

\$4,560,000
Certificates of Participation
Trinity County Public Facilities Corporation Certificates of Participation
Series 2005

Dated: May 20, 2005
Maturity Date: January 15, 2026
CUSIP No.: 896467AM9

FILING OF ANNUAL FINANCIAL REPORT

In compliance with Section 3 of the Continuing Disclosure Agreement dated as of May 1, 2005, executed and delivered by the County of Trinity (the "County") and Digital Assurance Certification, L.L.C., on March 1, 2011, the County caused to be filed its audited financial statements for the fiscal year ended June 30, 2010.

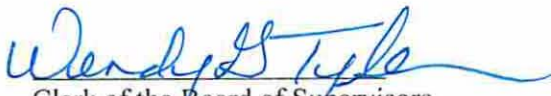
On March 21, 2011, the Board of Supervisors of the County approved the County of Trinity Annual Financial Report and Single Audit for the Fiscal Year ending, June 30, 2010, including the report of the independent auditors. The Annual Financial Report and Single Audit Report are attached hereto as Appendix A.

Dated: March 21, 2011

COUNTY OF TRINITY, State of California

By: 
Judy Morris, Chairman

ATTEST:


Clerk of the Board of Supervisors,
County of Trinity, State of California

APPROVED AS TO FORM AND LEGAL EFFECT:

attached
County Counsel,
County of Trinity, State of California

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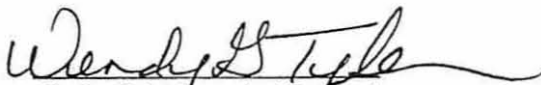
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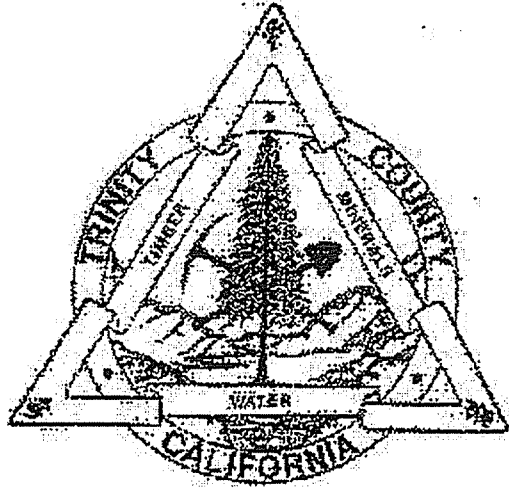
By: 
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ATTEST:


Clerk of the Board of Supervisors,
County of Trinity, State of California

APPROVED AS TO FORM AND LEGAL EFFECT:


County Counsel,
County of Trinity, State of California



COUNTY OF TRINITY
ANNUAL FINANCIAL REPORT

June 30, 2010

COUNTY OF TRINITY

ANNUAL FINANCIAL REPORT

June 30, 2010

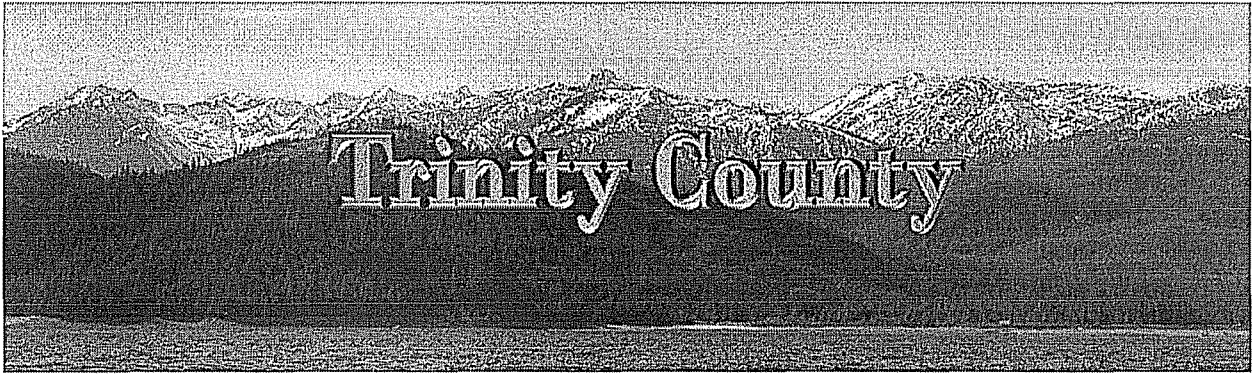
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ANNUAL FINANCIAL REPORT
June 30, 2010

