

COUNTY OF YUBA
AUDIT REPORT
JUNE 30, 2013

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**COUNTY OF YUBA
AUDIT REPORT
JUNE 30, 2013**

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INDEPENDENT AUDITOR'S REPORT

To the 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the 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 opinions.

Opinions

In our opinion, the financial statements referred to above 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, 2013, 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.

To the Honorable Board of Supervisors
County of Yuba

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund statements and schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Implementation of New Accounting Standards

As disclosed in Note 1 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statements No. 62 and 63 and implemented GASB Statement No. 65 in advance during the fiscal year 2013. Among these new GASB Statements, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* have significant impact over the County's financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



Roseville, California
March 26, 2014

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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COUNTY OF YUBA

Management's Discussion and Analysis June 30, 2013

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, 2013. Please read it in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$206.1 million. Of this amount, \$50.01 million is restricted for capital projects, debt service, and other public uses (restricted net position), and \$196.7 million is invested in capital assets, net of related debt. Unrestricted net position is deficit by \$40.6 million due to a combination of the cost of levee improvements totaling \$76.9 million, a state-owned asset, is expensed as project costs rather than as a capital asset and offset by a approximately \$34.0 million in general fund resources committed to functions such as public protection, public works and education endeavors.
- As of June 30, 2013, the County's governmental funds reported combined fund balances of \$92.6 million. Of this amount, approximately \$8.4 million dollars are designated as assigned and unassigned in accordance with GASB 54 pronouncements.
- At the end of the fiscal year, unrestricted fund balance for the General Fund was \$14.02 million, a decrease of \$1.3 million from the prior year.

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 and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator in determining if the financial position of the County is improving or deteriorating.

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.

COUNTY OF YUBA

Management's Discussion and Analysis June 30, 2013

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, and the debt service fund of the Yuba County Financing Authority, a blended component unit.* All other governmental fund types are presented in aggregate as *Other Governmental Funds*.

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.

COUNTY OF YUBA

Management's Discussion and Analysis
June 30, 2013

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information 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 post-employment benefits to its employees.

County of Yuba's Net Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$ 111,441	\$ 111,384	\$ 205	\$ 176	\$ 111,646	\$ 111,560
Capital assets	201,958	196,917	2,836	2,841	204,794	199,758
Total assets	<u>313,399</u>	<u>308,301</u>	<u>3,041</u>	<u>3,017</u>	<u>316,440</u>	<u>311,318</u>
Liabilities:						
Current and other liabilities	14,686	18,012	65	58	14,751	18,070
Long-term liabilities	95,539	100,016	60	170	95,599	100,186
Total liabilities	<u>110,225</u>	<u>118,028</u>	<u>125</u>	<u>228</u>	<u>110,350</u>	<u>118,256</u>
Net Position:						
Net investment in capital assets	193,824	188,599	2,836	2,841	196,660	191,440
Restricted net position	50,012	41,032	--	--	50,012	41,032
Unrestricted net position	(40,662)	(39,358)	80	(52)	(40,582)	(39,410)
Total net position	<u>\$ 203,174</u>	<u>\$ 190,273</u>	<u>\$ 2,916</u>	<u>\$ 2,789</u>	<u>\$ 206,090</u>	<u>\$ 193,062</u>

ANALYSIS OF NET POSITION

As noted earlier, net position may serve other time as a useful indicator of government's financial position. In the case of the County of Yuba, assets exceeded liabilities by \$206.1 million at the close of the fiscal year ending June 30, 2013. The County continues work in conjunction with Three Rivers Levee Improvement Authority (TRLIA), a joint venture formed by the County and Reclamation District No. 784, to improve the levee system protecting the citizens of the county and their property. Major work has been completed on levees in the southern portion of the county bringing increased flood protection to most of the citizens in that area. Since the creation of TRLIA in 2004 levee improvement projects totaling \$326.7 million have been completed, including \$7.1 million in levee improvement and maintenance costs for the fiscal year ending June 30, 2013. See Note 14 to the basic financial statements for additional information on the joint venture and the levee improvement projects.

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 \$50.01 million for the current fiscal year, an increase of \$8.9 million, or 22.0% from the prior year total of \$41.0 million.

COUNTY OF YUBA

Management's Discussion and Analysis
June 30, 2013

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

	County of Yuba's Changes in Net Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for services	\$ 22,234	\$ 16,282	\$ 389	\$ 297	\$ 22,623	\$ 16,579
Operating grants and contributions	73,631	65,505	10	67	73,641	65,572
Capital grants and contributions	5,842	9,638	--	--	5,842	9,638
General Revenues:						
Property taxes	11,255	11,821	--	--	11,255	11,821
Property taxes in lieu of sales taxes	7,073	7,229	--	--	7,073	7,229
Sales and use taxes	3,016	2,751	--	--	3,016	2,751
Other	1,708	1,670	--	--	1,708	1,670
Unrestricted interest and investment earnings	1,268	2,113	1	1	1,269	2,114
Miscellaneous	1,302	1,055	22	--	1,324	1,055
Total revenues	<u>127,329</u>	<u>118,064</u>	<u>422</u>	<u>365</u>	<u>127,751</u>	<u>118,429</u>
Expenses:						
General government	8,295	8,567	--	--	8,295	8,567
Public safety	41,538	40,701	--	--	41,538	40,701
Public ways and facilities	14,440	19,463	--	--	14,440	19,463
Health and sanitation	6,379	6,575	--	--	6,379	6,575
Public assistance	49,911	48,407	--	--	49,911	48,407
Education	502	679	--	--	502	679
Interest on long-term debt	4,533	4,491	--	--	4,533	4,491
Airport	--	--	580	520	580	520
Total expenses	<u>125,598</u>	<u>128,883</u>	<u>580</u>	<u>520</u>	<u>126,178</u>	<u>129,403</u>
Change in net assets before transfers and extraordinary items	1,731	(10,819)	(158)	(155)	1,573	(10,974)
Transfers	--	(63)	--	63	--	--
Extraordinary item	--	811	--	--	--	811
Change in net assets	1,731	(10,071)	(158)	(92)	1,573	(10,163)
Net position at beginning year	190,273	153,675	2,789	3,300	193,062	156,975
Prior period adjustment	11,170	46,669	285	(419)	11,455	46,250
Net position at end of year	<u>\$ 203,174</u>	<u>\$ 190,273</u>	<u>\$ 2,916</u>	<u>\$ 2,789</u>	<u>\$ 206,090</u>	<u>\$ 193,062</u>

Overall, activities in the current year increased the County's net position by \$1.7 million. The County saw an overall increase of \$9.0 million in revenues or 9.1% from \$118.4 million in 2012 to \$127.5 million in 2013. The increase in revenue was accompanied by a reduction \$2.6 million in expenditures, from \$129.4 million to \$126.1 million, or 2.5%.

COUNTY OF YUBA

Management's Discussion and Analysis June 30, 2013

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, 2013, the County's governmental funds reported a combined ending fund balance of \$92.6 million, compared to \$88.8 million of the previous year, an increase of 3.5%. Of the \$92.6 million in fund balance, \$50.2 million is classified as restricted and non-spendable under GASB 54.

The General Fund is the chief operating fund of the County. As of June 30, 2013, the General Fund had an overall unrestricted fund balance of \$14.02 million. Of the \$14.02 million, \$8.0 million is committed to activities related to Public Protection, Education, Capital Projects, and other governmental functions. The County has also assigned \$4.2 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 and Grants 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 \$13.2 million in revenues for 2013 compared to \$9.0 million in revenues in 2012. Expenditures decreased to \$13.9 million in 2013 from \$14.8 million in 2012.

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 \$45.0 million in revenues for 2013 compared to \$37.2 million in revenues for 2012. Expenditures for Social Service programs increase by \$.6 million from \$43.7 million in 2012 to \$44.3 million in 2013.

The Public Safety fund accounts for the operations of public safety departments that include sheriff, district attorney, jail and juvenile hall. In 2013, revenues were \$14.0 million compared to \$13.2 million in 2012. Expenditures in 2013 decreased by \$.5 million to \$26.9 million from \$27.4 million in 2012. The Board of Supervisors places a high priority on public safety and allocated \$13.4 million to Public Safety budgets in fiscal year ending June 30, 2013.

The Yuba Levee Financing Authority Debt Service fund is used to account for the bonds issued by the Yuba Levee Financing Authority. At June 30, 2013, the fund held unspent debt proceeds of \$14.9 million, a decrease of \$2.2 million from the prior year.

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.

COUNTY OF YUBA

Management's Discussion and Analysis
June 30, 2013

The County's enterprise fund consists of the County Airport. Net position for the Airport as of June 30, 2013 was \$2.9 million which was a decrease from a restated 2012 balance of \$3.0 million. For the fiscal year ended June 30, 2013 the Airport generated \$0.4 million in operating revenue to offset \$0.6 million in operating expenses

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2013
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(On Budgetary Basis)	Final Budget
Budgetary fund balances, Beginning	\$ 1,857	\$ 1,857	\$ 1,857	\$ --
Resources (inflows)	35,506	37,209	35,439	(1,770)
Total charges to appropriations	<u>(39,592)</u>	<u>(39,343)</u>	<u>(35,949)</u>	<u>3,394</u>
Budgetary fund balances, Ending	<u>\$ (2,229)</u>	<u>\$ (277)</u>	<u>\$ 1,347</u>	<u>\$ 1,624</u>

Actual revenue for 2013 was lower than budgeted revenue by \$1.8 million or 4.8% due to an under realization of property tax, fines, and intergovernmental revenues. The county also had actual expenditures less than budgeted by \$3.4 million.

Capital assets: The County of Yuba's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounted to \$204.8 million (net of accumulated depreciation) compared to \$203.3 million reported (restated) in 2012. 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 5 of the Notes to the Basic Financial Statements.

