department of Finance, Demographics Unit, Population Estimate Tables E-1 and E-2
- 2 California Department of Education, Educational Demographics Office - <http://dq.cde.ca.gov/dataquest>
- 3 Employment Development Department, Labor Market Information - <https://data.edd.ca.gov>



**County of Trinity**  
**Full-time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**

<b>Function/program</b>	<b><u>2015-16</u></b>	<b><u>2014-15</u></b>	<b><u>2013-14</u></b>	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>	<b><u>2010-11</u></b>	<b><u>2009-10</u></b>	<b><u>2008-09</u></b>	<b><u>2007-08</u></b>	<b><u>2006-07</u></b>
General Government	43.2	42.2	41.2	38.7	39.2	44.5	44.5	59.5	74.5	74.5
Public Protection	98.3	98.3	99.3	97.1	91.1	100.1	99.1	111.8	112.8	112.8
Public Ways and Facilities	41	41	40	39	44	51	51	64	63	63
Health and Sanitation	50.5	49.5	44.5	44	48	47	46	51	54.4	54.4
Public Assistance	66	63.5	56	53	55	74.75	59.75	61.75	58.75	58.75
Education	3.05	2.75	2.75	3.75	3	3	3	3	7	7
Total full-time equivalent employees	302.05	297.25	283.75	275.55	280.3	320.35	303.35	351.05	370.45	370.45

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

**County of Trinity  
Major Employers  
For the Fiscal Year Ended June 30, 2016**

<u>Firm</u>	<u>Product or Service</u>	<u>Estimated Employment</u>
Trinity County Schools	K-12 Education	395
Trinity County	Government Services	320
Trinity River Lumber	Lumber Mill	150
Mountain Community Health Care District	Hospital	145
U.S. Forest Service, Weaverville	Federal Forest	100
Top's Superfoods	Grocery	92
U.S. Forest Service, Hayfork	Federal Forest	66
CVS	Drug/Retail	23
Trinity Public Utilities District	Electric	22
Cal Trans	Government Services	12

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

**COUNTY OF TRINITY**

**Operating Indicators by Function  
Last Nine Fiscal Years**

Function	Fiscal Year								
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Airport</b>									
Aviation Encroachments	18	20	18	16	16	15	22	19	16
Hanger Leases	46	46	46	46	46	45	45	46	44
<b>Education</b>									
Library branches located in the county	3	3	3	3	3	3	3	3	3
Items checked out	30,633	39,170	44,929	49,613	43,552	38,164	37,099	36,503	35,000
Library cards issued	375	132	304	405	265	239	310	347	282
Number of computers provided for public use	12	12	12	12	12	12	12	15	17
<b>Health &amp; Human Services</b>									
Public Guardian total clients (conservatees + additional referrals)	52	20	18	23	30	39	48	46	41
Veterans Service Officer number of benefit claims filed					17	57	71	24	51
<b>Public Health</b>									
Women, Infants, and Children (WIC) visits	339	363	359	334	309	327	326	3487	3245
Immunizations	2915	2621	2824	3085	2293	1797	1161	1138	1141
<b>Mental Health</b>									
Emergency Response clients					389	399	618	1384	460
Adult Medication Clinic clients					64	63	118	138	155
Children's Medication Support clients					31	31	42	55	42
Total Mental Health clients served					772	822	963	337	360
<b>Alcohol and drug Services - Division Restructured 9/2007</b>									
Adult Outpatient Treatment and Recovery Services Program clients					106	112	91	120	119
Prevention (school-based youth) groups					81	42	155	8	5
PC 1210 STOP (formerly Proposition 36) clients					23	25	14	15	16
Total Alcohol and Drug Services clients served					187	154	185	120	119
<b>Social Services</b>									
Adult Protective Services total clients served	95	115	91	95	121	147	186	181	174
CalWORK's average caseload	200	202	187	182	163	145	138	125	119
Child Welfare Services total child abuse referrals received	222	198	268	167	249	196	157	126	194
<b>Child Welfare Services percent timely investigations:</b>									
%Timely immediate investigations	86	90.4	98.1	100	98.01	96.9	97	100	95.5
% Timely ten day investigations	85.4	92.7	89.75	94	97.5	100	93	93	84
County Medical Services Program average number of continuing cases/eligible's	175	183	214	290	308	373	192	3	1
Food Stamps average caseload	528	576	628	684	747	810	890	1028	1043
Foster care average number of cases	33	32	47	37	44	55	56	69	62
In Home Supportive Services total clients served	162	144	144	140	140	159	166	184	184
Medi-Cal average number of eligible's	4655	2594	2940	2084	2153	1677	2124	3420	2382
<b>Highways and Streets</b>									
Street resurfacing (miles)	2	10	4.5	6	6	6	19	11.25	4
<b>Sheriff</b>									
Physical arrests	396	321	325	391	477	460	405	443	369

