

COUNTY OF YUBA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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YEAR ENDED JUNE 30, 2017**

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INDEPENDENT AUDITORS' REPORT

Honorable Board of Supervisors
County of Yuba
Marysville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yuba, California, (the County), as of and for the year ended June 30, 2017, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Yuba County Water Agency and the Yuba First Five Commission, which represents 100% of the assets, net position, and revenues of the aggregate discretely presented component units. 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 aggregate discretely presented component units, 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 opinion.

Opinions

In our opinion, based on our audit and the reports of other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2017, 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 change in the net position liability and related ratios, schedule of contributions, schedules of funding progress for the retiree healthcare plan 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 combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Board of Supervisors
County of Yuba

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Roseville, California
March 26, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS



**COUNTY OF YUBA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

This Management Discussion and Analysis of the County of Yuba's (County) basic financial statements presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2017. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the 2016-2017 fiscal year by \$99.8 million. Of this amount, \$59.1 million is restricted for capital projects, debt service, and other public uses (restricted net position), and \$193.9 million is invested in capital assets, net of related debt. Unrestricted net position is deficit by \$153.1 million. Unrestricted Net Position consists mainly of Net Pension Liability in the amount of \$124.6 million. Further details of the Net Pension Liability can be found in Note 8 to the financial statements. Additionally, Unrestricted Net Position consists of \$30.9 million representing governmental resources committed or assigned to functions such as public protection, public works and education endeavors, and other purposes as designated by the board.

The County embarked on construction projects in the fiscal year ended June 30, 2017. In the prior fiscal year the County issued certificates of participation in the amount of \$6.4 million to fund the construction of an upgraded facility for the Sheriff's department. Major construction expenditures continued in the current fiscal year. The project will be completed in the fiscal year ending June 30, 2018. Additionally the County completed construction of a solar array on property adjacent to the Yuba County Animal Control Facility located near the Yuba County Airport. Initially, the energy savings generated by the project will pay the debt service on the certificates of participation and will serve reduce county energy costs in the long term.

As of June 30, 2017, the County's governmental funds reported combined fund balances of \$90.7 million. Of this amount, approximately \$9.8 million dollars are designated as assigned and unassigned in accordance with GASB 54 pronouncements.

During the fiscal year 2016-2017 the Yuba Levee Financing Authority, a joint venture between the Yuba County Water Agency and the County to provide a local match for state levee construction funding, refinanced bonds used to provide funding for levee construction. This refinancing is projected to save at least \$750,000 in interest payments annually over the remaining life of the bonds.

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 are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements.

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

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

**COUNTY OF YUBA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but uncollected revenues 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 their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, recreation and cultural services. The business-type activities of the County include the County Airport.

Fund Financial Statements are a grouping 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. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on current in-flows and outflows of spendable resources as well as the balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the County's short-term financial position and the financial resources available in the near future to support the County's programs.

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 government 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.

In addition to the General Fund, the County maintains individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Major funds are presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Major governmental funds include the General Fund, Public Works Fund, Social Services Fund, Public Safety Fund, the debt service fund of the Yuba County Financing Authority, a blended component unit, and the County's Local Revenue Fund which collects resources from the state of California as part of its Realignment initiative. The resources in the Local Revenue Fund are recognized as revenue when allocated by the state and then transferred to various fund for use by appropriate departments. All other governmental fund types are presented in aggregate as Other Governmental Funds.

**COUNTY OF YUBA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Proprietary funds are comprised of 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 Airport. 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 for its self-insurance (Risk Management Authority), which includes general liability, workers' compensation, employee health benefits, and for its fleet operations and maintenance (Fleet Management). Because these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide similar information as the government-wide financial statements, only in more detail. These statements present the County's enterprise fund (business – type activities) and internal service funds (governmental activities). The proprietary fund statements present the County's enterprise fund (County Airport) separately, along with the aggregate of the internal service fund activity. Additional internal service fund financial statements have been provided for Fleet Management and the Risk Management Authority, which provide the detail of each of these funds.

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 these funds are not available to support the County's programs. The County's fiduciary funds are comprised of agency funds and the investment trust fund.

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.

**COUNTY OF YUBA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Required Supplementary Information regarding the County's budgetary process has been provided along with budgetary comparison schedules for the County's general fund and for each of the major governmental special revenue funds. This budgetary information is in addition to and follows the supplementary schedule concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

**Table 1
The County's Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and Other Assets	\$ 110,082	\$ 131,003	\$ 91	\$ 164	\$ 110,173	\$ 131,167
Capital Assets	215,227	206,455	2,093	2,243	217,320	208,698
Total Assets	325,309	337,458	2,184	2,407	327,493	339,865
Deferred Outflows of Resources	30,189	9,054	-	-	30,189	9,054
Liabilities:						
Current and Other Liabilities	15,280	14,117	85	87	15,365	14,204
Long-Term Liabilities	238,821	213,860	79	67	238,900	213,927
Total Liabilities	254,101	227,977	164	154	254,265	228,131
Deferred Inflows of Resources	3,538	7,115	-	-	3,538	7,115
Net Position:						
Net Investment in Capital Assets	191,841	190,356	2,093	2,243	193,934	192,599
Restricted Net Position	59,096	73,212	-	-	59,096	73,212
Unrestricted Net Position	(153,078)	(152,148)	(73)	10	(153,151)	(152,138)
Total Net Position	\$ 97,859	\$ 111,420	\$ 2,020	\$ 2,253	\$ 99,879	\$ 113,673

ANALYSIS OF NET POSITION

As noted earlier, net position may serve as a useful indicator of government's financial position. In the case of the County of Yuba, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$99.8 million at the close of the fiscal year ending June 30, 2017. The decrease in net position can be attributed in part to a \$20.6 million increase in Net Pension Liability, from \$104.0 million in 2016 to \$124.6 million in 2017.

Restricted Net Position, the use of which is restricted by entities external to the County (i.e. external creditors, other governmental agencies, or by law through constitutional powers or enabling legislation) comprise \$59.1 million for the current fiscal year, a decrease of \$14.1 million from the prior year total of \$73.2 million.

Net investment in capital assets increased by \$1.3 million from 2016 to 2017 resulting from the completion of the solar array and continued construction on other public safety capital projects.

**COUNTY OF YUBA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

The following table indicates the changes in net position for governmental and business-type activities:

**Table 2
The County's Net Position
(in Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues:						
Charges for Services	\$ 28,769	\$ 29,933	\$ 303	\$ 348	\$ 29,072	\$ 30,281
Operating Grants and Contributions	87,781	88,647	141	118	87,922	88,765
Capital Grants and Contributions	5,787	2,354	-	-	5,787	2,354
General Revenues:						
Property Taxes	11,668	11,128	-	-	11,668	11,128
Transit Occupancy Tax	253	287	-	-	253	287
Sales and Use Taxes	4,279	4,289	-	-	4,279	4,289
Other	518	438	-	-	518	438
Unrestricted Interest and Investment Earnings	1,199	1,291	1	3	1,200	1,294
Miscellaneous	1,553	736	-	-	1,553	736
Total Revenues	141,807	139,103	445	469	142,252	139,572
Expenses						
General Government	14,233	17,798	-	-	14,233	17,798
Public Safety	57,086	51,132	-	-	57,086	51,132
Public Ways and Facilities	16,845	15,864	-	-	16,845	15,864
Health and Sanitation	7,781	7,409	-	-	7,781	7,409
Public Assistance	53,997	58,961	-	-	53,997	58,961
Education	323	509	-	-	323	509
Recreation and Culture	440	191	-	-	440	191
Interest on Long-Term Debt	4,663	4,961	-	-	4,663	4,961
Airport	-	-	678	644	678	644
Total Expenses	155,368	156,825	678	644	156,046	157,469
Change in Net Position	(13,561)	(17,722)	(233)	(175)	(13,794)	(17,897)
Net Position - Beginning of Year	111,420	129,142	2,253	2,428	113,673	131,570
Net Position - End of Year	\$ 97,859	\$ 111,420	\$ 2,020	\$ 2,253	\$ 99,879	\$ 113,673

Overall, activities in the current year decreased the County's net position by \$13.7 million. The County saw an overall increase of \$2.6 million in revenues from \$139.6 million in 2016 to \$142.2 million in 2017. The county saw a increase in property tax revenue, from \$11.1 million in 2016 to \$11.7 million in 2017. There was an overall decrease in charges for services of approximately \$0.8 million (from \$30.3 million in 2016 to \$29.1 million in 2017) and a net increase in total operating and capital grants and contributions of \$2.6 million (from a total of \$91.1 million in 2016 to \$93.7 million in 2017). The increase in revenue was accompanied by a decrease of \$1.5 million in expenditures, from \$157.5 million to \$156.0 million, or 1.0%. Public Safety saw an increase of \$6.0 million. This was in large part due to increased enforcement efforts in the community from law enforcement and inspection divisions within the county.

**COUNTY OF YUBA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds: Governmental activities are generally accounted for under the General Fund, special revenue, debt service and capital project 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 as spendable resources. Such information is useful in assessing the County's short-term financing requirements, in particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of June 30, 2017, the County's governmental funds reported a combined ending fund balance of \$90.7 million, compared to \$113.3 million of the previous year, a decrease of 19.9%. Of the \$90.7 million in fund balance, \$57.5 million is classified under GASB 54 as restricted, due to grant and other regulatory provisions, and nonspendable, which consists of shop inventory. Committed and Assigned fund balance decreased from \$34.9 million to \$30.9 million from 2016 to 2017, respectively.

The General Fund is the chief operating fund of the County. As of June 30, 2017, the General Fund had an overall unrestricted fund balance of \$16.8 million. Of the \$16.8 million, \$8.7 million is committed to activities related to Public Protection, Education, Capital Projects, and other governmental functions. The County has also assigned \$5.9 million of the overall unrestricted fund balance for General Contingencies and Capital Projects.

In addition to the General Fund, the County maintains five major governmental funds: the Public Works fund, Social Services fund, the Public Safety fund, the Yuba Levee Financing Authority Debt Service fund, and the Local Revenue Fund.

The Public Works fund is used for the planning, design, construction, maintenance, and administration of the County's roads and infrastructure. The Public Works fund recorded \$11.6 million in revenues for 2017 compared to \$8.5 million in revenues in 2016. Expenditures increased to \$14.6 million in 2017 from \$8.7 million in 2016. The County experience a period of heavy rainfall during the fiscal year which affected various roadways and related systems throughout the County. Public Works incurred unexpected expenditures to begin addressing the adverse affects of the storm systems. Expenditures in the Public Works fund are driven mainly by other governmental funding, typically from the state of California and the federal government.

The Social Services fund is used for providing services and assistance to County individuals and families, including foster care, medical services, general assistance for indigent adults, and time-limited benefit payment programs to help needy families. The Social Services fund reported \$46.9 million in revenues for 2017 compared to \$43.5 million in revenues for 2016. Expenditures for Social Service increased by approximately \$3.2 million from 2016 to 2017.

The Public Safety fund accounts for the operations of public safety departments that include sheriff, district attorney, jail, and juvenile hall. In 2017, revenues were \$11.1 million compared to \$12.1 million in 2016. Expenditures during 2017 decreased by \$0.3 million to \$30.6 million; down from \$30.9 million in 2016. The Board of Supervisors places a high priority on public safety and allocated \$18.9 million of discretionary resources to Public Safety budgets in fiscal year ending June 30, 2017.

**COUNTY OF YUBA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

The Yuba Levee Financing Authority Debt Service fund is used to account for the bonds issued by the Yuba Levee Financing Authority. During the fiscal year ending June 30, 2017, the fund disbursed all bond related resources for levee construction projects to the Three Rivers Levee Improvement Authority Joint Powers Authority. The Financing Authority held \$6.7 million in cash reserves as a bond sinking fund. The Authority used these cash reserves as part of a bond refinancing effort to reduce the effective interest rate and purchase a bond surety.

The Local Revenue Fund received \$13.8 million in 2017 from revenue allocated by the state of California under the Realignment Initiative. This is down from \$14.7 million in 2016. In 2017, \$15.3 million was transferred to various County departments for use in implementing Realignment related programs.

Proprietary funds: As described earlier, when certain activities are performed for which user fees or charges are designed to cover expenses, proprietary funds are used. The County accounts for both governmental activities (internal service funds) and business-type activities (enterprise funds) using these types of funds.

The County's only enterprise fund is the County Airport. Net position for the Airport as of June 30, 2017 was \$2.0 million which was a decrease from a 2016 balance of \$2.3 million. For the fiscal year ended June 30, 2017, the Airport generated an operating loss of approximately \$0.2 million, or \$230,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

**Table 3
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2017
(in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balances - Beginning	\$ 1,838	\$ 1,838	\$ 1,838	\$ -
Resources (Inflows)	49,023	62,865	44,660	(18,205)
Total Charges to Appropriations	<u>(52,224)</u>	<u>(77,942)</u>	<u>(44,757)</u>	<u>33,185</u>
Budgetary Fund Balances - Ending	<u>\$ (1,363)</u>	<u>\$ (13,239)</u>	<u>\$ 1,741</u>	<u>\$ 14,980</u>

Actual inflows for 2017 were higher than the final budgeted revenue by \$18.2 million due to resources transferred into the General Fund from various Special Revenue funds. The County also had actual expenditures less than budgeted by approximately \$33.2 million.

Capital Assets: The County of Yuba's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounted to \$217.3 million (net of accumulated depreciation) compared to \$208.7 million reported in 2016. This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads, highways, and bridges. Additional information on the County's capital assets can be found in Note 4 of the Notes to Basic Financial Statements.

**COUNTY OF YUBA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

Debt Administration: At the end of the current fiscal year, the County had total long-term obligations outstanding of \$95.6 million. The long-term obligations are as follows:

- \$72.8 million – Refunded Bonds Payable
- \$12.1 million – Certificates of Participation
- \$10.6 million – Capital Leases

Additional information on the County's long-term debt obligations can be found in Note 5 of the Notes to the Basic Financial Statements.

ECONOMIC OUTLOOK

The adopted budget for fiscal year 2016/17 for all County funds totals approximately \$167.9 million which is a \$4.5 million decrease, or 2.6%, when compared to the prior year.