Debt Administration: At the end of the current fiscal year, the County had total long-term obligations outstanding of \$93.0 million. The long-term obligations are as follows:

- \$ 6.0 million – compensated absences
- \$ 0.9 million – liability for self-insurance
- \$ 9.2 million – capital lease
- \$ 76.9 million – bonds payable

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

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

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COUNTY OF YUBA

Statement of Net Position June 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Totals	First Five Commission	Yuba County Water Agency
ASSETS					
Cash and investments	\$ 72,919,012	\$ 103,792	\$ 73,022,804	\$ 3,092,109	\$ 44,121,322
Cash with fiscal agent	22,094,709	--	22,094,709	--	--
Accounts receivable	2,619,349	6,171	2,625,520	--	337,290
Interest receivable	172,747	167	172,914	6,999	--
Taxes receivable	70,613	--	70,613	--	96,922
Due from other governments	6,384,118	--	6,384,118	157,017	1,150,349
Inventories	92,833	--	92,833	--	--
Land held for resale	1,221,860	--	1,221,860	--	--
Prepaid expenses	6,937	--	6,937	15,181	1,250,153
Notes receivable	5,859,249	95,924	5,955,173	--	5,239,241
Capital assets:					
Nondepreciable	27,241,675	508,359	27,750,034	--	44,718,470
Depreciable, net	174,716,224	2,327,643	177,043,867	--	133,166,206
Total Assets	<u>313,399,326</u>	<u>3,042,056</u>	<u>316,441,382</u>	<u>3,271,306</u>	<u>230,079,953</u>
LIABILITIES					
Accounts payable and accrued liabilities	3,540,257	16,163	3,556,420	67,944	2,399,742
Salaries and benefits payable	5,445,063	39,809	5,484,872	13,343	93,349
Interest payable	1,452,759	--	1,452,759	--	--
Deposits and other liabilities	22,631	--	22,631	--	--
Unearned revenue	766,205	--	766,205	--	16,589,847
Long-Term Liabilities:					
Due within one year	3,459,303	9,372	3,468,675	--	650,736
Due in more than one year	89,566,380	60,333	89,626,713	4,874	--
Other post employment benefits	5,972,407	--	5,972,407	23,944	--
Total Liabilities	<u>110,225,005</u>	<u>125,677</u>	<u>110,350,682</u>	<u>110,105</u>	<u>19,733,674</u>
NET POSITION					
Net investment in capital assets	193,823,972	2,836,002	196,659,974	--	177,884,676
Restricted for:					
Capital projects	9,644,871	--	9,644,871	--	--
Debt service	14,876,575	--	14,876,575	--	--
Other	25,490,450	--	25,490,450	--	--
Unrestricted	(40,661,547)	80,377	(40,581,170)	3,161,201	32,461,603
Total Net Position	<u>\$ 203,174,321</u>	<u>\$ 2,916,379</u>	<u>\$ 206,090,700</u>	<u>\$ 3,161,201</u>	<u>\$ 210,346,279</u>

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

COUNTY OF YUBA

Statement of Activities
For the Year Ended June 30, 2013

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	\$ 8,293,789	\$ 3,710,209	\$ 716,342	\$ --
Public protection	41,538,180	10,137,295	13,400,361	--
Public ways and facilities	14,440,195	5,185,734	2,945,513	5,842,382
Health and sanitation	6,378,783	2,232,990	6,551,942	--
Public assistance	49,911,000	933,587	50,011,766	--
Education	502,401	34,021	5,500	--
Interest on long-term debt	4,533,128	--	--	--
Total Governmental Activities	<u>125,597,476</u>	<u>22,233,836</u>	<u>73,631,424</u>	<u>5,842,382</u>
Business-Type Activities:				
Airport	579,693	389,059	10,000	--
Total Business-type Activities	<u>579,693</u>	<u>389,059</u>	<u>10,000</u>	<u>--</u>
Total Primary Government	<u>\$ 126,177,169</u>	<u>\$ 22,622,895</u>	<u>\$ 73,641,424</u>	<u>\$ 5,842,382</u>
Component Units:				
First Five Commission	\$ 653,225	\$ --	\$ 864,678	\$ --
Yuba County Water Agency	<u>19,300,015</u>	<u>26,562,063</u>	<u>850,995</u>	<u>--</u>
Total Component Units	<u>\$ 19,953,240</u>	<u>\$ 26,562,063</u>	<u>\$ 1,715,673</u>	<u>\$ --</u>

General Revenues:

 Taxes:

- Property taxes
- Property taxes in lieu of sales taxes
- Sales and use taxes
- Franchise taxes
- Transient occupancy tax
- Other
- Unrestricted interest and investment earnings
- Miscellaneous
- Total General Revenues

Change in Net Position

 Net Position - Beginning of Year, restated

 Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position			Component Units	
Primary Government			First Five Commission	Yuba County Water Agency
Governmental Activities	Business-Type Activities	Total		
\$ (3,867,238)	\$ --	\$ (3,867,238)		
(18,000,524)	--	(18,000,524)		
(466,566)	--	(466,566)		
2,406,149	--	2,406,149		
1,034,353	--	1,034,353		
(462,880)	--	(462,880)		
(4,533,128)	--	(4,533,128)		
<u>(23,889,834)</u>	<u>--</u>	<u>(23,889,834)</u>		
--	(180,634)	(180,634)		
--	(180,634)	(180,634)		
<u>(23,889,834)</u>	<u>(180,634)</u>	<u>(24,070,468)</u>		
			\$ 211,453	\$ --
			<u>--</u>	<u>8,113,043</u>
			<u>211,453</u>	<u>8,113,043</u>
11,255,206	--	11,255,206	--	382,596
7,072,948	--	7,072,948	--	--
3,015,673	--	3,015,673	--	--
1,123,193	--	1,123,193	--	--
261,684	--	261,684	--	--
322,754	--	322,754	--	--
1,267,988	840	1,268,828	33,015	584,168
1,301,650	22,248	1,323,898	150	662,901
<u>25,621,096</u>	<u>23,088</u>	<u>25,644,184</u>	<u>33,165</u>	<u>1,629,665</u>
1,731,262	(157,546)	1,573,716	244,618	9,742,708
<u>201,443,059</u>	<u>3,073,925</u>	<u>204,516,984</u>	<u>2,916,583</u>	<u>200,603,571</u>
<u>\$ 203,174,321</u>	<u>\$ 2,916,379</u>	<u>\$ 206,090,700</u>	<u>\$ 3,161,201</u>	<u>\$ 210,346,279</u>

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

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BASIC FINANCIAL STATEMENTS
Fund Financial Statements

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COUNTY OF YUBA

Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Public Works</u>	<u>Social Services</u>
<u>ASSETS</u>			
Cash and investments	\$ 15,193,927	\$ 26,727,438	\$ 3,674,879
Cash with fiscal agents	--	--	--
Accounts receivable	650,087	346,848	389,713
Taxes receivable	70,613	--	--
Interest receivable	82,846	56,896	--
Notes receivable	115,068	--	--
Due from other agencies	952,599	1,097,122	1,541,754
Due from other funds	89,850	1,663,153	--
Prepays	--	--	--
Inventory	--	92,833	--
Property held for resale	--	--	--
Total Assets	<u>\$ 17,154,990</u>	<u>\$ 29,984,290</u>	<u>\$ 5,606,346</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 461,906	\$ 1,356,086	\$ 105,459
Salaries and benefits payable	1,664,726	232,738	1,372,462
Due to other funds	--	800,000	321,686
Deposits and other liabilities	--	--	--
Unearned revenue	--	--	766,205
Total Liabilities	<u>2,126,632</u>	<u>2,388,824</u>	<u>2,565,812</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	<u>132,526</u>	<u>40,100</u>	<u>1,005,360</u>
<u>FUND BALANCES</u>			
Nonspendable	115,068	92,833	--
Restricted	879,830	1,468,307	2,035,174
Committed	8,047,434	25,994,226	--
Assigned	4,236,307	--	--
Unassigned	1,617,193	--	--
Total Fund Balances	<u>14,895,832</u>	<u>27,555,366</u>	<u>2,035,174</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 17,154,990</u>	 <u>\$ 29,984,290</u>	 <u>\$ 5,606,346</u>

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

Public Safety	Yuba Levee Financing Authority Debt Service Fund	Other Governmental	Total
\$ 5,989,883	\$ 1,896,978	\$ 13,153,712	\$ 66,636,817
--	12,975,442	9,119,267	22,094,709
179,684	--	150,812	1,717,144
--	--	--	70,613
1,416	4,155	17,552	162,865
--	--	5,744,181	5,859,249
952,678	--	1,839,965	6,384,118
--	--	--	1,753,003
--	--	6,937	6,937
--	--	--	92,833
--	--	1,221,860	1,221,860
<u>\$ 7,123,661</u>	<u>\$ 14,876,575</u>	<u>\$ 31,254,286</u>	<u>\$ 106,000,148</u>
\$ 242,503	\$ --	\$ 1,057,336	\$ 3,223,290
1,664,926	--	510,211	5,445,063
--	--	900,690	2,022,376
--	--	22,631	22,631
--	--	--	766,205
<u>1,907,429</u>	<u>--</u>	<u>2,490,868</u>	<u>11,479,565</u>
<u>1,557</u>	<u>--</u>	<u>707,852</u>	<u>1,887,395</u>
--	--	6,937	214,838
3,020,819	14,876,575	27,731,191	50,011,896
--	--	--	34,041,660
2,193,856	--	317,438	6,747,601
--	--	--	1,617,193
<u>5,214,675</u>	<u>14,876,575</u>	<u>28,055,566</u>	<u>92,633,188</u>
<u>\$ 7,123,661</u>	<u>\$ 14,876,575</u>	<u>\$ 31,254,286</u>	<u>\$ 106,000,148</u>

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

COUNTY OF YUBA

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
For the Year Ended June 30, 2013

Fund Balance - total governmental funds (page 14)	\$ 92,633,188
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.	201,494,736
Unavailable revenues represent amounts not available to fund current expenditures and, therefore, are not reported in the governmental funds.	1,887,395
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.	(1,452,759)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Bonds payable	(76,914,063)
Capital leases	(9,205,791)
Compensated absences	(5,990,829)
Other post employment benefits	(5,972,407)
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.	<u>6,694,851</u>
Net position of governmental activities (page 9)	<u><u>\$ 203,174,321</u></u>

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

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COUNTY OF YUBA

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	<u>General</u>	<u>Public Works</u>	<u>Social Services</u>
Revenues:			
Taxes	\$ 22,578,365	\$ 409,359	\$ --
Licenses, permits, and fees	638,005	356,951	--
Fines, forfeitures and penalties	485,927	40,000	--
Use of money and property	447,799	354,836	--
Intergovernmental	4,605,566	8,746,668	44,061,550
Charges for services	5,325,067	3,327,472	907,708
Other revenues	325,991	8,837	2,146
Total Revenues	<u>34,406,720</u>	<u>13,244,123</u>	<u>44,971,404</u>
Expenditures:			
Current:			
General government	9,265,352	--	--
Public protection	10,643,502	--	--
Public ways and facilities	--	13,868,229	--
Health and sanitation	1,454,735	--	--
Public assistance	574,751	--	44,321,454
Education	468,645	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Capital outlay	--	--	--
Total Expenditures	<u>22,406,985</u>	<u>13,868,229</u>	<u>44,321,454</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,999,735</u>	<u>(624,106)</u>	<u>649,950</u>
Other Financing Sources (Uses):			
Transfers in	542,488	87,884	149,460
Transfers out	(13,901,360)	--	--
Total Other Financing Sources (Uses)	<u>(13,358,872)</u>	<u>87,884</u>	<u>149,460</u>
Net Changes in Fund Balances	(1,359,137)	(536,222)	799,410
Fund Balances, Beginning of Year, restated	<u>16,254,969</u>	<u>28,091,588</u>	<u>1,235,764</u>
Fund Balances, End of Year	<u>\$ 14,895,832</u>	<u>\$ 27,555,366</u>	<u>\$ 2,035,174</u>