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REPORT OF THE INDEPENDENT AUDITORS

REPORT OF THE INDEPENDENT AUDITORS

Board of Supervisors County of Trinity
Weaverville, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Trinity, California, (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Trinity County Waterworks District No.1, which statements reflect total assets and revenues constituting 6.21 percent and 1.23 percent, respectively, of the related primary government totals. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included in the Trinity County Waterworks District No.1 fund, is based solely on the report of the other auditors. The Trinity County Waterworks District No. 1 fund financial statements were as of and for the year ended June 30, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The capital asset balances of the Waterworks District No.1 have not been audited, and we were not engaged to audit the capital asset balances as part of our audit of the basic financial statements. The capital asset balances of the Waterworks District No.1 represent 74.58 percent and 95.70 percent of the total assets of the business-type activities and Waterworks District No.1 major fund columns, respectively.

Board of Supervisors
County of Trinity

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the capital assets of the Waterworks District No. 1 been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, and the Waterworks District No. 1 major fund of the County as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities and each major fund except for the Waterworks District No. 1 major fund, and the aggregate remaining fund information of the County as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated February 5, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

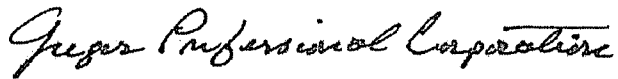
The Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. In relation to the Management's Discussion and Analysis, we have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Schedule of Funding progress and the budgetary comparisons of the General Fund and the Major Governmental Funds as listed in the table of contents have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, such information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

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

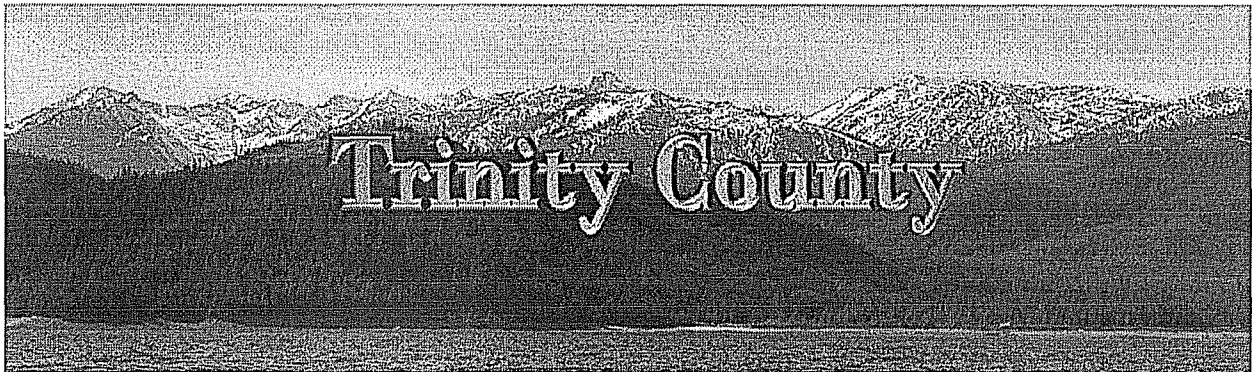
Board of Supervisors
County of Trinity

The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, such information is fairly stated in all material respects in relation to the basic financial statements taken as whole. The statistical sections have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

GREGOR PROFESSIONAL CORPORATION
Certified Public Accountants

A handwritten signature in cursive script that reads "Gregor Professional Corporation".