During the fiscal year 2017/18, the County expects to complete construction on an improved facility for the County Sheriff. This will allow the Sheriff to streamline operations with an ultimate goal of improving the service provided to County residents. The County also expects to continue work to repair damages resulting from heavy storms earlier in the year as local, state, and federal resources are made available.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Yuba County Auditor-Controller, 915 8th Street, Suite 105, Marysville, California 95901.



BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements



**COUNTY OF YUBA
STATEMENT OF NET POSITION
JUNE 30, 2017**

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Totals	First Five Commission	Yuba County Water Agency
ASSETS					
Cash and Investments	\$ 80,502,149	\$ 62,811	\$ 80,564,960	\$ 2,572,314	\$ 77,107,055
Accounts Receivable	5,477,619	13,694	5,491,313	-	5,210,267
Interest Receivable	268,070	193	268,263	6,284	126,532
Due from Other Governments	6,028,635	14,452	6,043,087	75,569	1,425,678
Inventories	67,002	-	67,002	-	-
Prepaid Expenses	-	-	-	3,407	299,428
Notes Receivable	17,738,122	-	17,738,122	-	20,875,234
OPEB Asset	-	-	-	-	113,334
Capital Assets:					
Nondepreciable	65,647,679	647,356	66,295,035	-	45,110,580
Depreciable, Net	149,579,704	1,445,154	151,024,858	-	154,734,135
Total Assets	<u>325,308,980</u>	<u>2,183,660</u>	<u>327,492,640</u>	<u>2,657,574</u>	<u>305,002,243</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	4,896,525	-	4,896,525	-	-
Deferred Pension	25,292,295	-	25,292,295	-	1,582,437
	<u>30,188,820</u>	<u>-</u>	<u>30,188,820</u>	<u>-</u>	<u>1,582,437</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	4,620,241	58,995	4,679,236	57,377	4,163,712
Salaries and Benefits Payable	6,062,590	11,923	6,074,513	20,009	179,391
Interest Payable	1,318,761	-	1,318,761	-	-
Deposits and Other Liabilities	241,438	-	241,438	-	585,360
Unearned Revenue	569,482	13,694	583,176	-	24,129,740
Long-Term Liabilities:					
Due Within One Year	2,467,951	-	2,467,951	13,722	865,844
Due in More than One Year	104,937,374	79,481	105,016,855	-	-
Other Postemployment Benefits (OPEB)	9,299,537	-	9,299,537	-	-
Net Pension Liability	124,583,613	-	124,583,613	-	1,516,006
Total Liabilities	<u>254,100,987</u>	<u>164,093</u>	<u>254,265,080</u>	<u>91,108</u>	<u>31,440,053</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension	3,537,939	-	3,537,939	-	2,071,405
NET POSITION					
Net investment in capital assets	191,840,740	2,092,510	193,933,250	-	199,844,715
Restricted for:					
Capital projects	282,479	-	282,479	-	-
Debt service	8,704,670	-	8,704,670	-	-
Other	50,108,489	-	50,108,489	2,566,466	-
Unrestricted	(153,077,504)	(72,943)	(153,150,447)	-	73,228,507
Total Net Position	<u>\$ 97,858,874</u>	<u>\$ 2,019,567</u>	<u>\$ 99,878,441</u>	<u>\$ 2,566,466</u>	<u>\$ 273,073,222</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF YUBA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General Government	\$ 14,234,301	\$ 9,486,730	\$ 9,117,169	\$ 278,753
Public Protection	57,085,715	12,399,468	10,472,134	-
Public Ways and Facilities	16,844,938	4,909,936	2,745,985	5,507,755
Health and Sanitation	7,780,858	1,139,991	5,221,090	-
Public Assistance	53,996,572	765,577	60,209,035	-
Education	322,736	13,600	16,020	-
Recreation and Culture	440,015	53,373	-	-
Interest on Long-Term Debt	4,663,111	-	-	-
Total Governmental Activities	<u>155,368,246</u>	<u>28,768,675</u>	<u>87,781,433</u>	<u>5,786,508</u>
Business-Type Activities:				
Airport	<u>677,923</u>	<u>302,745</u>	<u>139,895</u>	<u>-</u>
Total Business-Type Activities	<u>677,923</u>	<u>302,745</u>	<u>139,895</u>	<u>-</u>
Total Primary Government	<u>\$ 156,046,169</u>	<u>\$ 29,071,420</u>	<u>\$ 87,921,328</u>	<u>\$ 5,786,508</u>
Component Units:				
First Five Commission	\$ 792,089	\$ -	\$ 767,133	\$ -
Yuba County Water Agency	<u>38,177,692</u>	<u>67,125,101</u>	<u>1,769,358</u>	<u>-</u>
Total Component Units	<u>\$ 38,969,781</u>	<u>\$ 67,125,101</u>	<u>\$ 2,536,491</u>	<u>\$ -</u>

GENERAL REVENUES

Taxes:

Property Taxes

Sales and Use Taxes

Transient Occupancy Tax

Other

Unrestricted Interest and Investment Earnings

Miscellaneous

Transfers

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	First Five Commission	Yuba County Water Agency
\$ 4,648,351	\$ -	\$ 4,648,351		
(34,214,113)	-	(34,214,113)		
(3,681,262)	-	(3,681,262)		
(1,419,777)	-	(1,419,777)		
6,978,040	-	6,978,040		
(293,116)	-	(293,116)		
(386,642)	-	(386,642)		
<u>(4,663,111)</u>	<u>-</u>	<u>(4,663,111)</u>		
(33,031,630)	-	(33,031,630)		
<u>-</u>	<u>(235,283)</u>	<u>(235,283)</u>		
<u>-</u>	<u>(235,283)</u>	<u>(235,283)</u>		
(33,031,630)	(235,283)	(33,266,913)		
			\$ (24,956)	\$ -
			<u>-</u>	<u>30,716,767</u>
			(24,956)	30,716,767
11,668,307	-	11,668,307	-	479,075
4,279,227	-	4,279,227	-	-
252,757	-	252,757	-	-
517,773	-	517,773	-	-
1,199,345	1,216	1,200,561	26,304	600,735
1,553,090	-	1,553,090	-	15,668
(169)	169	-	-	-
<u>19,470,330</u>	<u>1,385</u>	<u>19,471,715</u>	<u>26,304</u>	<u>1,095,478</u>
(13,561,300)	(233,898)	(13,795,198)	1,348	31,812,245
<u>111,420,174</u>	<u>2,253,465</u>	<u>113,673,639</u>	<u>2,565,118</u>	<u>241,260,977</u>
<u>\$ 97,858,874</u>	<u>\$ 2,019,567</u>	<u>\$ 99,878,441</u>	<u>\$ 2,566,466</u>	<u>\$ 273,073,222</u>

BASIC FINANCIAL STATEMENTS

Fund Financial Statements



**COUNTY OF YUBA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>General</u>	<u>Public Works</u>	<u>Social Services</u>
ASSETS			
Cash and Investments	\$ 20,646,171	\$ 18,419,507	\$ 10,748,314
Accounts Receivable	897,977	1,006,167	867,400
Due from Other Governments	676,884	1,260,509	1,958,232
Interest Receivable	170,618	52,752	498
Due from Other Funds	91,753	27,848	728,332
Notes Receivable	-	-	-
Inventory	-	67,002	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 22,483,403</u>	<u>\$ 20,833,785</u>	<u>\$ 14,302,776</u>
LIABILITIES			
Accounts Payable	\$ 429,692	\$ 1,540,261	\$ 417,654
Salaries and Benefits Payable	1,857,591	217,042	1,668,378
Due to Other Funds	428,379	28,326	47,281
Unearned Revenue	-	-	569,482
Total Liabilities	<u>2,715,662</u>	<u>1,785,629</u>	<u>2,702,795</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	327,572	981,742	865,583
FUND BALANCES			
Nonspendable	-	67,002	-
Restricted	2,648,257	3,451,453	10,734,398
Committed	8,738,597	14,547,959	-
Assigned	5,890,491	-	-
Unassigned	2,162,824	-	-
Total Fund Balances	<u>19,440,169</u>	<u>18,066,414</u>	<u>10,734,398</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,483,403</u>	<u>\$ 20,833,785</u>	<u>\$ 14,302,776</u>

See accompanying Notes to Basic Financial Statements.

Public Safety	Local Revenue Fund 2011	Yuba Levee Financing Authority Debt Service Fund	Other Governmental	Total
\$ 4,028,457	\$ 9,095,206	\$ 155,326	\$ 13,063,587	\$ 76,156,568
1,123,713	-	-	559,526	4,454,783
217,375	1,629,434	-	286,201	6,028,635
3,698	-	797	29,023	257,386
4,252	-	-	443,921	1,296,106
-	-	9,867,308	7,870,814	17,738,122
-	-	-	-	67,002
<u>\$ 5,377,495</u>	<u>\$ 10,724,640</u>	<u>\$ 10,023,431</u>	<u>\$ 22,253,072</u>	<u>\$ 105,998,602</u>
\$ 288,334	\$ -	\$ -	\$ 1,742,379	\$ 4,418,320
1,892,228	-	-	427,351	6,062,590
5,760	733,495	-	52,865	1,296,106
-	-	-	-	569,482
<u>2,186,322</u>	<u>733,495</u>	<u>-</u>	<u>2,222,595</u>	<u>12,346,498</u>
223,678	-	-	530,871	2,929,446
-	-	-	-	67,002
1,325,552	9,991,145	10,023,431	19,410,043	57,584,279
-	-	-	-	23,286,556
1,641,943	-	-	89,563	7,621,997
-	-	-	-	2,162,824
<u>2,967,495</u>	<u>9,991,145</u>	<u>10,023,431</u>	<u>19,499,606</u>	<u>90,722,658</u>
<u>\$ 5,377,495</u>	<u>\$ 10,724,640</u>	<u>\$ 10,023,431</u>	<u>\$ 22,253,072</u>	<u>\$ 105,998,602</u>

**COUNTY OF YUBA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Fund Balance - Total Governmental Funds \$ 90,722,658

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 214,382,580

Unavailable revenues represent amounts not available to fund current expenditures and, therefore, are not reported in the governmental funds. 2,929,446

Deferred outflows of resources - pension 25,292,295

Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds. (1,318,761)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds Payable	(71,480,482)
Certificates of Participation	(12,733,398)
Capital Leases	(10,653,245)
Compensated Absences	(6,853,675)
Other Postemployment Benefits	(9,299,537)
Net Pension Liability	(124,583,613)

Deferred inflows of resources - pension (3,537,939)

Internal service funds are used by the County to charge the cost of self-insurance risk management and management of fleet maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 4,992,545

Net Position of Governmental Activities \$ 97,858,874



**COUNTY OF YUBA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	General	Public Works	Social Services
REVENUES			
Taxes	\$ 16,561,945	\$ 83,215	\$ -
Licenses, Permits, and Fees	3,726,939	1,165,736	-
Fines, Forfeitures, and Penalties	1,494,259	40,000	-
Use of Money and Property	622,949	192,967	913
Intergovernmental	12,711,131	7,777,647	46,055,199
Charges for Services	9,296,010	2,010,795	766,577
Other Revenues	400,873	366,649	73,805
Total Revenues	<u>44,814,106</u>	<u>11,637,009</u>	<u>46,896,494</u>
EXPENDITURES			
Current:			
General Government	12,695,335	-	-
Public Protection	14,764,267	-	-
Public Ways and Facilities	-	14,610,310	-
Health and Sanitation	1,425,372	-	-
Public Assistance	374,392	-	52,757,491
Education	455,968	-	-
Recreation and Culture	428,340	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Issuance costs	-	-	-
Advance Refunding Escrow	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>30,143,674</u>	<u>14,610,310</u>	<u>52,757,491</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	14,670,432	(2,973,301)	(5,860,997)
OTHER FINANCING SOURCES (USES)			
Refunding Debt Issued	-	-	-
Premium on Refunding Debt Issued	-	-	-
Payment to Refunded Escrow Agent	-	-	-
Capital leases	15,000	-	-
Transfers in	4,860,853	28,460	9,353,738
Transfers out	(19,548,923)	(1,820,946)	(124,707)
Total Other Financing Sources (Uses)	<u>(14,673,070)</u>	<u>(1,792,486)</u>	<u>9,229,031</u>
NET CHANGES IN FUND BALANCES	(2,638)	(4,765,787)	3,368,034
Fund Balances - Beginning of Year	<u>19,442,807</u>	<u>22,832,201</u>	<u>7,366,364</u>
FUND BALANCES - END OF YEAR	<u>\$ 19,440,169</u>	<u>\$ 18,066,414</u>	<u>\$ 10,734,398</u>

See accompanying Notes to Basic Financial Statements.