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

	Yuba Levee Financing Authority		
Public Safety	Debt Service Fund	Other Governmental	Total
\$ --	\$ --	\$ 62,621	\$ 23,050,345
63,875	--	--	1,058,831
48,193	--	3,822	577,942
637,100	(368,317)	154,607	1,226,025
6,440,029	--	13,738,839	77,592,652
6,854,982	1,659,709	2,521,963	20,596,901
5,458	507,781	446,471	1,296,684
<u>14,049,637</u>	<u>1,799,173</u>	<u>16,928,323</u>	<u>125,399,380</u>
--	--	119,310	9,384,662
26,879,589	--	3,490,770	41,013,861
--	--	1,503,235	15,371,464
--	--	4,860,780	6,315,515
--	--	4,784,991	49,681,196
--	--	--	468,645
--	--	184,178	184,178
--	4,047,583	420,500	4,468,083
--	--	2,761	2,761
<u>26,879,589</u>	<u>4,047,583</u>	<u>15,366,525</u>	<u>126,890,365</u>
<u>(12,829,952)</u>	<u>(2,248,410)</u>	<u>1,561,798</u>	<u>(1,490,985)</u>
13,388,355	--	930,107	15,098,294
(35,000)	--	(913,584)	(14,849,944)
<u>13,353,355</u>	<u>--</u>	<u>16,523</u>	<u>248,350</u>
523,403	(2,248,410)	1,578,321	(1,242,635)
<u>4,691,272</u>	<u>17,124,985</u>	<u>26,477,245</u>	<u>93,875,823</u>
<u>\$ 5,214,675</u>	<u>\$ 14,876,575</u>	<u>\$ 28,055,566</u>	<u>\$ 92,633,188</u>

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

COUNTY OF YUBA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2013

Net change to fund balance - total governmental funds (page 18)		\$	(1,242,635)
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.			1,887,395
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	\$ 13,557,681		
The net effect of various transactions involving capital assets such as sales, retirements, trade-ins and donations	8,390		
Less: current year depreciation	<u>(11,597,198)</u>		1,968,873
Long-term debt proceeds 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.			
Principal repayments on capital leases			184,178
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 expense	(67,117)		
Change in compensated absences	175,844		
Change in interest payable	2,072		
Change in OPEB liability	<u>(1,066,407)</u>		(955,608)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues (expense) of of the internal service funds is reported with governmental activities.			<u>(110,941)</u>
Change in net position of governmental activities (page 10)		<u>\$</u>	<u>1,731,262</u>

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

COUNTY OF YUBA

Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-Type Activities - Enterprise Fund Nonmajor Enterprise Fund County Airport	Governmental Activities Internal Service Funds
<u>ASSETS</u>		
Current Assets:		
Cash and investments	\$ 103,792	\$ 6,282,195
Accounts receivable	6,171	902,205
Interest receivable	167	9,882
Total Current Assets	<u>110,130</u>	<u>7,194,282</u>
Noncurrent Assets:		
Long-term receivables	95,924	--
Capital assets:		
Non-depreciable	508,359	--
Depreciable, net	2,327,643	463,163
Total Noncurrent Assets	<u>2,931,926</u>	<u>463,163</u>
Total Assets	<u>3,042,056</u>	<u>7,657,445</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	16,163	47,594
Salaries and benefits payable	39,809	--
Compensated absences, current portion	9,372	--
Claims liability, current portion	--	395,000
Total Current Liabilities	<u>65,344</u>	<u>442,594</u>
Noncurrent Liabilities:		
Compensated absences	60,333	--
Claims liability	--	520,000
Total Noncurrent Liabilities	<u>60,333</u>	<u>520,000</u>
Total Liabilities	<u>125,677</u>	<u>962,594</u>
<u>NET POSITION</u>		
Net investment in capital assets	2,836,002	463,163
Unrestricted	80,377	6,231,688
Total Net Position	<u>\$ 2,916,379</u>	<u>\$ 6,694,851</u>

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

COUNTY OF YUBA

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-Type Activities - Enterprise Fund	Governmental Activities
	Nonmajor Enterprise Fund County Airport	Internal Service Funds
Operating Revenues:		
User fees and charges	\$ --	\$ 14,178,171
Rents and concession	389,059	--
Other revenue	133	17,220
Total Operating Revenues	<u>389,192</u>	<u>14,195,391</u>
Operating Expenses:		
Salaries and benefits	186,181	--
Services and supplies	154,948	13,855,822
Depreciation	221,542	244,123
Total Operating Expenses	<u>562,671</u>	<u>14,099,945</u>
Operating Income (Loss)	<u>(173,479)</u>	<u>95,446</u>
Non-Operating Revenue (Expenses):		
Intergovernmental revenue	10,000	--
Gain on disposition of capital assets	22,115	--
Interest revenue	840	41,963
Other expense	(17,022)	--
Total Non-Operating Revenue (Expenses)	<u>15,933</u>	<u>41,963</u>
Income (Loss) Before Transfers	(157,546)	137,409
Transfers out	<u>--</u>	<u>(248,350)</u>
Change in Net Position	(157,546)	(110,941)
Net Position - Beginning of Year, Restated	<u>3,073,925</u>	<u>6,805,792</u>
Net Position - End of Year	<u>\$ 2,916,379</u>	<u>\$ 6,694,851</u>

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

COUNTY OF YUBA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	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	\$ 389,192	\$ 14,179,524
Cash paid to suppliers for goods and services	(274,526)	--
Cash paid to employees for salaries and benefits	(186,266)	(13,816,867)
	<u>(71,600)</u>	<u>362,657</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Loan payments received	17,022	--
Intergovernmental revenues	10,000	--
Transfers out	--	(248,350)
	<u>27,022</u>	<u>(248,350)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants received from other agencies	10,000	--
Sale of capital assets	80,059	--
Acquisition of capital assets	--	(21,441)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>90,059</u>	<u>(21,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	951	46,560
Net Cash Provided (Used) by Investing Activities	<u>951</u>	<u>46,560</u>
Net Increase (Decrease) in Cash and Cash Equivalents	46,432	139,426
Cash and Cash Equivalents, Beginning of Year	<u>57,360</u>	<u>6,142,769</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 103,792</u></u>	<u><u>\$ 6,282,195</u></u>

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

continued

COUNTY OF YUBA

Statement of Cash Flows (continued)
 Proprietary Funds
 For the Year Ended June 30, 2013

	<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)	\$ (173,479)	\$ 95,446
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	221,542	244,123
Changes in assets and liabilities:		
Accounts receivable	--	(15,867)
Accounts payable	(31,318)	(42,045)
Accrued salaries and benefits	26,954	--
Compensated absences	(115,299)	--
Claims liability	--	81,000
	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (71,600)</u></u>	<u><u>\$ 362,657</u></u>

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

COUNTY OF YUBA

Statement of Fiduciary Net Position
June 30, 2013

	Agency Funds	Investment Trust Fund	Private Purpose Trust Fund
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and investments	\$ 9,371,609	\$ 152,352,520	\$ 209,286
Interest receivable	--	--	240
Taxes receivable	6,999,647	--	--
Due from other funds	<u>539,124</u>	<u> </u>	<u> </u>
 Total Assets	 <u>16,910,380</u>	 <u>152,352,520</u>	 <u>209,526</u>
<u>LIABILITIES</u>			
Accrued interest	--	--	262,308
Due to other funds	--	--	269,751
Notes payable, due within one year	--	--	885,049
Agency obligations	<u>16,910,380</u>	<u> </u>	<u> </u>
 Total Liabilities	 <u>16,910,380</u>	 <u> </u>	 <u>1,417,108</u>
<u>NET POSITION</u>			
Net position held in trust for other purposes	<u> </u>	<u>152,352,520</u>	<u>(1,207,582)</u>
 Total Net Position	 <u><u> </u></u>	 <u><u>\$ 152,352,520</u></u>	 <u><u>\$ (1,207,582)</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

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 generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable 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
- Yuba County Redevelopment Agency
- The Housing Authority of the County of Yuba
- 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.

The Housing Authority has issued separate component unit financial statements which are available at the Yuba County Auditor-Controller's Office.

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

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

A. **The Reporting Entity** (continued)

Discretely Presented Component Units (continued)

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.

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.

COUNTY OF YUBA

Notes to Basic Financial Statements For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

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

Fund Financial Statements

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

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 *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:

- *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 For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

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

Fund Financial Statements (continued)

- 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
For the Year Ended June 30, 2013

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.

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

COUNTY OF YUBA

Notes to Basic Financial Statements For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

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.

J. **Unavailable Revenue and Unearned Revenue**

Governmental funds report unavailable revenue in connection with receivables not considered available to liquidate liabilities of the current period. Governmental and enterprise funds report unearned revenue in connection with resources that have been received, but not yet earned.

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 is 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. **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".

COUNTY OF YUBA

Notes to Basic Financial Statements For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

L. **Interfund Transactions** (continued)

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.

M. **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 are 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.

N. **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.

COUNTY OF YUBA

Notes to Basic Financial Statements For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

N. **Fund Balance** (continued)

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).
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.

O. **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.

P. **New Accounting Pronouncements – Current Year**

GASB recently released several new accounting and financial reporting standards. The following new standards may have a significant impact on the County's financial reporting process.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 189 FASB and AICPA Pronouncements*, is effective in financial statements for periods beginning after December 15, 2011. It establishes accounting and financial reporting standards for the financial statements of state and local governments.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, is effective for periods beginning after December 15, 2011. It provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

P. **New Accounting Pronouncements – Current Year** (continued)

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for periods beginning after December 15, 2012. It improves financial reporting for state and local governments by reclassifying, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Q. **New Accounting Pronouncements – Future Years**

GASB Statement No. 66, *Technical Corrections – 2012*, effective for periods beginning after December 15, 2012. It improves financial reporting for state and local governments by resolving conflicting guidance that resulted from issuance of GASB Statements Nos. 54 and 62.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for periods beginning after June 15, 2014. The principal objective of this statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees – both active employees and inactive employees – are provided with pensions. An additional objective is to improve the information provided in government financial reports about pension-related financial support provided by certain non-employer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities.

NOTE 2: **RESTATEMENT OF FUND EQUITY/NET POSITION FUND RECLASSIFICATIONS**

Adjustments resulting from errors or changes to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund equity or net position.

Implementation of New Accounting Standard – The County implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which requires debt issuance costs to be recognized as an expense in the period incurred. Prior to GASB No. 65, the County was recognizing the debt issuance costs related to its bonds as an expense in a systematic manner over the duration of the related debt.

Eliminate Deferred Revenue Offsetting Loans – The County eliminated the deferred revenue balance that was offsetting loan receivable balances to report the offset to restricted fund balance.

Capital Assets – The County made various corrections to the beginning balance to include acquisitions incurred in a prior year and significant adjustments to values of land contributed to the County in prior years.

Compensated Absences – The County restated its compensated absences balance to properly account for accumulated sick leave which is capped at 25%.