Eugene, Oregon
February 5, 2011



MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF TRINITY

Management's Discussion and Analysis Required Supplementary Information June 30, 2010

This section of the County of Trinity's (County) annual financial report presents our discussion and analysis of the County's performance during the fiscal year that ended June 30, 2010. This discussion and analysis should be read in conjunction with the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the most recent fiscal year by \$152,965,999 (*net assets*).
- The government's total net assets increased by \$39,794,703. However, of this amount \$47,237,121 was attributable to prior period adjustments while changes in net assets resulted in a loss of \$7,442,418.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$26,117,427 an increase of \$5,595,821 in comparison with the prior year.
- The County's unreserved, undesignated fund balance for the general fund was \$4,613,612 or 35.2% of total general fund expenditures.
- The County's investment in capital assets, net of related debt, increased by \$1,934,095.
- The County's total long-term liabilities decreased by \$43,123,256 in comparison with the prior year. This was primarily due to a prior period adjustment to the Net Other Post-Employment Benefits (OPEB).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business, which uses the full accrual basis of accounting. The Government-wide Financial Statements are comprised of the following two components:

The **statement of net assets** presents information on all County assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation. The business-type activities of the County include solid waste, transit, cemetery, and the remaining debt from prior hospital operations (hospital).

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

Fund Financial Statements

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The funds of the County are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains four individual governmental funds that are considered major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Road Fund, Human Services, and CDBG Rehab. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

COUNTY OF TRINITY

Management's Discussion and Analysis Required Supplementary Information June 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Combining and Individual Fund Statements and Schedules

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

Following is the comparative analysis of government-wide data for fiscal years 2009-2010 and 2008-2009.

Statement of Net Assets June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current and other assets	\$ 28,973,583	\$ 23,204,296	\$ (5,746,583)	\$ (6,210,308)	\$ 23,227,000	\$ 16,993,988
Capital assets	146,115,881	156,041,786	12,536,057	12,184,769	158,651,938	168,226,555
Total assets	<u>175,089,464</u>	<u>179,246,082</u>	<u>6,789,474</u>	<u>5,974,461</u>	<u>181,878,938</u>	<u>185,220,543</u>
Liabilities						
Current and other liabilities	4,548,295	2,802,279	793,919	623,606	5,342,214	3,425,885
Long-term liabilities	18,716,080	59,596,641	4,854,645	9,026,721	23,570,725	68,623,362
Total liabilities	<u>23,264,375</u>	<u>62,398,920</u>	<u>5,648,564</u>	<u>9,650,327</u>	<u>28,912,939</u>	<u>72,049,247</u>
Net Assets						
Invested in capital assets, net of related debt	146,115,881	144,181,786	11,545,289	11,194,001	157,661,170	155,375,787
Restricted	13,674,039	13,674,039	103,208	-	13,777,247	13,674,039
Unrestricted	(7,964,831)	(41,008,663)	(10,507,587)	(14,869,867)	(18,472,418)	(55,878,530)
Total net assets	<u>\$ 151,825,089</u>	<u>\$ 116,847,162</u>	<u>\$ 1,140,910</u>	<u>\$ (3,675,866)</u>	<u>\$ 152,965,999</u>	<u>\$ 113,171,296</u>

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$152,965,995 at the close of the most recent fiscal year.

The largest portion of the County's net assets, \$157,661,170, reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another important portion of the County's net assets, \$13,777,247, represents resources that are subject to external restrictions on how they may be used. The remaining balance of the County's net assets indicates a deficit balance of, \$18,472,418, representing *unrestricted net assets* which may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net assets have increased \$39,794,703 during the current year. This increase is primarily due to the net effect of an overstatement of the total OPEB obligation in the prior fiscal year which was corrected by a \$47,237,121 prior period adjustment in the current year and a decrease of \$7,442,418 caused by expenses exceeding revenues.

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

COUNTY OF TRINITY

Management's Discussion and Analysis Required Supplementary Information June 30, 2010

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

Statement of Activities For the Years Ended June 30, 2010 and 2009 (in thousands)