Public Safety	Local Revenue Fund 2011	Yuba Levee Financing Authority Debt Service Fund	Other Governmental	Total
\$ -	\$ -	\$ -	\$ 72,904	\$ 16,718,064
58,431	-	84,459	-	5,035,565
115,193	-	-	92,217	1,741,669
210,571	-	4,740	134,525	1,166,665
2,409,481	13,856,199	-	10,472,583	93,282,240
7,894,491	-	-	1,967,956	21,935,829
447,193	-	-	245,784	1,534,304
<u>11,135,360</u>	<u>13,856,199</u>	<u>89,199</u>	<u>12,985,969</u>	<u>141,414,336</u>
-	-	-	-	12,695,335
30,554,064	-	-	10,144,377	55,462,708
-	-	-	1,070,654	15,680,964
-	-	-	6,221,180	7,646,552
-	-	-	313,545	53,445,428
-	-	-	-	455,968
-	-	-	-	428,340
-	-	-	710,713	710,713
-	-	213,536	3,456,590	3,670,126
-	-	1,292,706	138,283	1,430,989
-	-	6,761,114	-	6,761,114
-	-	-	10,608,529	10,608,529
<u>30,554,064</u>	<u>-</u>	<u>8,267,356</u>	<u>32,663,871</u>	<u>168,996,766</u>
(19,418,704)	13,856,199	(8,178,157)	(19,677,902)	(27,582,430)
-	-	72,880,000	-	72,880,000
-	-	3,663,531	-	3,663,531
-	-	(75,250,825)	-	(75,250,825)
-	-	-	3,815,891	3,830,891
18,865,840	-	-	5,489,246	38,598,137
(206,240)	(15,336,230)	(479,564)	(1,263,696)	(38,780,306)
<u>18,659,600</u>	<u>(15,336,230)</u>	<u>813,142</u>	<u>8,041,441</u>	<u>4,941,428</u>
(759,104)	(1,480,031)	(7,365,015)	(11,636,461)	(22,641,002)
<u>3,726,599</u>	<u>11,471,176</u>	<u>17,388,446</u>	<u>31,136,067</u>	<u>113,363,660</u>
<u>\$ 2,967,495</u>	<u>\$ 9,991,145</u>	<u>\$ 10,023,431</u>	<u>\$ 19,499,606</u>	<u>\$ 90,722,658</u>

**COUNTY OF YUBA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Net Change to Fund Balance - Total Governmental Funds \$(22,641,002)

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

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 62,560

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 and Infrastructure	\$ 20,374,051	
Capital Asset Contributions	278,753	
Less: Current Year Depreciation	<u>(11,999,213)</u>	8,653,591

Long-term debt proceeds and capital lease issuances provide current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Issuance of Refunding Bonds		(72,880,000)
Premium on Refunding Bonds Issued		(3,663,531)
Payment to Refunded Escrow Agent		82,011,939
Issuance of Capital Leases		(3,830,891)
Principal Repayments on Capital Leases		710,713

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.

Amortization of long-term debt discounts and premiums	188,970	
Change in Compensated Absences	(396,590)	
Change in Interest Payable	249,034	
Change in Net Pension Liability and Related Deferred Inflows/Outflows	(738,673)	
Change in OPEB Liability	<u>(1,013,933)</u>	(1,711,192)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expense) of the internal service funds is reported with governmental activities.

(273,487)

Change in Net Position of Governmental Activities

\$ (13,561,300)

**COUNTY OF YUBA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017**

	Business-Type Activities - Enterprise Fund Nonmajor Enterprise Fund County Airport	Governmental Activities Internal Service Funds
ASSETS		
Current Assets:		
Cash and Investments	\$ 62,811	\$ 4,345,581
Accounts Receivable	13,694	1,022,836
Due from Other Governments	14,452	-
Interest Receivable	193	10,684
Total Current Assets	91,150	5,379,101
Noncurrent Assets:		
Long-Term Receivables	-	-
Capital Assets:		
Nondepreciable	647,356	-
Depreciable, Net	1,445,154	844,803
Total Noncurrent Assets	2,092,510	844,803
Total Assets	2,183,660	6,223,904
LIABILITIES		
Current Liabilities:		
Accounts Payable	58,995	201,921
Salaries and Benefits Payable	11,923	-
Unearned Revenue	13,694	-
Deposits with Others	-	241,438
Compensated Absences, Current Portion	-	-
Claims Liability, Current Portion	-	157,600
Total Current Liabilities	84,612	600,959
Noncurrent Liabilities:		
Compensated Absences	79,481	-
Claims Liability	-	630,400
Total Noncurrent Liabilities	79,481	630,400
Total Liabilities	164,093	1,231,359
NET POSITION		
Net Investment in Capital Assets	2,092,510	844,803
Unrestricted	(72,943)	4,147,742
Total Net Position	\$ 2,019,567	\$ 4,992,545

See accompanying Notes to Basic Financial Statements.

**COUNTY OF YUBA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Fund Nonmajor Enterprise Fund County Airport	Governmental Activities Internal Service Funds
OPERATING REVENUES		
User Fees and Charges	\$ -	\$ 16,822,124
Rents and Concession	302,745	-
Other Revenue	-	79,985
Total Operating Revenues	302,745	16,902,109
OPERATING EXPENSES		
Salaries and Benefits	151,145	-
Services and Supplies	307,313	16,796,016
Claims Expense	-	268,883
Depreciation	219,465	325,377
Total Operating Expenses	677,923	17,390,276
OPERATING INCOME (LOSS)	(375,178)	(488,167)
NONOPERATING REVENUE (EXPENSES)		
Intergovernmental Revenue	139,895	-
Interest Revenue	1,216	32,680
Total Nonoperating Revenue (Expenses)	141,111	32,680
CHANGE IN NET POSITION	(233,898)	(273,487)
Net Position - Beginning of Year	2,253,465	5,266,032
NET POSITION - END OF YEAR	\$ 2,019,567	\$ 4,992,545

See accompanying Notes to Basic Financial Statements.

**COUNTY OF YUBA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

	Business-Type Activities - Enterprise Fund Nonmajor Enterprise Fund County Airport	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Customers and Users	\$ 337,502	\$ 16,855,472
Cash Paid to Suppliers for Goods and Services	(148,026)	(17,106,892)
Cash Paid to Employees for Salaries and Benefits	(313,903)	-
Net Cash Provided (Used) by Operating Activities	(124,427)	(251,420)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loan Payments Received	39,086	-
Intergovernmental Revenues	139,895	-
Transfers in	169	182,000
Net Cash Provided (Used) by Noncapital Financing Activities	179,150	182,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(68,923)	(443,827)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	1,174	29,158
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,026)	(484,089)
Cash and Cash Equivalents - Beginning of Year	75,837	4,829,670
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 62,811	\$ 4,345,581

See accompanying Notes to Basic Financial Statements.

**COUNTY OF YUBA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017**

	<u>Business-Type Activities - Enterprise Fund Nonmajor Enterprise Fund County Airport</u>	<u>Governmental Activities Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (375,178)	\$ (488,167)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	219,465	325,377
Changes in Assets and Liabilities:		
Receivables	21,063	(46,637)
Accounts Payable	(6,590)	46,569
Accrued Salaries and Benefits	323	-
Unearned Revenue	13,694	-
Deposits from Others	-	241,438
Compensated Absences	2,796	-
Claims Liability	-	(330,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ (124,427)</u>	<u>\$ (251,420)</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF YUBA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

	Agency Funds	Investment Trust Fund	Private Purpose Trust Fund
ASSETS			
Cash and Investments	\$ 1,997,844	\$ 223,246,794	\$ 237,541
Cash with Fiscal Agent	-	2,798,330	-
Interest Receivable	6,594	683,309	720
Taxes Receivable	6,103,246	-	-
Due from Other Funds	-	-	-
	8,107,684	226,728,433	238,261
LIABILITIES			
Accounts Payable	-	-	27,939
Notes Payable	-	-	847,591
Agency Obligations	8,107,684	-	-
	8,107,684	-	875,530
NET POSITION			
Net Position (Deficit) Held in Trust for Other Purposes	-	226,728,433	(637,269)
Total Net Position	\$ -	\$ 226,728,433	\$ (637,269)

See accompanying Notes to Basic Financial Statements.

**COUNTY OF YUBA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2017**

	Investment Trust Fund	Private Purpose Trust Fund
	<u> </u>	<u> </u>
ADDITIONS		
Interest and Investment Income	\$ 2,200,342	\$ 2,822
Contributions from Participants	61,301,594	-
Contributions from Other Governments	-	370,156
Other	-	283,344
	<u> </u>	<u> </u>
Total Additions	63,501,936	656,322
DEDUCTIONS		
Services and Supplies	-	713,069
Distributions to Participants	52,454,839	-
	<u> </u>	<u> </u>
Total Deductions	52,454,839	713,069
CHANGE IN NET POSITION	11,047,097	(56,747)
Net Position - Beginning of Year	<u>215,681,336</u>	<u>(580,522)</u>
NET POSITION - END OF YEAR	<u><u>\$ 226,728,433</u></u>	<u><u>\$ (637,269)</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO 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.

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The County of Yuba (County), the primary government, is a political subdivision of the State of California. The County operates under an Administrator – Board of Supervisors form of government and provides the following services: public safety, highways and streets, sanitation, health and social services, public improvements, planning and zoning, and general administrative services.

The accounting methods and procedures adopted by the County conform to accounting principles generally accepted in the United States of America 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 under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 61.

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

Blended Component Units

The following entities are included in the County's reporting entity as blended component units because of their operational and financial relationship with the County and because the Yuba County Board of Supervisors also serves as their governing board.

Yuba Public Finance Corporation
In-Home Supportive Services Public Authority of the County of Yuba
County Community Service Areas and Districts
Linda Lighting District
Gledhill Landscaping and Lighting District

The Yuba Levee Finance Authority is included in the County's reporting entity as a blended component unit because of its financial relationship with the County. The Authority was formed on July 22, 2008, as a joint exercise of powers authority between the County of Yuba and the Yuba County Water Agency, for the primary purpose of providing financial assistance to facilitate improvements to the levee system in the County.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Discretely Presented Component Units

The Yuba County Water Agency is a local government agency created in 1959 by the Yuba County Water Agency Act to control flood and storm waters and to conserve such waters for beneficial and useful purposes within the County. This agency is a legally separate and independent entity from the County of Yuba. The Board of Directors of the Water Agency consists of the five members of the Board of Supervisors of the County and two at-large members. The day-to-day operations of the agency are managed by an appointed General Manager, hired by the Water Agency's governing Board. The five members of the County's Board of Supervisors collectively form a majority of the Water Agency's seven member Board of Directors.

Since there is not a financial benefit or burden relationship between the County and the Water Agency and the County does not have operational responsibility for the Agency, the Water Agency is considered a discretely presented component unit of the County in accordance with GASB Statement No. 61. Complete financial statements of the Yuba County Water Agency can be obtained by contacting the Water Agency's Department of Financial Services at 1220 F Street, Marysville, CA 95901.

The First Five Children and Families Yuba Commission (CCFC) was established under the provisions of the California Children and Families Act (the Act). The CCFC is a public entity legally separate and apart from the County and its purpose is to develop, adopt, promote, and implement early childhood development programs in the County of Yuba consistent with the goals and objectives of the Act.

The CCFC is administered by a governing board of seven members, which are appointed by the County Board of Supervisors. Three members are representatives of the County's health care departments, County's social services departments, and Board of Supervisors. The County Board of Supervisors may remove any CCFC member at any time. Since the County Board of Supervisors can impose their will on the Commission, the Commission is considered a discretely presented component unit of the County. Separately issued financial statements may be obtained at the Commission's administration offices located at 1114 Yuba Street, Suite 121, Marysville, CA 95901.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. 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 presents a comparison between direct expense and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. *Operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of each fund. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include costs of providing services and delivering goods. All other expenses not meeting this definition are reported as nonoperating expenses.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, health and sanitation, public assistance and education services.
- The *Public Works Fund* is a special revenue fund used to account for funds allocated for the planning, design, construction, maintenance, and administration of County transportation activities (Public Ways and Facilities).
- The *Social Services Fund* is used to account for reserves and expenditures to provide services and assistance to County individuals and families. Eligibility programs include foster care, County medical services, general assistance for indigent adults and time-limited benefit payment programs to help needy families.
- The *Public Safety Fund* is used to account for the operations of public safety departments that include sheriff, district attorney, jail, and juvenile hall.
- The *Local Revenue 2011 Fund* is used to account for State realignment revenues used to fund various criminal justice, mental health, and social services programs.
- The *Yuba Levee Financing Authority Debt Service Fund* is used to account for the accumulation of cash for the payment of principal and interest related to the bonds issued by the Yuba Levee Financing Authority.

The County reports the following additional fund types:

- The *County Airport Nonmajor Enterprise Fund* accounts for the activity associated with the airport, including improvements.
- *Internal Service Funds* account for the County's fleet maintenance services provided to other departments or other governments, the Sheriff's auto service and the County's self-insurance programs. Activities include the County's insurance programs, workers compensation, general liability, health, unemployment, general insurance, and short-term disability.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

- The *Investment Trust Fund* accounts for the external portion of the County's Investment Pool which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants. These entities include school and community college districts, other special districts governed by local boards, regional boards, and authorities. These funds represent the assets, primarily cash and investments, held by the County in trust for these participants.
- The *Agency Funds* account for assets held by the County as an agent for the state and various local governments. These funds typically do not involve a formal trust agreement and are used to account for situations where the role is purely custodial such as the receipt, temporary investment, or remittance of fiduciary resources.
- The *Private Purpose Trust Fund* accounts for assets and liabilities of the Successor Agency to the Redevelopment Agency.

C. Basis of Accounting

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). Property and sales taxes, interest, state and federal grants, and charges for services are accrued when their receipt occurs within six months 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 financing sources.

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments

The County follows the practice of pooling cash and investments of all funds with the County Treasurer except for restricted funds held by outside custodians and trustees. In accordance with authorized investment laws, the County Treasurer invests in higher quality securities including various variable rate securities, such as federal agency notes, negotiable certificates of deposit and highly rated corporate medium-term notes.

The fair values of investments are obtained by using quotations obtained from independent published sources. Investments in external investment pools are reported at amortized cost which approximates fair value.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less and pooled cash to be cash equivalents.

E. Receivables

Receivables consist mostly of amounts due from other agencies. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

F. Inventory

Inventory consists of expendable supplies held for consumption. Inventories are valued at cost on a first-in, first-out basis. The consumption method of accounting for inventory is used where cost is recorded as an expenditure at the time individual inventory items are used. Reported inventories are equally offset by a corresponding nonspendable portion of fund balance to indicate that they are not available spendable financial resources.

G. Property Held for Resale

Property held for resale represents land and residential homes purchased and held while rehabilitated under the Neighborhood Stabilization Program. Once rehabilitated, homes will be resold.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

H. Capital Assets and Depreciation

Capital assets (including infrastructure) are recorded at historical cost or at 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, general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage system, and flood control. Capital equipment consists of purchased equipment with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated lives are as follows:

Infrastructure	20 – 60 Years
Structures and Improvements	15 – 60 Years
Equipment	3 – 20 Years

I. Property Taxes

Property taxes, including tax rates, are regulated by the State and are locally administered by the County. The County is responsible for assessing, collecting, and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County. Secured property taxes are due in two equal installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code. This provision is otherwise known as the “Teeter Plan.” Under this method, the accounts of political subdivisions that adopted the Teeter Plan and levy taxes on the County tax roll are credited with 100% of their respective secured tax levy, regardless of the actual payments and delinquencies. This method then provides for Teetered delinquent penalties and redemptions to flow to the County’s General Fund.