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 2: RESTATEMENT OF FUND EQUITY/NET POSITION FUND RECLASSIFICATIONS
(CONTINUED)

The impact of the restatements on the fund balances/net position as previously reported is presented below:

	Government-Wide Statement of Activities	Governmental Fund Statements	Business- Type Activities	Component Unit
	<u>Governmental Activities</u>	<u>Grants Fund</u>	<u>County Airport</u>	<u>First Five Commission</u>
Fund balance/net position, June 30, 2012, as previously reported	\$ 190,272,653	\$ 1,159,477	\$ 2,789,611	\$ 2,923,561
Implementation of New Accounting Standard				
Deferred issuance costs	(2,224,794)	--	--	--
Restatements and corrections				
Eliminate deferred revenue offsetting loans	5,071,991	5,071,991	--	--
Capital assets	3,294,298	--	216,370	--
Compensated absences	5,028,911	--	67,944	--
Various	--	--	--	(6,968)
Total restatements and corrections	<u>11,170,406</u>	<u>5,071,991</u>	<u>284,314</u>	<u>(6,968)</u>
Fund balances/net position, July 1, 2012, as restated	<u>\$ 201,443,059</u>	<u>\$ 6,231,468</u>	<u>\$ 3,073,925</u>	<u>\$ 2,916,593</u>

NOTE 3: 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.

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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.

At June 30, 2013, total County cash and investments were as follows:

<i>Cash:</i>	
Cash on hand	\$ 30,746
Deposits	4,826,516
Outstanding warrants	<u>(9,955,642)</u>
Total cash overdrafts	<u>(5,098,380)</u>
 <i>Investments:</i>	
Investment pool	287,268,030
Held with fiscal agents	<u>22,094,709</u>
Total investments	<u>309,362,739</u>
 Total cash and investments	 <u><u>\$ 304,264,359</u></u>

Total cash and investments at June 30, 2013 were presented on the County's financial statements as follows:

Primary government	\$ 95,117,513
Discretely presented component units	47,213,431
Investment trust fund	152,352,520
Agency fund	9,371,609
Private purpose trust fund	<u>209,286</u>
 Total	 <u><u>\$ 304,264,359</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, 2013, 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
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

The County held approximately \$13 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 - Select 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 (CAMP)	N/A	None	None

At June 30, 2013, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	Carrying Value	Weighted Average Maturity (Years)
Yuba County Investment Pool						
Federal Agency Obligations	0.500% - 7.500%	3/9/12 - 6/30/16	\$ 110,595,000	\$ 109,931,161	\$ 110,765,575	4.27
Medium Term Corporate Notes	0.857% - 5.125%	9/23/12 - 11/21/16	72,000,000	72,953,857	71,897,837	2.64
Treasury Securities - Coupon	0.625%	4/30/2018	25,000,000	24,593,394	24,766,916	4.83
Negotiable Certificates of Deposit	0.500% - 1.167%	7/6/12 - 1/18/13	20,000,000	20,021,960	20,082,254	1.70
Municipal Bonds	3.950% - 5.250%	4/04/14 - 11/01/15	5,945,000	5,951,783	6,321,826	1.65
California Local Agency Investment Fund	Variable	On Demand	40,590,265	40,619,187	40,590,265	0.00
California Asset Management Pool	Variable	On Demand	13,236,067	13,237,092	12,843,357	0.00
Total			<u>\$ 287,366,332</u>	<u>\$ 287,308,434</u>	<u>\$ 287,268,030</u>	2.87
Investment Outside Investment Pool						
<i>Cash held with fiscal agent</i>						
Money Market Mutual Funds	Variable	On Demand	\$ 3,101,339	\$ 3,101,339	\$ 3,101,339	0.00
Federal Agency Obligations	0.45% - 7.100%	8/20/12 - 2/11/15	14,480,000	14,951,808	14,951,808	1.81
California Asset Management Pool	Variable	On Demand	2,034,442	2,034,442	2,034,442	0.00
Medium Term Corporate Notes	1.26%	8/11/2015	2,000,000	2,007,120	2,007,120	2.11
Total			<u>\$ 21,615,781</u>	<u>\$ 22,094,709</u>	<u>\$ 22,094,709</u>	1.42

At June 30, 2013 the difference between the carrying value and fair value of pooled cash and investments was not materially different (fair value was 99.67% of carrying value).

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

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.

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, 2013, 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	\$	19,742,841
Federal National Mortgage Association (Fannie Mae)	Federal Agency		76,457,988
U.S. Treasury	Federal Agency		24,593,394
General Electric Capital Corporation	Medium Term Note		27,187,602
JP Morgan Chase	Medium Term Note		25,435,535

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, 2013.

	<u>Moody's</u>	<u>Portfolio</u>
Federal Agency Obligations	AAA	38.05%
Medium Term Corporate Notes	AA	7.08%
Medium Term Corporate Notes	A	18.40%
Negotiable Certificates of Deposit	AA	6.99%
Treasury Security - Coupon	AA	5.15%
Treasury Security - Coupon	Unrated	3.44%
Municipal Bonds	Unrated	2.08%
California Local Agency Investment Fund	Unrated	14.19%
California Asset Management Pool	AAA	3.66%
California Asset Management Pool	Unrated	0.96%
Total		<u><u>100.00%</u></u>

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 3: **CASH AND INVESTMENTS** (CONTINUED)

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, 2013, the County’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$40.6 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 \$59 billion. Of that amount, 1.96% was invested in structured notes and asset-backed securities with the remaining 98.04% 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, 2013:

Statement of Net Position

Net position held for pool participants	<u>\$ 280,593,903</u>
Equity of internal pool participants	\$ 81,967,753
Equity of external pool participants	<u>198,626,150</u>
Total net position	<u>\$ 280,593,903</u>

Statement of Changes in Net Position

Net position at July 1, 2012	\$ 317,611,032
Net changes in investments by pool participants	<u>(37,017,129)</u>
Net position at June 30, 2013	<u>\$ 280,593,903</u>

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 4: 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, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Agency	Social Services	\$ 321,686
	Private Purpose Trust Fund	179,901
	Nonmajor Governmental Funds	37,537
		<u>539,124</u>
Public Works	Public Works	800,000
	Nonmajor Governmental Funds	863,153
		<u>1,663,153</u>
General Fund	Private Purpose Trust Fund	<u>89,850</u>
		<u>\$ 2,292,127</u>

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	\$ 13,022,661
	Social Services	96,210
	Public Works	79,184
	Nonmajor Governmental Funds	703,305
		<u>13,901,360</u>
Nonmajor Governmental Funds	General Fund	457,838
	Public Safety	279,844
	Nonmajor Governmental Funds	175,902
	<u>913,584</u>	
Public Safety Fund	Nonmajor Governmental Funds	35,000
		<u>35,000</u>
Internal Service Funds	General Fund	84,650
	Social Services	53,250
	Public Works	8,700
	Public Safety	85,850
	Nonmajor Governmental Funds	15,900
	<u>248,350</u>	
		<u>\$ 15,098,294</u>

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013, was as follows:

	Restated Balance July 1, 2012	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2013
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 12,668,417	\$ 132,817	\$ --	\$ --	\$ 12,801,234
Construction in progress	19,663,013	6,066,707	--	(11,289,279)	14,440,441
Total capital assets, not being depreciated	<u>32,331,430</u>	<u>6,199,524</u>	<u>--</u>	<u>(11,289,279)</u>	<u>27,241,675</u>
Capital assets, being depreciated:					
Infrastructure	264,946,881	5,691,544	--	2,455,125	273,093,550
Structures and improvements	37,179,083	1,381,600	--	8,834,154	47,394,837
Equipment	18,373,951	314,844	(316,855)	--	18,371,940
Total capital assets, being depreciated	<u>320,499,915</u>	<u>7,387,988</u>	<u>(316,855)</u>	<u>11,289,279</u>	<u>338,860,327</u>
Less accumulated depreciation for:					
Infrastructure	(116,171,158)	(9,988,578)	--	--	(126,159,736)
Structures and improvements	(20,612,340)	(912,558)	--	--	(21,524,898)
Equipment	(15,836,139)	(940,185)	316,855	--	(16,459,469)
Total accumulated depreciation	<u>(152,619,637)</u>	<u>(11,841,321)</u>	<u>316,855</u>	<u>--</u>	<u>(164,144,103)</u>
Total capital assets, being depreciated, net	167,880,278	(4,453,333)	--	11,289,279	174,716,224
Governmental activities capital assets, net	<u>\$ 200,211,708</u>	<u>\$ 1,746,191</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 201,957,899</u>
	Restated Balance July 1, 2012	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2013
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 508,359	\$ --	\$ --	\$ --	\$ 508,359
Total capital assets, not being depreciated	<u>508,359</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>508,359</u>
Capital assets, being depreciated:					
Structures and improvements	5,851,525	--	--	--	5,851,525
Equipment	279,613	--	(6,102)	--	273,511
Total capital assets, being depreciated	<u>6,131,138</u>	<u>--</u>	<u>(6,102)</u>	<u>--</u>	<u>6,125,036</u>
Less accumulated depreciation for:					
Structures and improvements	(3,374,572)	(206,830)	--	--	(3,581,402)
Equipment	(207,381)	(14,712)	6,102	--	(215,991)
Total accumulated depreciation	<u>(3,581,953)</u>	<u>(221,542)</u>	<u>6,102</u>	<u>--</u>	<u>(3,797,393)</u>
Total capital assets, being depreciated, net	2,549,185	(221,542)	--	--	2,327,643
Business-type activities capital assets, net	<u>\$ 3,057,544</u>	<u>\$ (221,542)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,836,002</u>

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,081,513
Public protection	132,751
Public ways and facilities	10,191,921
Health and sanitation	35,497
Public assistance	138,352
Education	17,164
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	244,123
Total	<u><u>\$ 11,841,321</u></u>

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

Airport	<u><u>\$ 221,542</u></u>
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NOTE 6: LONG-TERM LIABILITIES

Long-term debt at June 30, 2013 consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2013</u>
<u>Governmental Activities</u>						
2008 Revenue Bonds (series A) <i>levee improvements</i>	2008	2038	4.73-4.90%	\$1,580,000-\$6,005,000	\$ 64,175,000	\$ 64,175,000
2008 Revenue Bonds (series B) <i>levee improvements</i>	2008	2024	6.10-6.375%	\$1,475,000-\$2,245,000	<u>14,195,000</u>	<u>14,195,000</u>
Total Governmental Activities					<u><u>\$ 78,370,000</u></u>	<u><u>\$ 78,370,000</u></u>

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of long-term liability transactions for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Retirements	Adjustments	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities						
Bonds payable	\$ 78,370,000	\$ --	\$ --	\$ --	\$ 78,370,000	\$ --
Less: unamortized discount	(1,523,054)	--	67,117	--	(1,455,937)	
Capital leases	9,389,969	--	(184,178)	--	9,205,791	585,136
Compensated absences	11,195,584	4,773,078	(4,948,922)	(5,028,911)	5,990,829	2,479,167
Liability for self-insurance	834,000	421,000	(340,000)	--	915,000	395,000
Total Governmental Activities Long-term liabilities	\$ 98,266,499	\$ 5,194,078	\$ (5,405,983)	\$ (5,028,911)	\$ 93,025,683	\$ 3,459,303
Business-type Activities						
Compensated absences	\$ 185,004	\$ 18,715	\$ (66,070)	\$ (67,944)	\$ 69,705	\$ 9,372
Total Business-type Activities Long-term liabilities	\$ 185,004	\$ 18,715	\$ (66,070)	\$ (67,944)	\$ 69,705	\$ 9,372

As disclosed in Note 2, the compensated absences liability was adjusted to properly account for accumulated sick leave which is capped at 25 percent.