COUNTY OF TRINITY

Capital Assets Statistics by Function  
Last Nine Years

Function	Fiscal Year								
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Public Safety</b>									
Sheriff:									
Stations	4	4	4	4	4	4	4	4	4
Law Enforcement Vehicles	27	28	29	29	29	30	25	38	39
Buildings	3	3	3	3	3	3	3	4	5
Reverse 911 System	0	1	1	1	1	1	1	1	1
Airplanes	1	1	1	1	1	1	1	1	1
20 User Inmate System	1	1	1	1	1	1	1	1	1
Home Monitoring System	1	1	1	1	1	1	1	1	1
Lake Patrol									
Vessels	3	3	3	4	4	4	4	4	6
Vehicles	1	1	1	1	1	1	1	1	1
Probation									
Buildings	1	1	1	1	1	1	1	1	1
Vehicles	7	7	11	11	11	11	11	8	10
Finger Print/Palm Print Machine	0	0	1	1	1	1	1	1	1
<b>Education</b>									
Library Building	1	1	1	1	1	1	1	1	1
Intergrated Library System	1	1	1	1	1	1	1	1	1
<b>Health &amp; Sanitation</b>									
Solid Waste									
Buildings	6	6	6	6	6	6	6	4	4
Heavy Equipment	5	5	5	5	5	5	5	5	5
Vehicles	14	14	15	15	15	15	14	24	18
<b>Public Ways &amp; Facilities</b>									
Road Department									
Roads	546	546	546	546	547	547	547	512	411
Bridges									96
Buildings	35	35	35	35	35	35	35	36	28
Heavy Equipment	25	25	25	25	25	28	25	28	28
Vehicles	54	55	55	55	55	55	55	58	54
GIS Software	0	0	1	1	1	1	1	1	1
Road & Fleet Computer Program	1	1	1	1	1	1	1	1	1
Transit									
Public Transportation Buses	3	3	5	5	6	8	8	8	8
Airports									
Number of Airports	5	5	5	5	5	5	5	5	5
Hangar Maint & Office	1	1	1	1	1	1	1	1	2
<b>General Government</b>									
Elections									
Global Accu Vote System OS	1	1	1	1	1	1	1	1	1
Information Technology									
HVAC Unit IT Server Room	0	1	1	1	1	1	1	1	1
Network Servers	1	1	1	1	1	1	1	1	7
General Services									
Parks	6	6	6	6	6	6	6	6	6
Buildings	69	69	69	69	69	69	69	63	69
Fairgrounds	1	1	1	1	1	1	1	1	1
Vehicles	27	27	28	28	29	30	30	35	35
Heavy Equipment	1	1	1	1	1	1	1	1	1
Health Department									
Wireless Network Components WIC	1	1	1	1	1	1	1	1	1
PRO -04 Filling Station	0	0	0	1	1	1	1	1	1
<b>Public Assistance</b>									
Welfare									
Vehicles	18	18	20	21	21	22	21	19	19
Digital Phone System	1	1	1	1	1	1	1	1	1
CIV Server Connection	0	1	1	1	1	1	1	1	1
Fiber Project Wireless	0	0	1	1	1	1	1	1	1
State Grants									
Cell Towers	0	0	1	2	2	2	2	2	2