Pursuant to Section 4703 of the California Revenue and Taxation Code, all counties electing to operate under the “Teeter Plan,” are required to maintain a Property Tax Losses Reserve Fund. The fund is used to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property. Whenever in any year the amount of the Tax Losses Reserve Fund has reached an amount equivalent to 1% of the total of all taxes and assessments levied on the secured roll for that year, the excess may be credited to the County’s General Fund.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

J. Deferred Outflows/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, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has two items, pension and deferred charge on refunding, which qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability in the government-wide financial statements. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

L. Pensions

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

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

M. 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 interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances to other funds, when reported in the General Fund financial statements, are offset by a corresponding nonspendable portion of fund balance to indicate that they are not available for appropriation and are not available financial resources. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

N. Net Position

The government-wide and business-type activities financial statements utilize a net position presentation. Net position represents the difference between assets and liabilities and is displayed in three components:

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 represents net position that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) 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 is available, restricted resources are used first, then unrestricted resources as they are needed.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

O. Fund Balance

In the fund financial statements, the following classifications describe the relative strength of the spending constraints placed on the purposes for which governmental fund resources can be used:

Nonspendable fund balance – This category represents amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.

Restricted fund balance – This category represents amounts with constraints placed on their use by those external to the County, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – This category represents amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance – This category represents amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designated for that purpose.

Unassigned fund balance – This category represents the residual classification that includes amounts not contained in the other classifications.

The County's board establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution. When restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the unrestricted resources that are committed, assigned and unassigned, in this order as they are needed.

Fund Balance Policy

The County has established the following goals and policies for fund balance:

1. The General Fund's committed fund balances for economic uncertainties should be accumulated over time until 6% of the annual operating budget reserve level is achieved (appropriations less capital outlay, assigned and committed fund balances).

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Fund Balance Policy (Continued)

2. The General Fund's committed fund balances for contingencies should be set at a level to provide for unanticipated increases to the County budget. An analysis to determine potential increases will be completed to determine appropriate level of funding.
3. Commitments for self-insurance funds shall be actuarially determined at least every other year. Balances should be maintained at the 80% confidence level or net estimated losses.
4. Loans or transfers to or from internal services and enterprise funds shall be limited to meeting one-time funding requirements in County operating funds, and shall require repayment with interest.

P. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Actual results could differ from these estimates, and the differences may be material.

NOTE 2 CASH AND INVESTMENTS

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 pool. Interest earned on the investment pool is distributed quarterly 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 investment pool is accounted for on an amortized cost basis. The value of pool shares that may be withdrawn is determined on an amortized basis, which differs from fair value. The County has not provided or obtained any legally binding guarantees during the fiscal year to support the value of the pool shares.

Cash and investments held by fiscal agents outside of the County's investment pool are restricted as to its use. It consists of funds designated by debt agreements as reserve funds and for use in capital projects.

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, yield, and public trust.

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

At June 30, 2017, total County cash and investments were as follows:

CASH

Cash on Hand	\$ 28,608
Deposits	52,683,724
Outstanding Warrants	(6,959,375)
Total Cash Overdrafts	<u>45,752,957</u>

INVESTMENTS

Investment Pool	339,973,551
Held with Fiscal Agents	2,798,330
Total Investments	<u>342,771,881</u>
Total Cash and Investments	<u><u>\$ 388,524,838</u></u>

Total cash and investments at June 30, 2017 were presented on the County's financial statements as follows:

Primary Government	\$ 80,564,960
Discretely Presented Component Units	79,679,369
Investment Trust Fund	226,045,124
Agency Fund	1,997,844
Private Purpose Trust Fund	237,541
Total	<u><u>\$ 388,524,838</u></u>

Deposits – Custodial Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure the County's cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. At June 30, 2017, none of the County's deposits was exposed to custodial risk.

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. The County annually adopts a "Statement of Investment Policy." The policy is based on criteria established by government code and adds further restrictions as to the types of investments allowed, concentration limits, and maximum terms.

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

The County held approximately \$54.75 million in the California Asset Management Pool (CAMP). The investment policy has a limit of 25% of the investment pool for this investment. However, the majority of the funds in CAMP is invested in accordance with bond agreements. The amount invested in CAMP not related to bond agreements is in compliance with the investment policy. As a result, the County is deemed to be in compliance with the investment policy in this instance.

The County was in compliance with its own more restrictive policy and, therefore, was also in compliance with the applicable government code sections.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Federal Agency Obligations	5 Years	None	None
U.S. Treasury Bills	5 Years	None	None
State of California Obligations	5 Years	None	None
Local Agency Bonds and Obligations	5 Years	None	None
Banker's Acceptances	180 Days	40%	30%
Commercial Paper - Selected Agencies	270 Days	40%	10%
Negotiable Certificates of Deposit	5 Years	30%	None
Non-negotiable Certificates of Deposit	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20%	None
Medium-Term Corporate Notes	5 Years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
California Asset Management Program	N/A	None	None

At June 30, 2017, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	WAM (Years)
Yuba County Investment Pool					
Federal Agency Obligations	0.750% - 2.625%	1/12/18 - 5/24/22	\$ 159,250,000	\$ 159,330,486	3.56
Medium-Term Corporate Notes	1.380% - 2.600%	3/2/18 - 6/27/22	81,776,000	81,771,890	2.94
Municipal Bonds	1.57%	12/1/2018	5,000,000	5,007,296	1.42
California Local Agency Investment Funds	Variable	On Demand	10,000,000	10,000,000	-
California Asset Management Pool	Variable	On Demand	54,750,000	54,750,000	-
Total			<u>\$ 310,776,000</u>	<u>\$ 310,859,672</u>	2.62
Yuba County Bond Portfolio					
California Asset Management Pool	Variable	On Demand	<u>\$ 31,912,209</u>	<u>\$ 31,912,209</u>	-
Total Investments			<u>\$ 342,688,209</u>	<u>\$ 342,771,881</u>	

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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.

	Fair Value	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Federal Agency Obligations	\$ 159,330,486	\$ -	\$ 159,330,486	\$ -
Medium-Term Corporate Notes	81,771,890	-	81,771,890	-
Municipal Bonds	5,007,296	5,007,296	-	-
Total Investments by Fair Value Level	246,109,672	\$ 5,007,296	\$ 241,102,376	\$ -
Investments Measured at Amortized Cost				
California Local Agency Investment Funds	10,000,000			
California Asset Management Pool	86,662,209			
Total Investments Measured at Amortized Cost	96,662,209			
Total Investments	\$ 342,771,881			

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County manages its exposure to declines in fair values by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities to provide the necessary cash flow and liquidity needed for operations. The County monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investors Service for a maturity of up to one year and a rating of AA for maturities beyond one year.

Concentration of Credit Risk

At June 30, 2017, in accordance with state law and the County's investment policy, the County did not have 10% or more of its net investment in any one mutual fund. Investments in any one issuer (other than U.S. Treasury securities, money market mutual funds, and external investment pools) that represent 5% or more of the total county investments are as follows:

Federal Home Loan Bank	Federal Agency	\$ 25,518,227
Federal Home Loan Mortgage Corp.	Federal Agency	85,739,010
Federal National Mortgage Assn.	Federal Agency	37,825,346
HSBC Finance Corp	Medium-Term Note	20,031,400
Wells Fargo Company	Medium-Term Note	19,994,585

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County's investment pool's fair value at June 30, 2017.

	Quality Rating Range	% of Portfolio
Federal Agency Obligations	Aaa	51.02 %
Medium-Term Corporate Notes	Aa2	2.18
Medium-Term Corporate Notes	A2	6.41
Medium-Term Corporate Notes	Aa3	1.62
Medium-Term Corporate Notes	A3	9.63
Medium-Term Corporate Notes	Unrated	6.43
Municipal Bonds	Unrated	1.61
California Local Agency Investment Fund	Unrated	3.54
California Asset Management Pool	Unrated	17.56
Total		100.00 %

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Custodial Credit Risk

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

Local Agency Investment Fund

The County's investment 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, 2017, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$10 million, 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 \$77.6 billion. Of that amount, 2.89% was invested in structured notes and asset-backed securities with the remaining 97.11% invested in other non-derivative financial products.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the County's primary investment pool and bond investment pool as of June 30, 2017:

Statement of Net Position

Net Position Held for Pool Participants	<u>\$ 343,668,699</u>
Equity of External Pool Participants	\$ 261,967,710
Equity of Internal Pool Participants	81,700,989
Total Net Position	<u>\$ 343,668,699</u>

Statement of Changes in Net Position

Net Position at July 1, 2016	\$ 360,417,387
Net Change in Investments by Pool Participants	<u>(16,748,688)</u>
Net Position at June 30, 2017	<u>\$ 343,668,699</u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 INTERFUND TRANSACTIONS

Due to/from Other Funds

Interfund receivables and payables represent borrowing between funds and regular service and supplies provided but not settled at year-end. The composition of interfund balances as of June 30, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Public Safety	\$ 5,760
	Social Services	47,281
	Nonmajor Governmental Funds	9,865
	Public Works	27,936
	Local Revenue Fund 2011	911
		<u>91,753</u>
Public Works	General Fund	27,848
		<u>27,848</u>
Social Services	Local Revenue Fund 2011	728,332
		<u>728,332</u>
Public Safety	Local Revenue Fund 2011	4,252
Nonmajor Governmental Funds	General Fund	400,531
	Public Works	390
	Nonmajor Governmental Funds	43,000
		<u>443,921</u>
Total		<u>\$ 1,296,106</u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Transfers

Transfers represent subsidies of various County operations. The following schedule briefly summarizes the County's transfer activities:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Public Safety	\$ 14,328,558
	Social Services	139,313
	Public Works	24,615
	Internal Service Funds	182,000
	Nonmajor Governmental Funds	<u>4,874,437</u>
		19,548,923
Local Revenue Fund 2011	Public Safety	4,072,819
	Social Services	9,214,425
	General Fund	<u>2,048,986</u>
		15,336,230
Nonmajor Governmental Funds	Public Safety	400,000
	General Fund	859,682
	Public Works	3,845
	Nonmajor Enterprise Fund	<u>169</u>
		1,263,696
Public Works	General Fund	1,820,946
Public Safety	Nonmajor Governmental Funds	75,000
	General Fund	<u>131,240</u>
		206,240
Social Services	Public Safety	64,463
	Nonmajor Governmental Funds	<u>60,244</u>
		124,707
Yuba Levee Finance Authority	Nonmajor Governmental Funds	<u>479,564</u>
Total		<u><u>\$ 38,780,306</u></u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 11,801,608	\$ 338,419	\$ -	\$ -	\$ 12,140,027
Construction in Progress	39,311,068	19,509,251	-	(5,312,667)	53,507,652
Total Capital Assets, Not Being Depreciated	51,112,676	19,847,670	-	(5,312,667)	65,647,679
Capital Assets, Being Depreciated:					
Infrastructure	288,204,718	278,753	-	-	288,483,471
Structures and Improvements	47,285,244	121,415	-	5,312,667	52,719,326
Equipment	15,961,449	848,793	(413,611)	-	16,396,631
Total Capital Assets, Being Depreciated	351,451,411	1,248,961	(413,611)	5,312,667	357,599,428
Accumulated Depreciation for:					
Infrastructure	(157,354,122)	(10,454,664)	-	-	(167,808,786)
Structures and Improvements	(24,910,244)	(1,176,109)	-	-	(26,086,353)
Equipment	(13,844,379)	(693,817)	413,611	-	(14,124,585)
Total Accumulated Depreciation	(196,108,745)	(12,324,590)	413,611	-	(208,019,724)
Total Capital Assets, Being Depreciated, Net	155,342,666	(11,075,629)	-	5,312,667	149,579,704
Governmental Activities Capital Assets, Net	<u>\$ 206,455,342</u>	<u>\$ 8,772,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,227,383</u>
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 508,359	\$ -	\$ -	\$ -	\$ 508,359
Construction in Progress	70,074	68,923	-	-	138,997
Total Capital Assets, Not Being Depreciated	578,433	68,923	-	-	647,356
Capital Assets, Being Depreciated:					
Structures and Improvements	5,851,525	-	-	-	5,851,525
Equipment	260,443	-	(16,907)	-	243,536
Total Capital Assets, Being Depreciated	6,111,968	-	(16,907)	-	6,095,061
Accumulated Depreciation for:					
Structures and Improvements	(4,201,890)	(206,830)	-	-	(4,408,720)
Equipment	(245,459)	(12,635)	16,907	-	(241,187)
Total Accumulated Depreciation	(4,447,349)	(219,465)	16,907	-	(4,649,907)
Total Capital Assets, Being Depreciated, Net	1,664,619	(219,465)	-	-	1,445,154
Business-Type Activities Capital Assets, Net	<u>\$ 2,243,052</u>	<u>\$ (150,542)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,092,510</u>

Depreciation expense was allocated to functions as follows:

Governmental Activities:

General Government	\$ 1,280,211
Public Protection	54,688
Public Ways and Facilities	10,593,608
Health and Sanitation	5,712
Public Assistance	49,577
Education	3,742
Recreation and culture	11,675
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions based on their Usage of Assets	325,377
Total Government Activities	<u>\$ 12,324,590</u>

Business-Type Activities:

Airport	<u>\$ 219,465</u>
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COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 LONG-TERM LIABILITIES

Long-term debt at June 30, 2017 consisted of the following:

<u>Governmental Activities</u>	<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, 2017</u>
2017 Refunding Revenue Bonds (Series A) Levee Improvements	2017	2038	4.00% - 5.00%	\$1,880,000 - \$4,875,000	\$ 58,845,000	\$ 58,845,000
2017 Refunding Revenue Bonds (Series B) Levee Improvements	2017	2024	1.625% -3.520%	\$205,000 - \$2,685,000	14,035,000	14,035,000
2015 Certificates of Participation Sheriff Facility Improvements	2015	2045	5.00%	\$135,000 - \$435,000	6,425,000	6,425,000
2015 Certificates of Participation Airport Solar Project	2015	2035	2.47% - 4.80%	\$120,000 - \$530,000	<u>5,650,000</u>	<u>5,650,000</u>
Total Governmental Activities					<u>\$ 84,955,000</u>	<u>\$ 84,955,000</u>