As of June 30, 2013, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30:	Governmental Activities	
	Bonds Payable	
	Principal	Interest
2014	\$ --	\$ 4,047,583
2015	--	4,047,583
2016	--	4,047,583
2017	--	4,047,583
2018	--	4,047,583
2019-2023	9,850,000	19,057,211
2024-2028	16,085,000	15,010,281
2029-2033	20,425,000	10,615,200
2034-2038	26,005,000	4,878,875
2039-2043	6,005,000	150,125
	\$ 78,370,000	\$ 69,949,607

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 6: **LONG-TERM LIABILITIES** (CONTINUED)

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.

NOTE 7: **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, 2013:

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments as of June 30, 2013</u>
Governmental Activities:		
Solar panels	4.50%	<u>\$ 9,205,791</u>

As of June 30, 2013, future minimum lease payments under capital leases was as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2014	\$ 992,887
2015	902,018
2016	925,936
2017	951,028
2018	977,342
2019-2023	3,944,057
2024-2027	<u>3,810,747</u>
Total Future Minimum Lease Payments	12,503,415
Less: Interest	<u>(3,297,624)</u>
Present Value of Minimum Lease Payments	<u>\$ 9,205,791</u>

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 7: LEASES (CONTINUED)

Operating Leases

The County has commitments under long-term operating lease agreements. During the fiscal year ended June 30, 2013, the County paid rents on these leases of \$2,406,602. Future minimum lease payments are as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2014	\$ 2,746,904
2015	2,815,576
2016	2,885,966
2017	2,958,115
2018	3,032,068
2019-2023	16,335,983
2024-2028	18,482,666
2029-2033	20,911,440
2034-2038	23,659,375
2039-2042	<u>21,147,127</u>
Total Minimum Lease Payments	<u>\$ 114,975,220</u>

NOTE 8: REVOLVING NOTES RECEIVABLE

At June 30, 2013, the County had \$5,744,181 of revolving notes receivable reported in the governmental funds. The balance is recorded in the County's grant fund and is deferred, as payment is generally not due for periods ranging from 5 to 30 years and 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	\$ 4,555,672
HOME Investment Partnerships Program	956,367
CDBG Economic Development Initiative	<u>232,142</u>
	<u>\$ 5,744,181</u>

NOTE 9: PUBLIC EMPLOYEE RETIREMENT SYSTEM

Plan Description

The County contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. Copies of PERS' annual financial reports may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 9: PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Funding Policy

County employees are required by state statute to contribute 7% for miscellaneous employees and 9% for safety employees of their annual covered salary. The County is required to contribute remaining amounts necessary to fund the benefits for the actuarial members, using the actuarial basis recommended by CalPERS actuaries and actuarial consultants and adopted by CalPERS Board of Administration. For the fiscal year ended June 30, 2013, the employer contribution rate was 7% for the miscellaneous plan and 9% for the safety plan. The County makes the contributions required of County employees on their behalf and for their account.

Annual Pension Cost

For fiscal year 2012-2013, the County's annual pension cost of \$7,386,715 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial. Assumptions included 7.50% investment rate of return (net of administrative expenses) and projected annual salary increases that vary by duration of service ranging from 3.30% to 14.20% and include an inflation component of 2.75%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and losses. The unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2010 was 31 years.

Three-Year Trend Information for PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/11	\$ 6,685,079	100%	\$ --
06/30/12	7,332,922	100%	--
06/30/13	7,386,715	100%	--

Funded Status and Funding Progress

The following is the funded status information for each plan as of June 30, 2011, the most recent actual valuation date:

	<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>
Miscellaneous	\$ 231,937,885	\$ 184,292,484	\$ 47,645,401	79.5%	\$ 37,731,847	126.3%
Safety	76,163,284	61,116,610	15,046,674	80.2%	12,445,480	120.9%

The schedule of funding progress, presented as required supplementary information following the notes to the 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 liability for benefits.

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 10: 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 County Supervisors Association of California 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 prorata 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 \$915,000 as reported in the internal service funds at June 30, 2013, 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, 2013 and 2012 were as follows:

	2013	2012
Unpaid claims, beginning of year	\$ 834,000	\$ 706,000
Estimated claims incurred and adjustments	421,000	751,000
Claims payments	(340,000)	(623,000)
Unpaid claims, end of year	\$ 915,000	\$ 834,000

NOTE 11: OTHER POST EMPLOYMENT 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.

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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, 2013:

Annual required contribution	\$ 1,404,000
Interest on net OPEB obligation	192,000
Adjustments to ARC	<u>(358,000)</u>
Annual OPEB cost (expense)	1,238,000
Contributions made	<u>(171,593)</u>
Increase in net OPEB obligation	1,066,407
Net OPEB obligation, beginning of year	4,906,000
Net OPEB obligation, end of year	<u><u>\$ 5,972,407</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 2012/13 and the prior two fiscal years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/13	\$ 1,238,000	13.9%	\$ 5,972,407
6/30/12	1,375,000	11.1%	4,906,000
6/30/11	1,285,000	12.3%	3,684,000

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2011, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 12,964,000
Actuarial value of plan assets	<u> --</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>12,964,000</u></u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active Plan members)	\$ 49,712,000
UAAL as a percentage of covered payroll	26.08%

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 11: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (continued)

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 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, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.25% 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 3% 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, 2012 was 26 years.

NOTE 12: NET POSITION/FUND BALANCES

Net Position

The government-wide statement of net position reports \$50,011,896 million of restricted net position, none of which is restricted by enabling legislation. Net position invested in capital assets, net of related debt, was comprised of the following:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 201,957,899	\$ 2,836,002
Outstanding principal of capital-related debt	(9,205,791)	-
Unspent debt proceeds	1,071,864	-
Net investment in capital assets	<u>\$ 193,823,972</u>	<u>\$ 2,836,002</u>

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 12: NET POSITION/FUND BALANCES (CONTINUED)

Net Position (continued)

Net position was restricted for the following purposes:

Capital projects	\$ 9,644,871
Debt service	14,876,575
Other restrictions:	
Public assistance programs	9,529,595
Public facilities	6,311,245
Public safety	8,416,665
Public health	<u>1,232,945</u>
	<u>\$ 50,011,896</u>

Fund Balances

Details of the fund balance classifications of the governmental funds as of June 30, 2013, are as follows:

	General Fund	Public Works	Social Services	Public Safety	Yuba Levee Financing Authority Debt Ser.	Other Governmental Funds	Total
Nonspendable:							
Inventory	\$ --	\$ 92,833	\$ --	\$ --	\$ --	\$ --	\$ 92,833
Loans receivable	115,068	--	--	--	--	--	115,068
Prepays	--	--	--	--	--	6,937	6,937
Total Nonspendable	<u>115,068</u>	<u>92,833</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,937</u>	<u>214,838</u>
Restricted for:							
Public protection	879,830	--	--	3,020,819	--	4,516,016	8,416,665
Public assistance	--	--	2,035,174	--	--	7,494,421	9,529,595
Health and sanitation	--	--	--	--	--	1,232,945	1,232,945
Public ways and facilities	--	1,468,307	--	--	--	4,842,938	6,311,245
Debt service	--	--	--	--	14,876,575	--	14,876,575
Capital projects	--	--	--	--	--	9,644,871	9,644,871
Total Restricted	<u>879,830</u>	<u>1,468,307</u>	<u>2,035,174</u>	<u>3,020,819</u>	<u>14,876,575</u>	<u>27,731,191</u>	<u>50,011,896</u>
Committed:							
Public protection	5,608,788	--	--	--	--	--	5,608,788
Health and sanitation	326,525	--	--	--	--	--	326,525
Public ways and facilities	--	25,994,226	--	--	--	--	25,994,226
Education	1,524,715	--	--	--	--	--	1,524,715
Capital projects	579,870	--	--	--	--	--	579,870
Other	7,536	--	--	--	--	--	7,536
Total Committed	<u>8,047,434</u>	<u>25,994,226</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>34,041,660</u>
Assigned to:							
General contingencies	1,442,588	--	--	--	--	--	1,442,588
Public protection	--	--	--	2,193,856	--	--	2,193,856
Capital projects	2,557,481	--	--	--	--	317,438	2,874,919
Other	236,238	--	--	--	--	--	236,238
Total Assigned	<u>4,236,307</u>	<u>--</u>	<u>--</u>	<u>2,193,856</u>	<u>--</u>	<u>317,438</u>	<u>6,747,601</u>
Unassigned	<u>1,617,193</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,617,193</u>
Total Fund Balances	<u>\$ 14,895,832</u>	<u>\$ 27,555,366</u>	<u>\$ 2,035,174</u>	<u>\$ 5,214,675</u>	<u>\$ 14,876,575</u>	<u>\$ 28,055,566</u>	<u>\$ 92,633,188</u>

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 13: **CONTINGENT LIABILITIES**

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

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.

Condensed financial information of the Authority for the fiscal year ended June 30, 2013 is as follows:

Cash and investments in the County of Yuba's Investment Pool	\$ 5,307,401
Other current assets	3,117,709
Total Assets	<u>8,425,110</u>
Accounts payable	(414,091)
Net Assets	<u>\$ 8,011,019</u>
Revenues	6,509,776
Levee improvement costs	(6,185,931)
Maintenance	(885,212)
Administration	<u>(784,656)</u>
Changes in net position	(1,346,023)
Net Position, beginning of year	9,357,042
Net Position, end of year	<u>\$ 8,011,019</u>

Construction work for levee system improvements is recorded by the Authority as an operating expense. 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.

COUNTY OF YUBA

Notes to Basic Financial Statements
For the Year Ended June 30, 2013

NOTE 14: **JOINT VENTURE** (CONTINUED)

Levee improvement costs incurred to date through June 30, 2013, were as follows:

Fiscal Year Ending June 30:	
2004	\$ 701,774
2005	5,603,384
2006	50,572,148
2007	74,257,632
2008	24,376,482
2009	82,916,631
2010	54,496,111
2011	14,111,717
2012	13,487,570
2013	6,185,931
	<u>\$ 326,709,380</u>

At June 30, 2013, the Authority's investment account in the County's investment pool had a balance of \$5,307,401.