Revenues	Governmental Activities		Business-Type Activities		Total		Variance
	2010	2009	2010	2009	2010	2009	
Program Revenues:							
Fees, fines and charges for services	\$ 5,205	\$ 6,100	\$ 2,722	\$ 3,183	\$ 7,927	\$ 9,283	-14.6%
Operating & capital grants/contributions	29,715	31,468	441	80	30,156	31,548	-4.4%
General Revenues:							
Property Taxes	3,436	3,555	211	190	3,647	3,745	-2.6%
Sales and Use Taxes	2,755	2,746	--	--	2,755	2,746	0.3%
Transfers	(345)	(459)	345	459	--	--	0.0%
Miscellaneous	932	605	(9)	9	923	614	50.3%
Interest and Investment earnings	181	486	(10)	(58)	171	428	-60.0%
Total Revenues	41,879	44,501	3,700	3,863	45,579	48,364	-5.8%
Expenses							
General government	4,133	4,986	--	--	4,133	4,986	-17.1%
Public protection	10,879	10,933	--	--	10,879	10,933	-0.5%
Public ways and facilities	19,023	20,261	--	--	19,023	20,261	-6.1%
Health and sanitation	6,564	6,193	--	--	6,564	6,193	6.0%
Public assistance	7,379	6,988	--	--	7,379	6,988	5.6%
Education	388	350	--	--	388	350	10.9%
Recreation and culture	--	--	--	--	--	--	0.0%
Interest on long-term debt	862	1,010	--	--	862	1,010	-14.7%
Cemetaries	--	--	12	9	12	9	33.3%
Hospital	--	--	--	--	--	--	0.0%
Transit	--	--	398	324	398	324	22.8%
Solid Waste	--	--	2,472	2,364	2,472	2,364	4.6%
Waterworks District No. 1	--	--	911	911	911	911	0.0%
Total Expenses	49,228	50,721	3,793	3,608	53,021	54,329	-2.4%
Change in Net Assets							
Net assets - Beginning	116,847	187,382	(3,676)	1,582	113,171	188,964	-40.1%
Prior period adjustment	42,327	(64,314)	4,910	(5,513)	47,237	(69,827)	
Net Assets - Ending	\$ 151,825	\$ 116,848	\$ 1,141	\$ (3,676)	\$ 152,966	\$ 113,172	35.2%