The following is a summary of long-term liability transactions for the year ended June 30, 2017:

<u>Governmental Activities</u>	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>	<u>Amounts Due Within One Year</u>
Bonds Payable	\$ 78,370,000	\$ -	\$ (78,370,000)	\$ -	\$ -
Less: Unamortized Discount	(1,254,586)	-	1,254,586	-	-
Refunding Bonds Payable	-	72,880,000	-	72,880,000	-
Add: Unamortized Premium	-	3,663,531	(166,524)	3,497,007	-
Certificates of Participation	12,075,000	-	-	12,075,000	-
Add: Unamortized Premium	736,403	-	(25,370)	711,033	-
Less: Unamortized Discount	(55,559)	-	2,924	(52,635)	-
Capital Leases	7,533,067	3,830,891	(710,713)	10,653,245	834,576
Compensated Absences	6,457,085	3,659,084	(3,262,494)	6,853,675	1,475,775
Liability for Self-Insurance	1,118,000	268,883	(598,883)	788,000	157,600
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 104,979,410</u>	<u>\$ 84,302,389</u>	<u>\$ (81,876,474)</u>	<u>\$ 107,405,325</u>	<u>\$ 2,467,951</u>
Business-Type Activities					
Compensated Absences	<u>\$ 76,685</u>	<u>\$ 11,294</u>	<u>\$ (8,498)</u>	<u>\$ 79,481</u>	<u>\$ -</u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

As of June 30, 2017, annual debt service requirements of governmental activities to maturity are as follows:

<u>Year Ending June 30,</u>	Governmental Activities			
	Certificates of Participation		Bonds Payable	
	Principal	Interest	Principal	Interest
2018	\$ 120,000	\$ 570,794	\$ 205,000	\$ 3,055,914
2019	140,000	567,238	210,000	3,052,149
2020	155,000	562,623	2,415,000	3,022,638
2021	305,000	557,293	2,465,000	2,963,430
2022	325,000	544,286	2,530,000	2,895,452
2023 - 2027	2,015,000	2,478,585	14,155,000	12,996,240
2028 - 2032	2,810,000	1,916,999	18,010,000	9,124,500
2033 - 2037	3,260,000	1,135,610	22,565,000	4,414,075
2038 - 2042	1,705,000	573,750	10,325,000	416,900
2043 - 2045	1,240,000	126,000	-	-
Total	\$ 12,075,000	\$ 9,033,178	\$ 72,880,000	\$ 41,941,297

Claims and judgments will be paid from the County's insurance funds. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, special revenue funds, and internal service funds.

Advance Refunding

During December 2016, The County issued \$58,845,000 and \$14,035,000 in refunding bonds with interest rates ranging from 1.625% to 5.0%. The proceeds were used to advance refund \$64,175,000 and \$14,195,000 of outstanding Series A and B levee improvement revenue bonds which had interest rates ranging from 4.73% to 6.375%. The net proceeds of \$82,011,949 (including a \$3,663,531 premium and release of \$6,761,114 of reserve funds and after payment of \$1,292,707 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service on the refunded bonds. As a result, the 2008 Series A and B levee improvement revenue bonds are considered defeased and the liability of those bonds was removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$4,896,525. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The County advanced refunded these Series A and B levee improvement bonds to reduce its total debt service payments over 22 years by \$18.9 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$6.4 million.

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 6 LEASES

Capital Leases

The County entered into a capital lease agreement under which the related leasehold improvements will become the property of the County when all terms of the lease agreements are met.

The following is a summary of equipment leased under capital lease agreements by the County as of June 30, 2017:

	Stated Interest Rate	Remaining Payments as of June 30, 2017
Sheriff's Building	2.00%	\$ 3,515,000
Solar Panels	2.00%	7,138,245
Total		<u>\$ 10,653,245</u>

As of June 30, 2017, future minimum lease payments under capital leases are as follows:

<u>Year Ending June 30,</u>	Governmental Activities
2018	\$ 1,047,641
2019	794,500
2020	825,393
2021	857,667
2022	976,384
2023 - 2027	4,607,718
2028 - 2030	3,140,900
Total Future Minimum Lease Payments	<u>12,250,203</u>
Less: Interest	(1,596,958)
Present Value of Minimum Lease Payments	<u>\$ 10,653,245</u>

The County leases energy services building improvements under certain lease obligations as capital leases. Included in the governmental activities are the following capital asset amounts under capital leases:

	Governmental Activities
Structures and Improvements	\$ 10,972,128
Less: Accumulated Depreciation	(898,391)
Total	<u>\$ 10,073,737</u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Refinancing of Capital Lease

During December 2016, the County refinanced the current \$7.5 million balance of the 2011 solar lease with the bank with a 2016 equipment lease of \$11.1 million with the Yuba County Water Agency. The 2016 Equipment lease has maximum interest rate of 2.5% with a final maturity of 2031. The original agreement for the 2011 bonds had an interest rate of 4.5%. The refinancing will result in a cost savings of approximately \$650,000. Of the \$11.1 million, approximately \$7.535 million will be allocated to refunding of the 2011 solar lease and \$3.515 million will be allocated to the Sheriff Facility Project. The 2016 Equipment lease will be secured by solar equipment acquired in 2011 and 2015.

Operating Leases

The County has commitments under long-term operating lease agreements. During the fiscal year ended June 30, 2017, the County paid rents on these leases of \$2,958,115. Future minimum lease payments are as follows:

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>
2018	\$ 3,032,060
2019	3,107,866
2020	3,185,572
2021	3,265,216
2022	3,346,844
2023 - 2027	18,031,938
2028 - 2032	20,401,518
2033 - 2037	23,082,490
2038 - 2042	26,115,734
Total	<u>\$ 103,569,238</u>

NOTE 7 REVOLVING NOTES RECEIVABLE

At June 30, 2017, the County had \$7,870,814 of revolving notes receivable reported in the governmental funds. Principal and interest are revolved as new loans as collections are received.

The County's revolving loans reported in governmental funds were derived from the following grant programs:

Community Development Block Grant	\$ 4,813,973
HOME Investment Partnerships Program	2,838,506
EDBG Economic Development Initiative	218,335
Total	<u>\$ 7,870,814</u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 8 PUBLIC EMPLOYEE RETIREMENT SYSTEM

A. General Information about the Pension Plans

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

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

The Plans’ provisions and benefits in effect at June 30, 2017 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payment	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	1.4% to 2.4%	1.0% to 2.5%
Required Employee Contribution Rates	6.98%	6.25%
Required Employer Contribution Rates	17.60%	17.60%
	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payment	Monthly for Life	Monthly for Life
Retirement Age	50	50
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	2.0% to 2.7%
Required Employee Contribution Rates	9.02%	10.75%
Required Employer Contribution Rates	21.15%	20.05%

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
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Employees Covered – At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	1,221	199
Inactive Employees Entitled to but Not Yet Receiving Benefits	875	126
Active Employees	<u>1,247</u>	<u>145</u>
Total	<u><u>3,343</u></u>	<u><u>470</u></u>

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

B. Net Pension Liability

The County’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2015 actuarial valuations were determined using the following actuarial assumptions:

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

	Miscellaneous	Safety
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	Varies
Projected Salary Increase (1)	3.30% - 14.20%	
Investment Rate of Return (2)	7.50%	7.50%
Mortality Rate Table	Derived using CalPERS' Membership Data for All Funds Contract COLA up to 2.75% until Purchasing Power Applies	
Postretirement Benefit Increase	Projection Allowance Floor on Purchasing Power Applies, 2.75% Thereafter	

(1) Depending on age, service, and type of engagement

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a 2010 actuarial experience study for the period 1997 to 2007. Further details of the Experience Study can 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 percent discount rate, net of administrative expense, is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent 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.

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

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

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Pension</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	47.00 %	4.90 %	5.38 %
Global Fixed Income	19.00	0.80	2.27
Inflation Sensitive	6.00	0.60	1.39
Private Equity	12.00	6.60	6.63
Real Estate	11.00	2.80	5.21
Infrastructure and Forestland	3.00	3.90	5.36
Liquidity	2.00	(0.40)	(0.90)
	<u>100.00 %</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follow:

<u>Miscellaneous Plan</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at June 30, 2015	\$ 273,927,363	\$ 198,321,938	\$ 75,605,425
Changes in the Year:			
Service Cost	5,132,002	-	5,132,002
Interest on Total Pension Liability	20,131,772	-	20,131,772
Changes in Assumptions	-	-	-
Differences Between Expected and Actual Experience	(139,173)	-	(139,173)
Contribution - Employer	-	6,033,705	(6,033,705)
Contribution - Employee	-	2,865,802	(2,865,802)
Net Investment Income	-	1,069,143	(1,069,143)
Benefit Payments, including Refunds of Employee Contributions	(12,967,119)	(12,967,119)	-
Administrative Expenses	-	(117,906)	117,906
Proportional Differences Between County and Court Shares	(6,710,217)	(4,858,162)	(1,852,055)
Net Changes	<u>5,447,265</u>	<u>(7,974,537)</u>	<u>13,421,802</u>
Balance at June 30, 2016	<u>\$ 279,374,628</u>	<u>\$ 190,347,401</u>	<u>\$ 89,027,227</u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
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The above schedule excludes the Court's share of the Miscellaneous Plan determined at June 30, 2017 to be 5.16% of the Plan's total pension liability and fiduciary net position. The County's portion is 94.84%.

<u>Safety Plan</u>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c)=(a)-(b)
Balance at June 30, 2015	\$ 103,043,196	\$ 74,618,301	\$ 28,424,895
Changes in the Year:			
Service Cost	2,810,721		
Interest on Total Pension Liability	7,906,723	-	7,906,723
Changes in Assumptions	-	-	-
Differences Between Expected and Actual Experience	875,596	-	-
Contribution - Employer	-	2,902,586	(2,902,586)
Contribution - Employee	-	1,190,152	(1,190,152)
Net Investment Income	-	414,287	(414,287)
Benefit Payments, including Refunds of Employee Contributions	(3,936,571)	(3,936,571)	-
Administrative Expenses	-	(45,476)	45,476
Net Changes	<u>7,656,469</u>	<u>524,978</u>	<u>7,131,491</u>
Balance at June 30, 2016	<u>\$ 110,699,665</u>	<u>\$ 75,143,279</u>	<u>\$ 35,556,386</u>

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

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.65%	6.65%
Net Pension Liability	\$ 125,393,050	\$ 51,938,634
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 89,027,227	\$ 35,556,386
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 58,762,719	\$ 22,139,185

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017, the County recognized pension expense of \$12,355,759. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,181,324	\$ 758,673
Changes in Assumptions	-	2,779,266
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	14,443,190	-
County Contributions Subsequent to the Measurement Date	9,667,781	-
Total	\$ 25,292,295	\$ 3,537,939

The County reported \$9,667,781 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2018	\$ 537,350
2019	1,602,461
2020	6,186,938
2021	3,759,826
Total	\$ 12,086,575

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 9 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. For most insurable risks, the County is self-insured up to a maximum amount per claim. Amounts in excess of established limits are covered through the County's membership in the County Supervisors Association of California Excess Insurance Authority or with commercial policies.

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC-EIA), a public entity risk pool currently operating as a common risk manager and insurance program for counties. Should actual losses among pool participants be greater than anticipated, the County will be assessed its pro rata share of the deficiency. Conversely, if the actual pool losses are less than anticipated, the County will be refunded its prorata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The County currently reports its risk management activities in the internal services funds, which include general liability, workers' compensation, health, unemployment, and short-term disability. All of the County funds participate in the County self-insured programs and make payments to the corresponding internal service fund based on estimated costs to pay prior and current years' claims. The estimated claims liability of \$788,000 as reported in the internal service funds at June 30, 2017, is based on the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, as amended by GASB Statement No. 30. These statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Estimates of the liabilities for incurred (both reported and unreported) but unpaid claims are based on claims loss reports and actuarial reports. Liabilities are based on the estimated cost of settling the claims.

Changes in the County's claims liabilities amount for the fiscal years ended June 30, 2017 and 2016 were as follows:

	2017	2016
Unpaid Claims, Beginning of Year	\$ 1,118,000	\$ 1,121,000
Estimated Claims Incurred and Adjustments	265,883	712,000
Claims Payments	<u>(595,883)</u>	<u>(715,000)</u>
Unpaid Claims, End of Year	<u>\$ 788,000</u>	<u>\$ 1,118,000</u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The County of Yuba (“County”) Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the County. The Plan provides healthcare insurance benefits to eligible retirees. Benefit provisions are established and may be amended by the County. Retiree medical benefits are provided through the California Public Employees’ Retirement System healthcare program. The County contributes the Public Employees Medical and Hospital Care Act (PEMHCA) minimum required employer contribution towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Funding Policy. The contribution requirements of the plan members and the County are established and may be amended by the County. The County is not pre-funding the plan. The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The County ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 20 years.

The following are the components of the County’s annual OPEB cost for the fiscal year ended June 30, 2017:

Annual Required Contribution	\$ 1,863,000
Interest on Net OPEB Obligation	303,000
Adjustment to ARC	(746,000)
Annual OPEB Cost (Expense)	<u>1,420,000</u>
Contributions Made	<u>(406,067)</u>
Increase in Net OPEB Obligation	1,013,933
Net OPEB Obligation - Beginning of Year	<u>8,285,604</u>
Net OPEB Obligation - End of Year	<u><u>\$ 9,299,537</u></u>

Annual OPEB Cost and Net OPEB Obligation

The County’s Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for 2016/17 and the prior two fiscal years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2017	\$ 1,420,000	15.6%	\$ 9,299,537
6/30/2016	818,000	27.4%	8,285,604
6/30/2015	779,000	25.0%	7,674,399

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2015, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial Accrued Liability (AAL)	\$ 15,099,000
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 15,099,000</u>
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 49,255,000
UAAL as a Percentage of Covered Payroll	30.65%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 6.75% investment rate of return (net of administrative expenses), which is the expected long-term investment return on CERBT investments, and an annual PEMHCA minimum cost trend rate of 4% after 3 years (actual PEMHCA minimum costs were used for the first 3 years). This rate includes a 2.75% inflation assumption. The actuarial value of assets is equal to the market value. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis. The remaining amortization period at June 30, 2017 was 19 years.