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

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COUNTY OF YUBA

Required Supplementary Information
For the Year Ended June 30, 2013

SCHEDULE OF FUNDING PROGRESS – RETIREMENT PLAN

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

Funded Status of Miscellaneous Plan

<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, 2009	\$ 207,447,759	\$ 163,971,476	\$ 43,476,283	79.0%	\$ 41,466,564	104.8%
June 30, 2010	219,046,740	174,143,449	44,903,291	79.5%	39,947,417	112.4%
June 30, 2011	231,937,885	184,292,484	47,645,401	79.5%	37,731,847	126.3%

Funded Status of Safety Plan

<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, 2009	\$ 67,470,123	\$ 52,403,054	\$ 15,067,069	77.7%	\$ 12,785,500	117.8%
June 30, 2010	72,135,411	56,596,999	15,538,412	78.5%	12,701,667	122.3%
June 30, 2011	76,163,284	61,116,610	15,046,674	80.2%	12,445,480	120.9%

SCHEDULE OF FUNDING PROGRESS – RETIREE HEALTHCARE PLAN

Funded Status

<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, 2007	\$ 9,908,000	\$ --	\$ 9,908,000	0.0%	\$ 51,987,000	19.06%
June 30, 2009	9,813,000	--	9,813,000	0.0%	53,677,000	18.28%
June 30, 2011	11,859,000	--	11,859,000	0.0%	55,422,000	21.40%

COUNTY OF YUBA

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 22,345,057	\$ 22,438,869	\$ 22,578,365	\$ 139,496
Licenses, permits, and fees	1,292,670	1,312,751	1,217,054	(95,697)
Fines, forfeits and penalties	560,716	560,716	485,927	(74,789)
Use of money and property	304,300	304,300	371,868	67,568
Intergovernmental	4,745,771	5,279,145	4,793,757	(485,388)
Charges for services	5,024,175	5,963,359	5,379,391	(583,968)
Other revenues	270,322	277,271	323,871	46,600
Amounts available for appropriation	<u>34,543,011</u>	<u>36,136,411</u>	<u>35,150,233</u>	<u>(986,178)</u>
Charges to appropriations (outflows):				
General government	12,286,490	10,624,084	9,387,134	1,236,950
Public protection	11,124,384	12,056,925	10,643,502	1,413,423
Health and sanitation	1,494,251	1,663,406	1,454,735	208,671
Public assistance	530,890	628,050	574,751	53,299
Education	686,988	697,403	468,645	228,758
Total charges for appropriations	<u>26,123,003</u>	<u>25,669,868</u>	<u>22,528,767</u>	<u>3,141,101</u>
Other Financing Sources (Uses):				
Transfers in	962,603	1,072,341	289,145	(783,196)
Transfers out	(13,469,182)	(13,673,509)	(13,420,166)	253,343
Total Other Financing Sources (Uses)	<u>(12,506,579)</u>	<u>(12,601,168)</u>	<u>(13,131,021)</u>	<u>(529,853)</u>
Net Change in Fund Balances	(4,086,571)	(2,134,625)	(509,555)	(4,657,132)
Fund Balances - Beginning of Year	<u>1,856,746</u>	<u>1,856,746</u>	<u>1,856,746</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ (2,229,825)</u>	<u>\$ (277,879)</u>	<u>\$ 1,347,191</u>	<u>\$ (4,657,132)</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	\$ 35,150,233	\$ 743,513	\$ 34,406,720
Total expenditures	<u>22,528,767</u>	<u>121,782</u>	<u>22,406,985</u>
Revenues over (under) expenditures	12,621,466	621,731	11,999,735
Total other financing sources (uses)	<u>(13,131,021)</u>	<u>227,851</u>	<u>(13,358,872)</u>
Net change in fund balances	<u>\$ (509,555)</u>	<u>\$ 849,582</u>	<u>\$ (1,359,137)</u>

COUNTY OF YUBA

Budgetary Comparison Schedule
Public Works
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 353,171	\$ 353,171	\$ 409,359	\$ 56,188
Licenses, permits, and fees	60,000	60,000	988,508	928,508
Fines, forfeits and penalties	--	40,000	40,000	--
Use of money and property	40,000	12,000	10,144	(1,856)
Intergovernmental	12,587,175	12,014,525	8,746,668	(3,267,857)
Charges for services	5,594,000	8,010,755	3,463,576	(4,547,179)
Other revenues	963,320	1,253,320	8,837	(1,244,483)
Total Revenues	<u>19,597,666</u>	<u>21,743,771</u>	<u>13,667,092</u>	<u>(8,076,679)</u>
Expenditures:				
Current:				
Public way and facilities	<u>20,479,292</u>	<u>22,807,068</u>	<u>13,813,696</u>	<u>8,993,372</u>
Total Expenditures	<u>20,479,292</u>	<u>22,807,068</u>	<u>13,813,696</u>	<u>8,993,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(881,626)</u>	<u>(1,063,297)</u>	<u>(146,604)</u>	<u>916,693</u>
Other Financing Sources (Uses):				
Transfers in	<u>--</u>	<u>87,884</u>	<u>87,884</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>--</u>	<u>87,884</u>	<u>87,884</u>	<u>--</u>
Net Change in Fund Balances	(881,626)	(975,413)	(58,720)	916,693
Fund Balances - Beginning of Year	<u>1,619,860</u>	<u>1,619,860</u>	<u>1,619,860</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 738,234</u>	<u>\$ 644,447</u>	<u>\$ 1,561,140</u>	<u>\$ 916,693</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>\$ 13,667,092</u>	<u>\$ 422,969</u>	<u>\$ 13,244,123</u>
Total expenditures	<u>13,813,696</u>	<u>(54,533)</u>	<u>13,868,229</u>
Revenues over (under) expenditures	(146,604)	477,502	(624,106)
Total other financing sources (uses)	<u>87,884</u>	<u>--</u>	<u>87,884</u>
Net change in fund balances	<u>\$ (58,720)</u>	<u>\$ 477,502</u>	<u>\$ (536,222)</u>

COUNTY OF YUBA

Budgetary Comparison Schedule
Social Services Fund
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 45,368,560	\$ 46,652,390	\$ 43,946,538	\$ (2,705,852)
Charges for services	160,728	160,728	907,708	746,980
Other revenues	382,586	382,586	2,146	(380,440)
Total Revenues	<u>45,911,874</u>	<u>47,195,704</u>	<u>44,856,392</u>	<u>(2,339,312)</u>
Expenditures:				
Current:				
Public assistance	44,372,498	47,434,164	44,314,915	3,119,249
Total Expenditures	<u>44,372,498</u>	<u>47,434,164</u>	<u>44,314,915</u>	<u>3,119,249</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,539,376</u>	<u>(238,460)</u>	<u>541,477</u>	<u>779,937</u>
Other Financing Sources (Uses):				
Transfers in	--	149,460	149,460	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>149,460</u>	<u>149,460</u>	<u>--</u>
Net Change in Fund Balances	1,539,376	(89,000)	690,937	779,937
Fund Balances - Beginning of Year	<u>913,136</u>	<u>913,136</u>	<u>913,136</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 2,452,512</u>	<u>\$ 824,136</u>	<u>\$ 1,604,073</u>	<u>\$ 779,937</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>\$ 44,856,392</u>	<u>\$ (115,012)</u>	<u>\$ 44,971,404</u>
Total expenditures	<u>44,314,915</u>	<u>(6,539)</u>	<u>44,321,454</u>
Revenues over (under) expenditures	541,477	(108,473)	649,950
Total other financing sources (uses)	<u>149,460</u>	<u>--</u>	<u>149,460</u>
Net change in fund balances	<u>\$ 690,937</u>	<u>\$ (108,473)</u>	<u>\$ 799,410</u>

COUNTY OF YUBA

Budgetary Comparison Schedule
Public Safety
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses, permits, and fees	\$ 20,030	\$ 20,030	\$ 63,875	\$ 43,845
Fines, forfeitures and penalties	--	25,000	25,000	--
Use of money and property	546,000	610,000	630,439	20,439
Intergovernmental	5,129,531	6,100,741	6,118,839	18,098
Charges for services	4,397,798	6,416,865	6,737,983	321,118
Other revenues	225,650	230,150	5,458	(224,692)
Total Revenues	10,319,009	13,402,786	13,581,594	178,808
Expenditures:				
Current:				
Public protection	24,452,223	27,760,914	26,914,589	846,325
Total Expenditures	24,452,223	27,760,914	26,914,589	846,325
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(14,133,214)	(14,358,128)	(13,332,995)	1,025,133
Other Financing Sources (Uses):				
Transfers in	13,140,713	13,389,022	13,388,355	(667)
Total Other Financing Sources	13,140,713	13,389,022	13,388,355	(667)
Net Change in Fund Balances	(992,501)	(969,106)	55,360	1,024,466
Fund Balances - Beginning of Year	2,880,038	2,880,038	2,880,038	--
Fund Balances - End of Year	\$ 1,887,537	\$ 1,910,932	\$ 2,935,398	\$ 1,024,466

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	\$ 13,581,594	\$ (468,043)	\$ 14,049,637
Total expenditures	26,914,589	35,000	26,879,589
Revenues over (under) expenditures	(13,332,995)	(503,043)	(12,829,952)
Total other financing sources (uses)	13,388,355	35,000	13,353,355
Net change in fund balances	\$ 55,360	\$ (468,043)	\$ 523,403

COUNTY OF YUBA

Notes to Required Supplementary Information
For the Year Ended June 30, 2013

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.

SUPPLEMENTARY INFORMATION

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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).

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COUNTY OF YUBA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue				
	Fish & Game	Health Service Fund	Child Support Services	County IHSS Authority	Grants
<u>Assets</u>					
Cash and investments	\$ 10,713	\$ 1,011,801	\$ 1,129,875	\$ 128,578	\$ 1,237,544
Cash with fiscal agent	--	--	--	--	--
Accounts receivable	--	115,051	--	--	116
Interest receivable	--	146	2,761	--	2,876
Notes receivable	--	--	--	--	5,744,181
Due from other agencies	425	683,626	--	89,951	335,329
Prepays	--	--	--	--	--
Property held for resale	--	--	--	--	1,221,860
Total Assets	\$ 11,138	\$ 1,810,624	\$ 1,132,636	\$ 218,529	\$ 8,541,906
<u>Liabilities</u>					
Accounts payable	\$ 228	\$ 54,793	\$ 4,871	\$ --	\$ 274,870
Salaries and benefits payable	--	284,582	209,511	--	--
Due to other funds	--	--	--	--	900,690
Deposits and other liabilities	--	--	--	--	--
Total Liabilities	228	339,375	214,382	--	1,175,560
<u>Deferred Inflows of Resources</u>					
Unavailable revenue	--	366,882	--	89,951	215,995
<u>Fund Balance</u>					
Nonspendable	--	--	--	--	--
Restricted	10,910	1,104,367	918,254	128,578	7,150,351
Assigned	--	--	--	--	--
Total Fund Balances	10,910	1,104,367	918,254	128,578	7,150,351
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,138	\$ 1,810,624	\$ 1,132,636	\$ 218,529	\$ 8,541,906