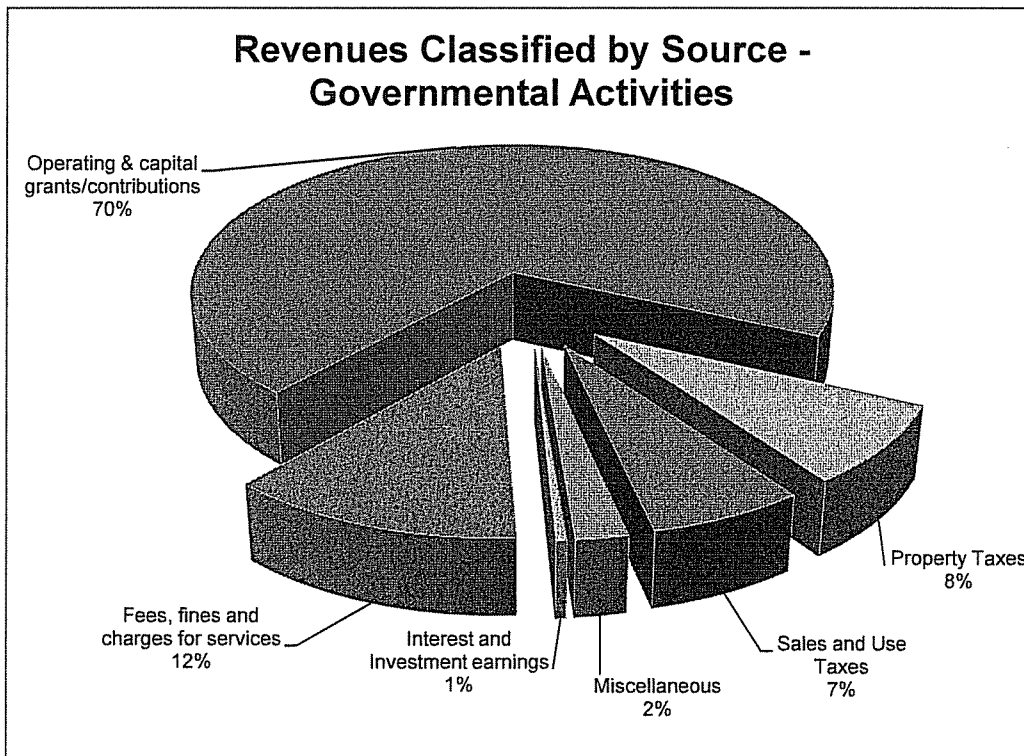
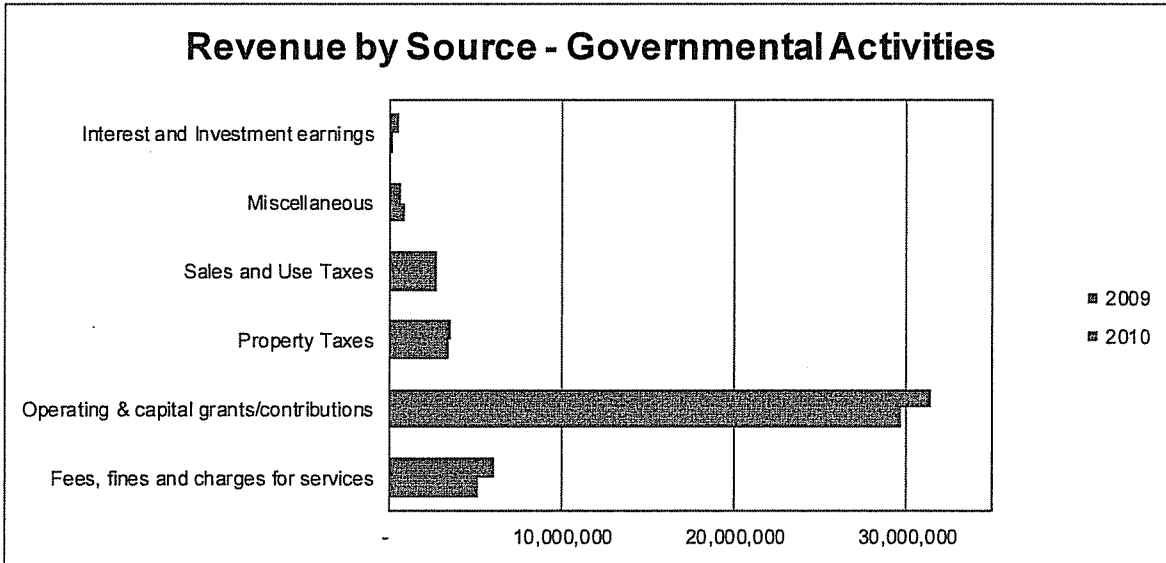
The County's revenues from governmental activities decreased by \$2,621,016 or 5.9% over the prior fiscal year. This decrease is mainly a result of a decrease of \$895,049 in fees, fines and charges for services and a decrease of \$1,752,586 in operating and capital grants/contributions. These decreases were caused by a continued sluggish economy and a reduction in grant revenues, respectively.

The County's expenses from governmental activities decreased by \$1,492,431 or 2.9% over the prior fiscal year, attributable primarily to a decrease of \$1,237,670 in public ways and facilities expenses. This decrease was caused by a decrease of \$1,312,634 in the Road Fund's project expenses over the prior fiscal year.

COUNTY OF TRINITY

Management's Discussion and Analysis
 Required Supplementary Information
 June 30, 2010