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 11 NET POSITION/FUND BALANCES

Net Position

The government-wide statement of net position reports \$59,914,454 million of restricted net position, none of which is restricted by enabling legislation. Net investment in capital assets was comprised of the following:

	Governmental Activities	Business-Type Activities
Capital Assets, Net of Accumulated Depreciation	\$ 215,227,383	\$ 2,092,510
Outstanding Principal of Capital-Related Debt	(23,386,643)	-
Net Investment in Capital Assets	<u>\$ 191,840,740</u>	<u>\$ 2,092,510</u>

Net position was restricted for the following purposes:

Capital Projects	\$ 282,479
Debt Service	8,704,670
Other Restrictions:	
Public Assistance Programs	19,675,330
Public Facilities	9,900,465
Public Safety	14,341,885
Public Health	6,190,809
Total	<u>\$ 59,095,638</u>

**COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

Detail of the fund balance classifications of the governmental funds as of June 30, 2017 is as follows:

	General Fund	Public Works	Social Services	Public Safety	Local Revenue Fund 2011	Yuba Levee Financing Authority Debt Ser.	Other Governmental Funds	Total
Nonspendable:								
Inventory	\$ -	\$ 67,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,002
Prepays	-	-	-	-	-	-	-	-
Total Nonspendable	-	67,002	-	-	-	-	-	67,002
Restricted for:								
Public Protection	2,448,084	-	-	1,325,552	9,991,145	-	227,606	13,992,387
Public Assistance	-	-	10,734,398	-	-	-	8,940,932	19,675,330
Health and Sanitation	200,173	-	-	-	-	-	4,083,657	4,283,830
PublicWays and Facilities	-	3,451,453	-	-	-	-	5,875,369	9,326,822
Debt Service	-	-	-	-	-	10,023,431	-	10,023,431
Capital Projects	-	-	-	-	-	-	282,479	282,479
Total Restricted	2,648,257	3,451,453	10,734,398	1,325,552	9,991,145	10,023,431	19,410,043	57,584,279
Committed:								
Public Protection	4,413,824	-	-	-	-	-	-	4,413,824
Health and Sanitation	584,960	-	-	-	-	-	-	584,960
Public Ways and Facilities	-	14,547,959	-	-	-	-	-	14,547,959
Education	1,693,217	-	-	-	-	-	-	1,693,217
Capital Projects	599,963	-	-	-	-	-	-	599,963
Other	1,446,633	-	-	-	-	-	-	1,446,633
Total Committed	8,738,597	14,547,959	-	-	-	-	-	23,286,556
Assigned for:								
General Contingencies	2,232,370	-	-	-	-	-	-	2,232,370
Public Protection	-	-	-	1,641,943	-	-	-	1,641,943
Recreation and Culture	36,185	-	-	-	-	-	-	36,185
Capital Projects	3,262,695	-	-	-	-	-	89,563	3,352,258
Other	359,241	-	-	-	-	-	-	359,241
Total Assigned	5,890,491	-	-	1,641,943	-	-	89,563	7,621,997
Unassigned								
	2,162,824	-	-	-	-	-	-	2,162,824
Total Fund Balances	<u>\$ 19,440,169</u>	<u>\$ 18,066,414</u>	<u>\$ 10,734,398</u>	<u>\$ 2,967,495</u>	<u>\$ 9,991,145</u>	<u>\$ 10,023,431</u>	<u>\$ 19,499,606</u>	<u>\$ 90,722,658</u>

NOTE 12 DEFICIT FUND EQUITY

The Short-term Disability Insurance Fund (ISF) reported a deficit net position balance of \$56,930. The fund has accumulated sufficient net position to pay for insurance claims on a pay as you go basis. The County has sufficient reserves in the General Fund to cover the deficit in this fund as needed.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 COMMITMENTS AND CONTINGENCIES

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

Construction Commitments – The County has entered into various contracts for the construction of certain projects. At June 30, 2017, the County has outstanding commitments of \$14,035,374 for road, bridge and other construction projects.

Agreement with Yuba County Water Agency – In 2014, the County entered into a funding agreement with Yuba County Water Agency (YCWA) and the Yuba Levee Financing Authority (YLFA). As part of the agreement and to the extent impact fee revenue is not available to cover County debt payments on the revenue bonds, YCWA agrees to pay all debt payments required to be paid by the County to YLFA through and including the payment due on February 15, 2020. The agreement was ratified pursuant to the issuance of the 2017 Refunding Revenue Bonds, to reimburse YCWA for debt service payments made to the Yuba Levee Financing Authority (YLFA) to pay down the 2017 Refunding Revenue Bonds, Series A and B (previously the 2008 Taxable Revenue Bonds, Series A and B). The agreement allows for YCWA to be reimbursed over time from available levee impact fee revenue collected by the County in the course of the development and buildout of the Plumas Lake Specific Plan Area and other areas protected by the project levees.

NOTE 14 JOINT VENTURE

The County and Reclamation District No. 784 (Members) formed the Three Rivers Levee Improvement Authority (TRLIA) in 2004 for the purpose of providing flood control improvements located in the County, including improvements to the levee system and related drainage improvements. The Authority's Board consists of two representatives from each Member. The County has no equity interest in the Authority.

Four work phases have been identified with the goal of achieving 200-year flood protection. The cost to complete the four phases is estimated to be \$400 million and will be funded mostly by local development fees and State funding.

The Authority, as originally formed, will cease to exist upon completion of the projects for which it was formed. At that time, ownership of the levee improvements will be transferred to the existing owner, primarily the State of California, and maintenance responsibility will be assumed by Reclamation District No. 784 and the other entities established to perform this function.

At June 30, 2017, the Authority's investment account in the County's investment pool had a balance of \$10,618,419.

COUNTY OF YUBA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

To fund the Phase IV levee improvements, the County and the Yuba County Water Agency entered into an agreement with the State of California on April 14, 2008 to provide a local match of \$53.3 million in order to obtain a State grant of up to \$138.5 million. Subsequently, other parties contributed \$6.7 million to the project reducing the required match to \$46.6 million. To sufficiently fund the match, the County and the Yuba County Water Agency formed the Yuba Levee Financing Authority for the purpose of issuing bonds.

The County has a levee impact fee program in place to fully repay itself and the Yuba County Water Agency for all borrowing and associated costs necessary to complete the financing.

Copies of the Authority's financial statements may be obtained from TRLIA, 1114 Yuba Street, Suite 218, Marysville, California 95901.



REQUIRED SUPPLEMENTARY INFORMATION



COUNTY OF YUBA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE IN THE NET PENSION LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2017

Last 10 Fiscal Years*	Reporting Fiscal Year (Measurement Date)					
	Miscellaneous Plans			Safety Plans		
	2017 (2016)	2016 (2015)	2015 (2014)	2017 (2016)	2016 (2015)	2015 (2014)
Total Pension Liability						
Service Cost	\$ 5,132,002	\$ 5,314,155	\$ 5,211,955	\$ 2,810,721	\$ 2,693,121	\$ 2,672,753
Interest on Total Pension Liability	20,131,772	19,706,715	21,174,313	7,906,723	7,354,519	6,980,027
Changes of Assumptions		(4,754,339)	11,225,919	-	(1,980,769)	-
Differences Between Expected and Actual Experience	(139,173)	1,478,766	(1,373,630)	875,596	(1,069,461)	-
Benefit Payments, including Refunds of Employee Contributions	(12,967,119)	(12,081,083)	(11,770,502)	(3,936,571)	(3,590,777)	(3,493,738)
Proportional Differences Between County and Court Shares	(6,710,217)	(2,656,539)	-	-	-	-
Net Change in Total Pension Liability	5,447,265	7,007,675	24,468,055	7,656,469	3,406,633	6,159,042
Total Pension Liability - Beginning	273,927,363	266,919,688	242,451,633	103,043,196	99,636,563	93,477,521
Total Pension Liability - Ending	\$ 279,374,628	\$ 273,927,363	\$ 266,919,688	\$ 110,699,665	\$ 103,043,196	\$ 99,636,563
Plan Fiduciary Net Position						
Contributions - Employer	\$ 6,033,705	\$ 5,814,663	\$ 5,229,573	\$ 2,902,586	\$ 2,533,127	\$ 2,237,580
Contributions - Employee	2,865,802	2,665,719	2,505,418	1,190,152	1,144,463	1,071,378
Net Investment Income	1,069,143	4,447,902	29,704,646	414,287	1,620,946	10,866,886
Benefit Payments, including Refunds of Employee Contributions	(12,967,119)	(12,081,083)	(11,770,502)	(3,936,571)	(3,590,777)	(3,493,738)
Administrative Expense	(117,906)	(223,206)	67,050	(45,476)	(83,970)	-
Other Charges	-	-	-	-	-	-
Proportional Differences Between County and Court Shares	(4,858,162)	(565,835)	-	-	-	-
Net Change in Plan Fiduciary Net Position	(7,974,537)	58,160	25,736,185	524,978	1,623,789	10,682,106
Plan Fiduciary Net Position - Beginning	198,321,938	198,263,778	172,527,593	74,618,301	72,994,512	62,312,406
Plan Fiduciary Net Position - Ending	\$ 190,347,401	\$ 198,321,938	\$ 198,263,778	\$ 75,143,279	\$ 74,618,301	\$ 72,994,512
Net Pension Liability - Ending	\$ 89,027,227	\$ 75,605,425	\$ 68,655,910	\$ 35,556,386	\$ 28,424,895	\$ 26,642,051
Plan Fiduciary Net Percentage as a Percentage of the Total Pension Liability	68.13%	72.40%	74.28%	67.88%	72.41%	73.26%
Covered Payroll	\$ 39,260,787	\$ 38,865,954	\$ 36,550,878	\$ 12,915,137	\$ 12,317,604	\$ 11,836,293
Net Pension Liability as a Percentage of Covered Payroll	226.76%	194.53%	187.84%	275.31%	230.77%	225.09%
Notes to Schedule:						
Valuation Date	6/30/2015	6/30/2014	6/30/2013	6/30/2015	6/30/2014	6/30/2013

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

**COUNTY OF YUBA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
YEAR ENDED JUNE 30, 2017**

Last 10 Fiscal Years*	Reporting Fiscal Year					
	Miscellaneous Plans			Safety Plans		
	2017	2016	2015	2017	2016	2015
Actuarially Determined Contribution	\$ 6,423,716	\$ 6,519,956	\$ 6,129,345	\$ 3,244,065	\$ 2,902,586	\$ 2,533,127
Contributions Related to the Actuarially Determined Contribution	(6,423,716)	(6,519,956)	(6,129,345)	(3,244,065)	(2,902,586)	(2,533,127)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered Payroll	\$ 40,438,611	\$ 39,260,787	\$ 38,865,954	\$ 13,302,591	\$ 12,915,137	\$ 12,317,604
Contributions as a Percentage of Covered Payroll	15.89 %	16.61 %	15.77 %	24.39 %	22.47 %	20.57 %

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

**COUNTY OF YUBA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS – RETIREE HEALTHCARE PLAN
YEAR ENDED JUNE 30, 2017**

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
June 30, 2011	\$ 11,859,000	\$ -	\$ 11,859,000	0.00%	\$ 48,804,000	24.30%
June 30, 2013	10,447,000	-	10,447,000	0.00%	48,861,000	21.38%
June 30, 2015	15,099,000	-	15,099,000	0.00%	49,255,000	30.65%

*June 30, 2015 is the most recent actuarial

**COUNTY OF YUBA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 15,725,525	\$ 15,725,525	\$ 16,561,945	\$ 836,420
Licenses, Permits, and Fees	3,393,974	3,393,974	1,690,016	(1,703,958)
Fines, Forfeits, and Penalties	1,835,947	1,835,947	1,098,705	(737,242)
Use of Money and Property	356,000	356,000	490,488	134,488
Intergovernmental	13,235,953	13,546,772	12,542,802	(1,003,970)
Charges for Services	8,461,698	8,246,348	7,360,140	(886,208)
Other Revenues	4,542,945	4,544,352	182,889	(4,361,463)
Total Revenues	<u>47,552,042</u>	<u>47,648,918</u>	<u>39,926,985</u>	<u>(7,721,933)</u>
EXPENDITURES				
General Government	32,643,302	29,811,424	12,680,254	17,131,170
Public Protection	15,115,529	15,610,467	14,488,944	1,121,523
Health and Sanitation	1,478,703	1,478,703	1,413,313	65,390
Public Assistance	354,928	384,428	374,392	10,036
Education	507,964	508,964	455,968	52,996
Recreation and Culture	360,384	438,384	428,340	10,044
Total Expenditures	<u>50,460,810</u>	<u>48,232,370</u>	<u>29,841,211</u>	<u>18,391,159</u>
EXCESS DEFICIENCY OF REVENUES (OVER) UNDER EXPENDITURES	(2,908,768)	(583,452)	10,085,774	10,669,226
OTHER FINANCING SOURCES (USES)				
Transfers in	1,471,282	15,216,086	4,732,678	(10,483,408)
Transfers out	(1,763,576)	(29,710,082)	(14,915,360)	14,794,722
Total Other Financing Sources (Uses)	<u>(292,294)</u>	<u>(14,493,996)</u>	<u>(10,182,682)</u>	<u>4,311,314</u>
NET CHANGE IN FUND BALANCES	<u>\$ 11,360,466</u>	<u>\$ (15,077,448)</u>	(96,908)	<u>\$ 14,980,540</u>
Fund Balance - Beginning of Year			<u>1,838,481</u>	
FUND BALANCE - END OF YEAR			<u>\$ 1,741,573</u>	