continued

COUNTY OF YUBA

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2013

	Special Revenue			
	Health Bio- Terrorism	Micro Enterprise (Yubasut)	County Service Areas	Local Revenue Fund
<u>Assets</u>				
Cash and investments	\$ 150,834	\$ 22,862	\$ 4,794,502	\$ 3,200,708
Cash with fiscal agent	--	--	--	--
Accounts receivable	--	--	--	--
Interest receivable	378	53	9,660	--
Notes receivable	--	--	--	--
Due from other agencies	35,024	--	--	668,712
Prepays	--	--	--	--
Property held for resale	--	--	--	--
Total Assets	\$ 186,236	\$ 22,915	\$ 4,804,162	\$ 3,869,420
<u>Liabilities</u>				
Accounts payable	\$ 37,023	\$ 5,058	\$ 265,023	\$ 396,757
Salaries and benefits payable	--	--	--	--
Due to other funds	--	--	--	--
Deposits and other liabilities	--	--	--	--
Total Liabilities	37,023	5,058	265,023	396,757
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	35,024	--	--	--
<u>Fund Balance</u>				
Nonspendable	--	--	--	--
Restricted	114,189	17,857	4,539,139	3,472,663
Assigned	--	--	--	--
Total Fund Balances	114,189	17,857	4,539,139	3,472,663
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 186,236	\$ 22,915	\$ 4,804,162	\$ 3,869,420

continued

COUNTY OF YUBA

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2013

	<u>Special Revenue</u>			
	<u>Gledhill Landscape & Lighting</u>	<u>Linda Lighting</u>	<u>Housing Programs</u>	<u>Yuba Housing Authority</u>
<u>Assets</u>				
Cash and investments	\$ 28,754	\$ 277,057	\$ 25,178	\$ 339,172
Cash with fiscal agent	--	--	--	--
Accounts receivable	--	--	--	16,574
Interest receivable	65	619	55	--
Notes receivable	--	--	--	--
Due from other agencies	--	--	--	--
Prepays	--	--	--	6,937
Property held for resale	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 28,819</u>	<u>\$ 277,676</u>	<u>\$ 25,233</u>	<u>\$ 362,683</u>
<u>Liabilities</u>				
Accounts payable	\$ 2,528	\$ 168	\$ --	\$ 16,017
Salaries and benefits payable	--	--	--	16,118
Due to other funds	--	--	--	--
Deposits and other liabilities	--	--	--	22,631
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>2,528</u>	<u>168</u>	<u>--</u>	<u>54,766</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Fund Balance</u>				
Nonspendable	--	--	--	6,937
Restricted	26,291	277,508	25,233	300,980
Assigned	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>26,291</u>	<u>277,508</u>	<u>25,233</u>	<u>307,917</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,819</u>	<u>\$ 277,676</u>	<u>\$ 25,233</u>	<u>\$ 362,683</u>

continued

COUNTY OF YUBA

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2013

	Capital Projects			
	Minimum Security Construction	Jail Improvement Construction	Solar Panels	YLFA Bond Construction
<u>Assets</u>				
Cash and investments	\$ --	\$ 290,540	\$ 505,594	\$ --
Cash with fiscal agent	--	--	1,071,864	8,047,403
Accounts receivable	--	--	19,071	--
Interest receivable	--	--	939	--
Notes receivable	--	--	--	--
Due from other agencies	--	26,898	--	--
Prepays	--	--	--	--
Property held for resale	--	--	--	--
Total Assets	\$ --	\$ 317,438	\$ 1,597,468	\$ 8,047,403
<u>Liabilities</u>				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Salaries and benefits payable	--	--	--	--
Due to other funds	--	--	--	--
Deposits and other liabilities	--	--	--	--
Total Liabilities	--	--	--	--
<u>Deferred Inflows of Resources</u>				
Unavailable revenue	--	--	--	--
<u>Fund Balance</u>				
Nonspendable	--	--	--	--
Restricted	--	--	1,597,468	8,047,403
Assigned	--	317,438	--	--
Total Fund Balances	--	317,438	1,597,468	8,047,403
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ --	\$ 317,438	\$ 1,597,468	\$ 8,047,403

continued

COUNTY OF YUBA

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2013

	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>		
Cash and investments	\$ --	\$ 13,153,712
Cash with fiscal agent	--	9,119,267
Accounts receivable	--	150,812
Interest receivable	--	17,552
Notes receivable	--	5,744,181
Due from other agencies	--	1,839,965
Prepays	--	6,937
Property held for resale	--	1,221,860
	<hr/>	<hr/>
Total Assets	\$ --	\$ 31,254,286
	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities</u>		
Accounts payable	\$ --	\$ 1,057,336
Salaries and benefits payable	--	510,211
Due to other funds	--	900,690
Deposits and other liabilities	--	22,631
	<hr/>	<hr/>
Total Liabilities	--	2,490,868
	<hr/>	<hr/>
<u>Deferred Inflows of Resources</u>		
Unavailable revenue	--	707,852
	<hr/>	<hr/>
<u>Fund Balance</u>		
Nonspendable	--	6,937
Restricted	--	27,731,191
Assigned	--	317,438
	<hr/>	<hr/>
Total Fund Balances	--	28,055,566
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ --	\$ 31,254,286
	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF YUBA

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue				
	Fish & Game	Health Service Fund	Child Support Services	County IHSS Authority	Grants
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Fines, forfeitures and penalties	3,822	--	--	--	--
Use of money and property	--	813	13,842	--	7,807
Intergovernmental	--	4,328,879	3,300,860	479,122	3,313,771
Charges for services	--	--	--	--	--
Other revenues	6,435	68,063	6,475	5,009	--
Total Revenues	<u>10,257</u>	<u>4,397,755</u>	<u>3,321,177</u>	<u>484,131</u>	<u>3,321,578</u>
Expenditures:					
Current:					
General government	--	--	--	--	9,000
Public protection	9,811	--	3,327,873	--	153,086
Public ways and facilities	--	--	--	--	--
Health and sanitation	--	4,148,466	--	512,834	--
Public assistance	--	--	--	--	2,214,949
Debt Service:					
Principal	--	--	--	--	--
Interest	--	--	--	--	--
Capital outlay	--	--	--	--	--
Total Expenditures	<u>9,811</u>	<u>4,148,466</u>	<u>3,327,873</u>	<u>512,834</u>	<u>2,377,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>446</u>	<u>249,289</u>	<u>(6,696)</u>	<u>(28,703)</u>	<u>944,543</u>
Other Financing Sources (Uses):					
Transfers in	--	195,651	7,950	83,426	38,402
Transfers out	--	--	--	--	(64,062)
Total Other Financing Sources (Uses)	<u>--</u>	<u>195,651</u>	<u>7,950</u>	<u>83,426</u>	<u>(25,660)</u>
Net Change in Fund Balances	446	444,940	1,254	54,723	918,883
Fund Balances - Beginning of Year, restated	<u>10,464</u>	<u>659,427</u>	<u>917,000</u>	<u>73,855</u>	<u>6,231,468</u>
Fund Balances - End of Year	<u>\$ 10,910</u>	<u>\$ 1,104,367</u>	<u>\$ 918,254</u>	<u>\$ 128,578</u>	<u>\$ 7,150,351</u>

continued

COUNTY OF YUBA

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue			
	Health Bio- Terrorism	Micro Enterprise (Yubasut)	County Service Areas	Local Revenue Fund
Revenues:				
Taxes	\$ --	\$ --	\$ 6,564	\$ --
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	1,917	220	63,345	--
Intergovernmental	--	--	123	154,345
Charges for services	--	126,325	1,367,180	--
Other revenues	139,284	--	3,642	--
Total Revenues	<u>141,201</u>	<u>126,545</u>	<u>1,440,854</u>	<u>154,345</u>
Expenditures:				
Current:				
General government	--	110,310	--	--
Public protection	--	--	--	--
Public ways and facilities	--	--	1,351,034	--
Health and sanitation	199,480	--	--	--
Public assistance	--	--	--	289,800
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>199,480</u>	<u>110,310</u>	<u>1,351,034</u>	<u>289,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(58,279)</u>	<u>16,235</u>	<u>89,820</u>	<u>(135,455)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(58,279)	16,235	89,820	(135,455)
Fund Balances - Beginning of Year, restated	<u>172,468</u>	<u>1,622</u>	<u>4,449,319</u>	<u>3,608,118</u>
Fund Balances - End of Year	<u>\$ 114,189</u>	<u>\$ 17,857</u>	<u>\$ 4,539,139</u>	<u>\$ 3,472,663</u>

continued

COUNTY OF YUBA

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue			
	Gledhill Landscape & Lighting	Linda Lighting	Housing Programs	Yuba Housing Authority
Revenues:				
Taxes	\$ --	\$ 56,057	\$ --	\$ --
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	373	3,956	275	105
Intergovernmental	--	1,024	--	2,160,715
Charges for services	48,068	46,063	--	--
Other revenues	12,000	--	--	--
Total Revenues	60,441	107,100	275	2,160,820
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	--	--
Public ways and facilities	55,767	96,434	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	2,280,242
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	55,767	96,434	--	2,280,242
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,674	10,666	275	(119,422)
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--
Net Change in Fund Balances	4,674	10,666	275	(119,422)
Fund Balances - Beginning of Year, restated	21,617	266,842	24,958	427,339
Fund Balances - End of Year	\$ 26,291	\$ 277,508	\$ 25,233	\$ 307,917

continued

COUNTY OF YUBA

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Capital Projects			
	Minimum Security Construction	Jail Improvement Construction	Solar Panels	YLFA Bond Construction
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	--	--	4,452	57,502
Intergovernmental	--	--	--	--
Charges for services	--	--	934,327	--
Other revenues	--	193,935	--	11,628
Total Revenues	<u>--</u>	<u>193,935</u>	<u>938,779</u>	<u>69,130</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Debt Service:				
Principal	--	--	--	--
Interest	--	--	--	--
Capital outlay	--	--	--	2,761
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>193,935</u>	<u>938,779</u>	<u>66,369</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	(7,844)	(237,000)	(604,678)	--
Total Other Financing Sources (Uses)	<u>(7,844)</u>	<u>(237,000)</u>	<u>(604,678)</u>	<u>--</u>
Net Change in Fund Balances	(7,844)	(43,065)	334,101	66,369
Fund Balances - Beginning of Year, restated	<u>7,844</u>	<u>360,503</u>	<u>1,263,367</u>	<u>7,981,034</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ 317,438</u>	<u>\$ 1,597,468</u>	<u>\$ 8,047,403</u>

continued

COUNTY OF YUBA

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:		
Taxes	\$ --	\$ 62,621
Fines, forfeitures and penalties	--	3,822
Use of money and property	--	154,607
Intergovernmental	--	13,738,839
Charges for services	--	2,521,963
Other revenues	--	446,471
Total Revenues	<u>--</u>	<u>16,928,323</u>
Expenditures:		
Current:		
General government	--	119,310
Public protection	--	3,490,770
Public ways and facilities	--	1,503,235
Health and sanitation	--	4,860,780
Public assistance	--	4,784,991
Debt Service:		
Principal	184,178	184,178
Interest	420,500	420,500
Capital outlay	--	2,761
Total Expenditures	<u>604,678</u>	<u>15,366,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(604,678)</u>	<u>1,561,798</u>
Other Financing Sources (Uses):		
Transfers in	604,678	930,107
Transfers out	--	(913,584)
Total Other Financing Sources (Uses)	<u>604,678</u>	<u>16,523</u>
Net Change in Fund Balances	--	1,578,321
Fund Balances - Beginning of Year, restated	<u>--</u>	<u>26,477,245</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ 28,055,566</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.

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COUNTY OF YUBA

Combining Balance Sheet
Internal Service Funds
June 30, 2013

	<u>Automotive Service</u>	<u>Workers Comp Insurance</u>	<u>Liability Insurance</u>	<u>Health Insurance</u>
<u>ASSETS</u>				
Current Assets:				
Cash and investments	\$ 1,429,509	\$ 625,155	\$ 2,719,326	\$ 645,891
Accounts receivable	1,235	349	--	900,621
Interest receivable	43	750	5,600	1,740
	<u>1,430,787</u>	<u>626,254</u>	<u>2,724,926</u>	<u>1,548,252</u>
Total Current Assets				
Capital Assets:				
Depreciable, net	463,163	--	--	--
	<u>463,163</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets				
	<u>1,893,950</u>	<u>626,254</u>	<u>2,724,926</u>	<u>1,548,252</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable	43,704	--	3,457	--
Claims liability, current portion	--	--	395,000	--
	<u>43,704</u>	<u>--</u>	<u>398,457</u>	<u>--</u>
Total Current Liabilities				
	43,704	--	398,457	--
Long-term Liabilities:				
Claims liability	--	--	520,000	--
	<u>--</u>	<u>--</u>	<u>520,000</u>	<u>--</u>
Total Liabilities				
	43,704	--	918,457	--
Net Position:				
Net investment in capital assets	463,163	--	--	--
Unrestricted	1,387,083	626,254	1,806,469	1,548,252
	<u>1,387,083</u>	<u>626,254</u>	<u>1,806,469</u>	<u>1,548,252</u>
Total Net Position				
	<u>\$ 1,850,246</u>	<u>\$ 626,254</u>	<u>\$ 1,806,469</u>	<u>\$ 1,548,252</u>

continued

COUNTY OF YUBA

Combining Balance Sheet (continued)
Internal Service Funds
June 30, 2013

	<u>General Insurance</u>	<u>Unemployment Insurance</u>	<u>Short-term Disability Insurance</u>	<u>Total</u>
<u>ASSETS</u>				
Current Assets:				
Cash and investments	\$ 75,651	\$ 647,301	\$ 139,362	\$ 6,282,195
Accounts receivable	--	--	--	902,205
Interest receivable	<u>118</u>	<u>1,323</u>	<u>308</u>	<u>9,882</u>
Total Current Assets	<u>75,769</u>	<u>648,624</u>	<u>139,670</u>	<u>7,194,282</u>
Capital Assets:				
Depreciable, net	<u>--</u>	<u>--</u>	<u>--</u>	<u>463,163</u>
Total Assets	<u>75,769</u>	<u>648,624</u>	<u>139,670</u>	<u>7,657,445</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts payable	--	--	433	47,594
Claims liability, current portion	<u>--</u>	<u>--</u>	<u>--</u>	<u>395,000</u>
Total Current Liabilities	--	--	433	442,594
Long-term Liabilities:				
Claims liability	<u>--</u>	<u>--</u>	<u>--</u>	<u>520,000</u>
Total Liabilities	<u>--</u>	<u>--</u>	<u>433</u>	<u>962,594</u>
Net Position:				
Net investment in capital assets	--	--	--	463,163
Unrestricted	<u>75,769</u>	<u>648,624</u>	<u>139,237</u>	<u>6,231,688</u>
Total Net Position	<u>\$ 75,769</u>	<u>\$ 648,624</u>	<u>\$ 139,237</u>	<u>\$ 6,694,851</u>

COUNTY OF YUBA

Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 1900

	Automotive Service	Workers Comp Insurance	Liability Insurance	Health Insurance
Operating Revenues:				
Charges for services	\$ 1,129,732	\$ 1,199,998	\$ 731,022	\$ 10,709,498
Other revenues	6,490	7,697	3,033	--
Total Operating Revenues	<u>1,136,222</u>	<u>1,207,695</u>	<u>734,055</u>	<u>10,709,498</u>
Operating Expenses:				
Services and supplies	996,445	1,140,539	931,727	10,430,103
Depreciation	244,123	--	--	--
Total Operating Expenses	<u>1,240,568</u>	<u>1,140,539</u>	<u>931,727</u>	<u>10,430,103</u>
Net Operating Income (Loss)	<u>(104,346)</u>	<u>67,156</u>	<u>(197,672)</u>	<u>279,395</u>
Non-Operating Revenues (Expenses):				
Interest income (expense)	219	(553)	26,595	7,334
Total Non-Operating Revenue (Expense)	<u>219</u>	<u>(553)</u>	<u>26,595</u>	<u>7,334</u>
Income (Loss) Before Transfers	(104,127)	66,603	(171,077)	286,729
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>(248,350)</u>
Change in Net Position	(104,127)	66,603	(171,077)	38,379
Net Position - Beginning of Year, Restated	<u>1,954,373</u>	<u>559,651</u>	<u>1,977,546</u>	<u>1,509,873</u>
Net Position - End of Year	<u>\$ 1,850,246</u>	<u>\$ 626,254</u>	<u>\$ 1,806,469</u>	<u>\$ 1,548,252</u>

continued

COUNTY OF YUBA

Combining Statement of Revenues, Expenses and
Changes in Net Position (continued)
Internal Service Funds
For the Year Ended June 30, 1900

	<u>General Insurance</u>	<u>Unemployment Insurance</u>	<u>Short-Term Disability Insurance</u>	<u>Total</u>
Operating Revenues:				
Charges for services	\$ 91,325	\$ 242,538	\$ 74,058	\$ 14,178,171
Other revenues	--	--	--	17,220
Total Operating Revenues	<u>91,325</u>	<u>242,538</u>	<u>74,058</u>	<u>14,195,391</u>
 Operating Expenses:				
Services and supplies	63,166	233,110	60,732	13,855,822
Depreciation	--	--	--	244,123
Total Operating Expenses	<u>63,166</u>	<u>233,110</u>	<u>60,732</u>	<u>14,099,945</u>
 Net Operating Income (Loss)	<u>28,159</u>	<u>9,428</u>	<u>13,326</u>	<u>95,446</u>
 Non-Operating Revenues (Expenses):				
Interest income (expense)	254	6,691	1,423	41,963
Total Non-Operating Revenue (Expense)	<u>254</u>	<u>6,691</u>	<u>1,423</u>	<u>41,963</u>
 Income (Loss) Before Transfers	28,413	16,119	14,749	137,409
 Transfers out	--	--	--	(248,350)
 Change in Net Position	28,413	16,119	14,749	(110,941)
 Net Position - Beginning of Year, Restated	<u>47,356</u>	<u>632,505</u>	<u>124,488</u>	<u>6,805,792</u>
 Net Position - End of Year	<u>\$ 75,769</u>	<u>\$ 648,624</u>	<u>\$ 139,237</u>	<u>\$ 6,694,851</u>

COUNTY OF YUBA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2013

	Automotive Services	Workers Comp Insurance	Liability Insurance	Health Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from interfund services provided	\$1,134,987	\$ 1,208,293	\$ 734,055	\$10,660,837
Cash paid to suppliers for goods and services	<u>(1,017,159)</u>	<u>(1,141,804)</u>	<u>(851,930)</u>	<u>(10,430,121)</u>
Net Cash Provided (Used) by Operating Activities	<u>117,828</u>	<u>66,489</u>	<u>(117,875)</u>	<u>230,716</u>
CASH FLOWS FROM NONCAPITAL FINANCING				
Transfers out	--	--	--	(248,350)
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>(248,350)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	253	(233)	29,919	7,737
Net Cash Provided (Used) by Investing Activities	<u>253</u>	<u>(233)</u>	<u>29,919</u>	<u>7,737</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(21,441)	--	--	--
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(21,441)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>96,640</u>	<u>66,256</u>	<u>(87,956)</u>	<u>(9,897)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,332,869</u>	<u>558,899</u>	<u>2,807,282</u>	<u>655,788</u>
Cash and Cash Equivalents, End of Year	<u><u>\$1,429,509</u></u>	<u><u>\$ 625,155</u></u>	<u><u>\$2,719,326</u></u>	<u><u>\$ 645,891</u></u>

continued

COUNTY OF YUBA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2013

	<u>General Insurance</u>	<u>Unemployment Insurance</u>	<u>Short-Term Disability Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from interfund services provided	\$ 91,325	\$ 242,538	\$ 107,489	\$ 14,179,524
Cash paid to suppliers for goods and services	<u>(82,444)</u>	<u>(233,110)</u>	<u>(60,299)</u>	<u>(13,816,867)</u>
Net Cash Provided (Used) by Operating Activities	<u>8,881</u>	<u>9,428</u>	<u>47,190</u>	<u>362,657</u>
CASH FLOWS FROM NONCAPITAL FINANCING				
Transfers out	--	--	--	(248,350)
Net Cash Provided (Used) by Investing Activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>(248,350)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	305	7,149	1,430	46,560
Net Cash Provided (Used) by Investing Activities	<u>305</u>	<u>7,149</u>	<u>1,430</u>	<u>46,560</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	--	--	--	(21,441)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>(21,441)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>9,186</u>	<u>16,577</u>	<u>48,620</u>	<u>139,426</u>
Cash and Cash Equivalents, Beginning of Year	<u>66,465</u>	<u>630,724</u>	<u>90,742</u>	<u>6,142,769</u>
Cash and Cash Equivalents, End of Year	<u>\$ 75,651</u>	<u>\$ 647,301</u>	<u>\$ 139,362</u>	<u>\$ 6,282,195</u>

continued

COUNTY OF YUBA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2013

	<u>Automotive Services</u>	<u>Workers Comp Insurance</u>	<u>Liability Insurance</u>	<u>Health Insurance</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (104,346)	\$ 67,156	\$ (197,672)	\$ 279,395
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	244,123	--	--	--
Changes in assets and liabilities:				
Increase (decrease) in:				
Accounts receivable	(1,235)	598	--	(48,661)
Accounts payable	(20,714)	(1,265)	(1,203)	(18)
Claims liability	--	--	81,000	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 117,828</u>	<u>\$ 66,489</u>	<u>\$ (117,875)</u>	<u>\$ 230,716</u>

continued

COUNTY OF YUBA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2013

	<u>General Insurance</u>	<u>Unemployment Insurance</u>	<u>Short-Term Disability Insurance</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 28,159	\$ 9,428	\$ 13,326	\$ 95,446
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	--	--	--	244,123
Changes in assets and liabilities:				
Increase (decrease) in:				
Accounts receivable	--	--	33,431	(15,867)
Accounts payable	(19,278)	--	433	(42,045)
Claims liability	--	--	--	81,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 8,881</u></u>	<u><u>\$ 9,428</u></u>	<u><u>\$ 47,190</u></u>	<u><u>\$ 362,657</u></u>