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

	Budgetary Comparison Schedule	Trust Funds Not Budgeted	Statement of Revenues, Expenditures and Changes in Fund Balance
Total Revenues	<u>\$ 39,926,985</u>	<u>\$ 4,887,121</u>	<u>\$ 44,814,106</u>
Total Expenditures	<u>29,841,211</u>	<u>302,463</u>	<u>30,143,674</u>
Revenues Over (Under) Expenditures	10,085,774	4,584,658	14,670,432
Total Other Financing Sources (Uses)	<u>(10,182,682)</u>	<u>(4,490,388)</u>	<u>(14,673,070)</u>
Net Change in Fund Balances	<u>\$ (96,908)</u>	<u>\$ 94,270</u>	<u>\$ (2,638)</u>

**COUNTY OF YUBA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC WORKS
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 85,000	\$ 85,000	\$ 83,215	\$ (1,785)
Licenses, Permits, and Fees	125,000	125,000	145,473	20,473
Fines, Forfeits, and Penalties	40,000	40,000	40,000	-
Use of Money and Property	18,000	18,000	25,204	7,204
Intergovernmental	13,108,504	13,286,808	7,777,647	(5,509,161)
Charges for Services	843,382	2,051,873	1,753,228	(298,645)
Other Revenues	442,211	442,211	366,649	(75,562)
Total Revenues	<u>14,662,097</u>	<u>16,048,892</u>	<u>10,191,416</u>	<u>(5,857,476)</u>
EXPENDITURES				
Current:				
Public Way and Facilities	<u>22,340,013</u>	<u>23,554,312</u>	<u>14,610,310</u>	<u>8,944,002</u>
EXCESS DEFICIENCY OF REVENUES (OVER) UNDER EXPENDITURES	(7,677,916)	(7,505,420)	(4,418,894)	3,086,526
OTHER FINANCING SOURCES (USES)				
Transfers in	6,828,855	6,656,359	28,460	(6,627,899)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>6,828,855</u>	<u>6,656,359</u>	<u>28,460</u>	<u>(6,627,899)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (849,061)</u>	<u>\$ (849,061)</u>	(4,390,434)	<u>\$ (3,541,373)</u>
Fund Balance - Beginning of Year			<u>4,617,609</u>	
FUND BALANCE - END OF YEAR			<u>\$ 227,175</u>	

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

	Budgetary Comparison Schedule	Trust Funds Not Budgeted	Statement of Revenues, Expenditures and Changes in Fund Balance
Total Revenues	<u>\$ 10,191,416</u>	<u>\$ 1,445,593</u>	<u>\$ 11,637,009</u>
Total Expenditures	<u>14,610,310</u>	<u>-</u>	<u>14,610,310</u>
Revenues Over (Under) Expenditures	(4,418,894)	1,445,593	(2,973,301)
Total Other Financing Sources (Uses)	<u>28,460</u>	<u>(1,820,946)</u>	<u>(1,792,486)</u>
Net Change in Fund Balances	<u>\$ (4,390,434)</u>	<u>\$ (375,353)</u>	<u>\$ (4,765,787)</u>

**COUNTY OF YUBA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SOCIAL SERVICES FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 56,573,803	\$ 56,516,143	\$ 33,025,533	\$ (23,490,610)
Charges for Services	592,943	650,603	731,937	81,334
Other Revenues	-	-	1,965	1,965
Total Revenues	<u>57,166,746</u>	<u>57,166,746</u>	<u>33,759,435</u>	<u>(23,407,311)</u>
EXPENDITURES				
Current:				
Public Assistance	<u>58,252,128</u>	<u>58,352,128</u>	<u>52,618,429</u>	<u>5,733,699</u>
Total Expenditures	<u>58,252,128</u>	<u>58,352,128</u>	<u>52,618,429</u>	<u>5,733,699</u>
EXCESS DEFICIENCY OF REVENUES (OVER) UNDER EXPENDITURES	(1,085,382)	(1,185,382)	(18,858,994)	(17,673,612)
OTHER FINANCING SOURCES				
Transfers in	<u>129,313</u>	<u>129,313</u>	<u>9,343,738</u>	<u>9,214,425</u>
NET CHANGE IN FUND BALANCES	<u>\$ (956,069)</u>	<u>\$ (1,056,069)</u>	(9,515,256)	<u>\$ (8,459,187)</u>
Fund Balance - Beginning of Year			<u>2,643,566</u>	
FUND BALANCE - END OF YEAR			<u>\$ (6,871,690)</u>	

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

	Budgetary Comparison Schedule	Trust Funds Not Budgeted	Statement of Revenues, Expenditures and Changes in Fund Balance
Total Revenues	<u>\$ 33,759,435</u>	<u>\$ 13,137,059</u>	<u>\$ 46,896,494</u>
Total Expenditures	<u>52,618,429</u>	<u>139,062</u>	<u>52,757,491</u>
Revenues Over (Under) Expenditures	(18,858,994)	12,997,997	(5,860,997)
Total Other Financing Sources (Uses)	<u>9,343,738</u>	<u>(114,707)</u>	<u>9,229,031</u>
Net Change in Fund Balances	<u>\$ (9,515,256)</u>	<u>\$ 12,883,290</u>	<u>\$ 3,368,034</u>

**COUNTY OF YUBA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses, Permits, and Fees	\$ 45,010	\$ 45,010	\$ 58,431	\$ 13,421
Use of Money and Property	432,000	237,000	197,810	(39,190)
Intergovernmental	6,160,303	6,256,237	2,348,713	(3,907,524)
Charges for Services	9,590,691	9,651,851	6,241,287	(3,410,564)
Other Revenues	1,000	4,651	4,919	268
Total Revenues	<u>16,229,004</u>	<u>16,194,749</u>	<u>8,851,160</u>	<u>(7,343,589)</u>
EXPENDITURES				
Current:				
Public Protection	<u>31,959,216</u>	<u>31,915,761</u>	<u>30,474,817</u>	<u>1,440,944</u>
EXCESS DEFICIENCY OF REVENUES (OVER) UNDER EXPENDITURES	(15,730,212)	(15,721,012)	(21,623,657)	(5,902,645)
OTHER FINANCING SOURCES (USES)				
Transfers in	14,770,212	14,761,012	18,801,377	4,040,365
Transfers out	(75,000)	(75,000)	(75,000)	-
Total Other Financing Sources (Uses)	<u>14,695,212</u>	<u>14,686,012</u>	<u>18,726,377</u>	<u>4,040,365</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,035,000)</u>	<u>\$ (1,035,000)</u>	(2,897,280)	<u>\$ (1,862,280)</u>
Fund Balance - Beginning of Year			<u>1,554,057</u>	
FUND BALANCE - END OF YEAR			<u>\$ (1,343,223)</u>	

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

	Budgetary Comparison Schedule	Trust Funds Not Budgeted	Statement of Revenues, Expenditures and Changes in Fund Balance
Total Revenues	<u>\$ 8,851,160</u>	<u>\$ 2,284,200</u>	<u>\$ 11,135,360</u>
Total Expenditures	<u>30,474,817</u>	<u>79,247</u>	<u>30,554,064</u>
Revenues Over (Under) Expenditures	(21,623,657)	2,204,953	(19,418,704)
Total Other Financing Sources (Uses)	<u>18,726,377</u>	<u>(66,777)</u>	<u>18,659,600</u>
Net Change in Fund Balances	<u>\$ (2,897,280)</u>	<u>\$ 2,138,176</u>	<u>\$ (759,104)</u>

**COUNTY OF YUBA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
LOCAL REVENUE FUND 2011
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 13,856,199	\$ 13,856,199
EXPENDITURES				
Current:				
Health and Sanitation	-	-	-	-
EXCESS DEFICIENCY OF REVENUES (OVER) UNDER EXPENDITURES	-	-	13,856,199	13,856,199
OTHER FINANCING USES				
Transfers out	-	-	(15,336,230)	(15,336,230)
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	(1,480,031)	<u>\$ (1,480,031)</u>
Fund Balance - Beginning of Year			<u>11,471,176</u>	
FUND BALANCE - END OF YEAR			<u>\$ 9,991,145</u>	

**COUNTY OF YUBA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017**

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.

Budgets are adopted on a basis which materially conforms to generally accepted accounting principles except that interfund transfers are reported as revenues and expenditures. The County is not required to submit a budget for the Local Revenue 2011 Fund and as such, budgetary information for that fund is not available.

SUPPLEMENTARY INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

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

Capital Projects Funds are used to account for financial resources to be used for the expenditures for capital outlays (other than those financed by proprietary funds).

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



**COUNTY OF YUBA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue			
	Fish and Game	Health Service Fund	Child Support Services	County IHSS Authority
ASSETS				
Cash and Investments	\$ 22,342	\$ 4,062,178	\$ 406,060	\$ 125,485
Accounts Receivable	-	352,804	-	178,421
Due from Other Governments	-	286,201	-	-
Interest Receivable	-	1,170	1,919	-
Due from Other Funds	-	-	-	-
Notes Receivable	-	-	-	-
Total Assets	\$ 22,342	\$ 4,702,353	\$ 407,979	\$ 303,906
LIABILITIES				
Accounts Payable	\$ -	\$ 152,372	\$ 4,858	\$ -
Salaries and Benefits Payable	-	233,287	194,064	-
Due to Other Funds	-	6,072	3,793	-
Total Liabilities	-	391,731	202,715	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	352,450	-	178,421
FUND BALANCE				
Restricted	22,342	3,958,172	205,264	125,485
Assigned	-	-	-	-
Total Fund Balances	22,342	3,958,172	205,264	125,485
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,342	\$ 4,702,353	\$ 407,979	\$ 303,906

**COUNTY OF YUBA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue			
	Grants	Micro Enterprise (Yubasut)	County Service Areas	Public Assistance Programs
ASSETS				
Cash and Investments	\$ -	\$ -	\$ 5,923,513	\$ 1,066,018
Accounts Receivable	-	826	-	37
Due from Other Governments	-	-	-	-
Interest Receivable	-	-	19,275	3,237
Due from Other Funds	-	-	43,390	-
Notes Receivable	-	-	-	7,870,814
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,870,814</u>
Total Assets	<u>\$ -</u>	<u>\$ 826</u>	<u>\$ 5,986,178</u>	<u>\$ 8,940,106</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 67,809	\$ -
Salaries and Benefits Payable	-	-	-	-
Due to Other Funds	-	-	43,000	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>110,809</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	-	-	-
FUND BALANCE				
Restricted	-	826	5,875,369	8,940,106
Assigned	-	-	-	-
Total Fund Balances	<u>-</u>	<u>826</u>	<u>5,875,369</u>	<u>8,940,106</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 826</u>	<u>\$ 5,986,178</u>	<u>\$ 8,940,106</u>

**COUNTY OF YUBA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Capital Projects		
	Jail Improvement Construction	Grant-financed Capital Projects	YLFA Bond Construction
ASSETS			
Cash and Investments	\$ 62,753	\$ 324,815	\$ -
Accounts Receivable	26,810	-	-
Due from Other Governments	-	-	-
Interest Receivable	-	929	-
Due from Other Funds	-	43,732	-
Notes Receivable	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 89,563</u>	<u>\$ 369,476</u>	<u>\$ -</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 113,314	\$ -
Salaries and Benefits Payable	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>-</u>	<u>113,314</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	-
FUND BALANCE			
Restricted	-	256,162	-
Assigned	89,563	-	-
Total Fund Balances	<u>89,563</u>	<u>256,162</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 89,563</u>	<u>\$ 369,476</u>	<u>\$ -</u>

**COUNTY OF YUBA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>Capital Projects</u> Debt-Financed Capital Projects	Debt Service	Total Nonmajor Governmental Funds
ASSETS			
Cash and Investments	\$ 1,070,423	\$ -	\$ 13,063,587
Accounts Receivable	323	305	559,526
Due from Other Governments	-	-	286,201
Interest Receivable	2,493	-	29,023
Due from Other Funds	356,799	-	443,921
Notes Receivable	-	-	7,870,814
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,430,038</u>	<u>\$ 305</u>	<u>\$ 22,253,072</u>
LIABILITIES			
Accounts Payable	\$ 1,403,721	\$ 305	\$ 1,742,379
Salaries and Benefits Payable	-	-	427,351
Due to Other Funds	-	-	52,865
Total Liabilities	<u>1,403,721</u>	<u>305</u>	<u>2,222,595</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	530,871
FUND BALANCE			
Restricted	26,317	-	19,410,043
Assigned	-	-	89,563
Total Fund Balances	<u>26,317</u>	<u>-</u>	<u>19,499,606</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,430,038</u>	<u>\$ 305</u>	<u>\$ 22,253,072</u>

**COUNTY OF YUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Special Revenue			
	Fish and Game	Health Service Fund	Child Support Services	County IHSS Authority
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, Forfeitures, and Penalties	2,072	90,145	-	-
Use of Money and Property	-	4,416	10,632	-
Intergovernmental	-	5,067,768	3,139,880	527,528
Charges for Services	-	7,044	-	-
Other Revenues	-	3,505	5,819	-
Total Revenues	<u>2,072</u>	<u>5,172,878</u>	<u>3,156,331</u>	<u>527,528</u>
EXPENDITURES				
Current:				
Public Protection	4,711	-	3,320,882	-
Public Ways and Facilities	-	-	-	-
Health and Sanitation	-	5,614,447	-	606,733
Public Assistance	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>4,711</u>	<u>5,614,447</u>	<u>3,320,882</u>	<u>606,733</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,639)	(441,569)	(164,551)	(79,205)
OTHER FINANCING SOURCES (USES)				
Capital Leases	-	-	-	-
Transfers in	-	247,945	-	-
Transfers out	-	(160,000)	(674,682)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>87,945</u>	<u>(674,682)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,639)	(353,624)	(839,233)	(79,205)
Fund Balances - Beginning of Year	<u>24,981</u>	<u>4,311,796</u>	<u>1,044,497</u>	<u>204,690</u>
FUND BALANCES - END OF YEAR	<u>\$ 22,342</u>	<u>\$ 3,958,172</u>	<u>\$ 205,264</u>	<u>\$ 125,485</u>

**COUNTY OF YUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Special Revenue			
	Grants	Micro Enterprise (Yubasut)	County Service Areas	Public Assistance Programs
REVENUES				
Taxes	\$ -	\$ -	\$ 72,904	\$ -
Fines, Forfeitures, and Penalties	-	-	-	-
Use of Money and Property	-	-	61,786	43,363
Intergovernmental	-	-	993	1,006
Charges for Services	-	-	1,693,405	-
Other Revenues	-	-	-	4,837
Total Revenues	<u>-</u>	<u>-</u>	<u>1,829,088</u>	<u>49,206</u>
EXPENDITURES				
Current:				
Public Protection	-	-	-	-
Public Ways and Facilities	-	-	1,070,654	-
Health and Sanitation	-	-	-	-
Public Assistance	-	-	-	313,545
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,070,654</u>	<u>313,545</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	758,434	(264,339)
OTHER FINANCING SOURCES (USES)				
Capital Leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(169)	(203,845)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(169)</u>	<u>(203,845)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(169)	554,589	(264,339)
Fund Balances - Beginning of Year	<u>-</u>	<u>995</u>	<u>5,320,780</u>	<u>9,204,445</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 826</u>	<u>\$ 5,875,369</u>	<u>\$ 8,940,106</u>

**COUNTY OF YUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	Capital Projects		
	Jail Improvement Construction	Grant-financed Capital Projects	YLFA Bond Construction
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fines, Forfeitures, and Penalties	-	-	-
Use of Money and Property	-	3,010	-
Intergovernmental	-	24,547	-
Charges for Services	153,907	-	-
Other Revenues	-	-	157,685
Total Revenues	<u>153,907</u>	<u>27,557</u>	<u>157,685</u>
EXPENDITURES			
Current:			
Public Protection	-	-	6,818,784
Public Ways and Facilities	-	-	-
Health and Sanitation	-	-	-
Public Assistance	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Issuance costs	-	-	-
Capital Outlay	-	210,116	-
Total Expenditures	<u>-</u>	<u>210,116</u>	<u>6,818,784</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	153,907	(182,559)	(6,661,099)
OTHER FINANCING SOURCES (USES)			
Capital Leases	-	-	-
Transfers in	-	136,916	-
Transfers out	(225,000)	-	-
Total Other Financing Sources (Uses)	<u>(225,000)</u>	<u>136,916</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(71,093)	(45,643)	(6,661,099)
Fund Balances - Beginning of Year	<u>160,656</u>	<u>301,805</u>	<u>6,661,099</u>
FUND BALANCES - END OF YEAR	<u>\$ 89,563</u>	<u>\$ 256,162</u>	<u>\$ -</u>

**COUNTY OF YUBA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	<u>Capital Projects</u> Debt-financed		Total Nonmajor Governmental Funds
	Capital Projects	Debt Service	
REVENUES			
Taxes	\$ -	\$ -	\$ 72,904
Fines, Forfeitures, and Penalties	-	-	92,217
Use of Money and Property	11,318	-	134,525
Intergovernmental	-	1,710,861	10,472,583
Charges for Services	113,600	-	1,967,956
Other Revenues	73,938	-	245,784
Total Revenues	<u>198,856</u>	<u>1,710,861</u>	<u>12,985,969</u>
EXPENDITURES			
Current:			
Public Protection	-	-	10,144,377
Public Ways and Facilities	-	-	1,070,654
Health and Sanitation	-	-	6,221,180
Public Assistance	-	-	313,545
Debt Service:			
Principal	-	710,713	710,713
Interest	-	3,456,590	3,456,590
Issuance costs	-	138,283	138,283
Capital Outlay	10,398,413	-	10,608,529
Total Expenditures	<u>10,398,413</u>	<u>4,305,586</u>	<u>32,663,871</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,199,557)	(2,594,725)	(19,677,902)
OTHER FINANCING SOURCES (USES)			
Capital Leases	3,515,000	300,891	3,815,891
Transfers in	2,810,551	2,293,834	5,489,246
Transfers out	-	-	(1,263,696)
Total Other Financing Sources (Uses)	<u>6,325,551</u>	<u>2,594,725</u>	<u>8,041,441</u>
NET CHANGE IN FUND BALANCES	(3,874,006)	-	(11,636,461)
Fund Balances - Beginning of Year	<u>3,900,323</u>	<u>-</u>	<u>31,136,067</u>
FUND BALANCES - END OF YEAR	<u>\$ 26,317</u>	<u>\$ -</u>	<u>\$ 19,499,606</u>

INTERNAL SERVICE FUNDS

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.



**COUNTY OF YUBA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2017**

	Automotive Service	Workers Comp Insurance	Liability Insurance	Health Insurance
ASSETS				
Current Assets:				
Cash and Investments	\$ 957,384	\$ 430,693	\$ 1,285,620	\$ 429,603
Accounts Receivable	22,974	140	-	978,877
Interest Receivable	1,638	11	3,961	1,012
Total Current Assets	<u>981,996</u>	<u>430,844</u>	<u>1,289,581</u>	<u>1,409,492</u>
Capital Assets:				
Depreciable, Net	<u>717,219</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	1,699,215	430,844	1,289,581	1,409,492
LIABILITIES				
Current Liabilities:				
Accounts Payable	64,028	3,702	70,555	15
Deposits from others	-	-	-	-
Claims Liability, Current Portion	-	-	157,600	-
Total Current Liabilities	<u>64,028</u>	<u>3,702</u>	<u>228,155</u>	<u>15</u>
Long-Term Liabilities:				
Claims Liability	<u>-</u>	<u>-</u>	<u>630,400</u>	<u>-</u>
Total Liabilities	<u>64,028</u>	<u>3,702</u>	<u>858,555</u>	<u>15</u>
NET POSITION				
Net Investment in Capital Assets	717,219	-	-	-
Unrestricted	<u>917,968</u>	<u>427,142</u>	<u>431,026</u>	<u>1,409,477</u>
Total Net Position	<u>\$ 1,635,187</u>	<u>\$ 427,142</u>	<u>\$ 431,026</u>	<u>\$ 1,409,477</u>

**COUNTY OF YUBA
COMBINING BALANCE SHEET (CONTINUED)
INTERNAL SERVICE FUNDS
JUNE 30, 2017**

	<u>General Insurance</u>	<u>Unemployment Insurance</u>	<u>Short-term Disability Insurance</u>	<u>Network Infrastructure</u>	<u>Total</u>
ASSETS					
Current Assets:					
Cash and Investments	\$ 133,168	\$ 617,812	\$ 176,648	\$ 314,653	\$ 4,345,581
Accounts Receivable	-	13,031	7,814	-	1,022,836
Interest Receivable	377	1,955	583	1,147	10,684
Total Current Assets	<u>133,545</u>	<u>632,798</u>	<u>185,045</u>	<u>315,800</u>	<u>5,379,101</u>
Capital Assets:					
Depreciable, Net	-	-	-	127,584	844,803
Total Assets	<u>133,545</u>	<u>632,798</u>	<u>185,045</u>	<u>443,384</u>	<u>6,223,904</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	-	27,603	537	35,481	201,921
Deposits from others	-	-	241,438	-	241,438
Claims Liability, Current Portion	-	-	-	-	157,600
Total Current Liabilities	<u>-</u>	<u>27,603</u>	<u>241,975</u>	<u>35,481</u>	<u>600,959</u>
Long-Term Liabilities:					
Claims Liability	-	-	-	-	630,400
Total Liabilities	<u>-</u>	<u>27,603</u>	<u>241,975</u>	<u>35,481</u>	<u>1,231,359</u>
NET POSITION					
Net Investment in Capital Assets	-	-	-	127,584	844,803
Unrestricted	133,545	605,195	(56,930)	280,319	4,147,742
Total Net Position	<u>\$ 133,545</u>	<u>\$ 605,195</u>	<u>\$ (56,930)</u>	<u>\$ 407,903</u>	<u>\$ 4,992,545</u>

**COUNTY OF YUBA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	Automotive Service	Workers Comp Insurance	Liability Insurance	Health Insurance
OPERATING REVENUES				
Charges for Services	\$ 1,102,704	\$ 1,820,593	\$ 917,968	\$ 12,044,810
Other Revenues	79,985	-	-	-
Total Operating Revenues	<u>1,182,689</u>	<u>1,820,593</u>	<u>917,968</u>	<u>12,044,810</u>
OPERATING EXPENSES				
Services and Supplies	847,643	1,804,306	1,025,034	12,086,427
Claims expense	-	-	268,883	-
Depreciation	311,201	-	-	-
Total Operating Expenses	<u>1,158,844</u>	<u>1,804,306</u>	<u>1,293,917</u>	<u>12,086,427</u>
NET OPERATING INCOME (LOSS)	23,845	16,287	(375,949)	(41,617)
NONOPERATING REVENUE (EXPENSE)				
Interest Income (Expense)	<u>7,352</u>	<u>(5,747)</u>	<u>15,672</u>	<u>4,280</u>
INCOME (LOSS) BEFORE TRANSFERS	31,197	10,540	(360,277)	(37,337)
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	31,197	10,540	(360,277)	(37,337)
Net Position - Beginning of Year	<u>1,603,990</u>	<u>416,602</u>	<u>791,303</u>	<u>1,446,814</u>
NET POSITION - END OF YEAR	<u>\$ 1,635,187</u>	<u>\$ 427,142</u>	<u>\$ 431,026</u>	<u>\$ 1,409,477</u>

**COUNTY OF YUBA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	General Insurance	Unemployment Insurance	Short-Term Disability Insurance	Network Infrastructure	Total
OPERATING REVENUES					
Charges for Services	\$ 152,727	\$ 156,713	\$ -	\$ 626,609	\$ 16,822,124
Other Revenues	-	-	-	-	79,985
Total Operating Revenues	<u>152,727</u>	<u>156,713</u>	<u>-</u>	<u>626,609</u>	<u>16,902,109</u>
OPERATING EXPENSES					
Services and Supplies	103,068	119,999	219,625	589,914	16,796,016
Claims expense	-	-	-	-	268,883
Depreciation	-	-	-	14,176	325,377
Total Operating Expenses	<u>103,068</u>	<u>119,999</u>	<u>219,625</u>	<u>604,090</u>	<u>17,390,276</u>
NET OPERATING INCOME (LOSS)	49,659	36,714	(219,625)	22,519	(488,167)
NONOPERATING REVENUE (EXPENSE)					
Interest Income (Expense)	<u>1,138</u>	<u>6,593</u>	<u>464</u>	<u>2,928</u>	<u>32,680</u>
INCOME (LOSS) BEFORE TRANSFERS	50,797	43,307	(219,161)	25,447	(455,487)
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,000</u>	<u>182,000</u>
CHANGE IN NET POSITION	50,797	43,307	(219,161)	207,447	(273,487)
Net Position - Beginning of Year	<u>82,748</u>	<u>561,888</u>	<u>162,231</u>	<u>200,456</u>	<u>5,266,032</u>
NET POSITION - END OF YEAR	<u>\$ 133,545</u>	<u>\$ 605,195</u>	<u>\$ (56,930)</u>	<u>\$ 407,903</u>	<u>\$ 4,992,545</u>

**COUNTY OF YUBA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	Automotive Services	Workers Comp Insurance	Liability Insurance	Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services Provided	\$ 1,159,765	\$ 1,820,769	\$ 917,968	\$ 12,041,766
Cash Paid to Suppliers for Goods and Services	<u>(818,261)</u>	<u>(1,806,820)</u>	<u>(1,581,943)</u>	<u>(12,086,420)</u>
Net Cash Provided (Used) by Operating Activities	341,504	13,949	(663,975)	(44,654)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Paid)	5,765	(5,644)	15,705	4,097
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	<u>(302,067)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	45,202	8,305	(648,270)	(40,557)
Cash and Cash Equivalents - Beginning of Year	<u>912,182</u>	<u>422,388</u>	<u>1,933,890</u>	<u>470,160</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 957,384</u></u>	<u><u>\$ 430,693</u></u>	<u><u>\$ 1,285,620</u></u>	<u><u>\$ 429,603</u></u>

**COUNTY OF YUBA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	General Insurance	Unemployment Insurance	Short-Term Disability Insurance	Network Infrastructure	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Interfund Services Provided	\$ 152,727	\$ 143,682	\$ (7,814)	\$ 626,609	\$ 16,855,472
Cash Paid to Suppliers for Goods and Services	(163,557)	(117,806)	22,348	(554,433)	(17,106,892)
Net Cash Provided (Used) by Operating Activities	(10,830)	25,876	14,534	72,176	(251,420)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	182,000	182,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received (Paid)	1,050	5,845	253	2,087	29,158
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	-	-	-	(141,760)	(443,827)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(9,780)	31,721	14,787	114,503	(484,089)
Cash and Cash Equivalents - Beginning of Year	142,948	586,091	161,861	200,150	4,829,670
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 133,168	\$ 617,812	\$ 176,648	\$ 314,653	\$ 4,345,581

**COUNTY OF YUBA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	Automotive Services	Workers Comp Insurance	Liability Insurance	Health Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 23,845	\$ 16,287	\$ (375,949)	\$ (41,617)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	311,201	-	-	-
Changes in Assets and Liabilities:				
Increase (Decrease) in:				
Accounts Receivable	(22,924)	176	-	(3,044)
Accounts Payable	29,382	(2,514)	41,974	7
Deposits from others	-	-	-	-
Claims Liability	-	-	(330,000)	-
Net Cash Provided (Used) by Operating Activities	\$ 341,504	\$ 13,949	\$ (663,975)	\$ (44,654)

**COUNTY OF YUBA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2017**

	General Insurance	Unemployment Insurance	Short-Term Disability Insurance	Network Infrastructure	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 49,659	\$ 36,714	\$ (219,625)	\$ 22,519	\$ (488,167)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	-	-	14,176	325,377
Changes in Assets and Liabilities:					
Increase (Decrease) in:					
Accounts Receivable	-	(13,031)	(7,814)	-	(46,637)
Accounts Payable	(60,489)	2,193	535	35,481	46,569
Deposits from others	-	-	241,438	-	241,438
Claims Liability	-	-	-	-	(330,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ (10,830)</u>	<u>\$ 25,876</u>	<u>\$ 14,534</u>	<u>\$ 72,176</u>	<u>\$ (251,420)</u>