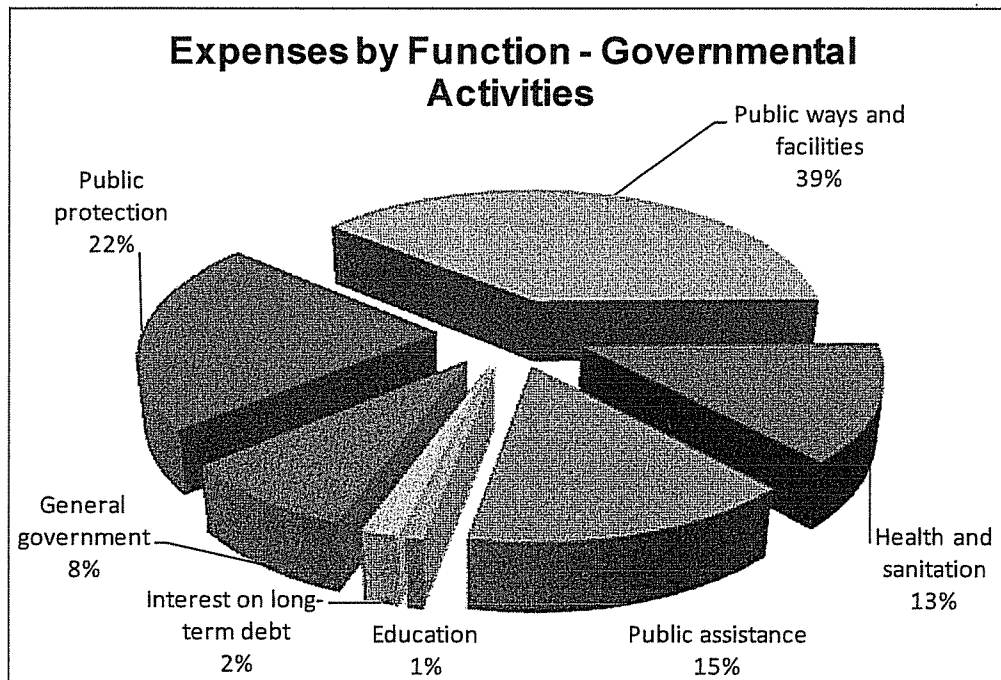
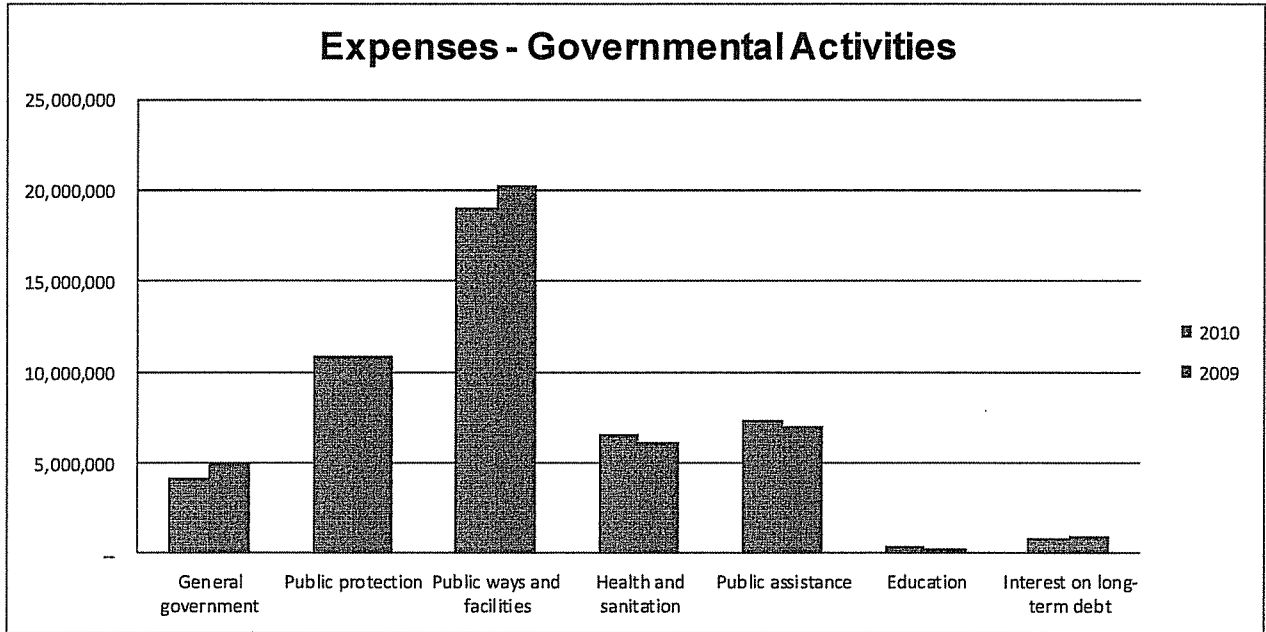
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

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

Governmental funds. The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Projects Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The County's management may designate unreserved fund balance for a particular function, project or activity, which may extend beyond the current year. However, designated fund balance is available for appropriation at any time.

**Changes in Fund Balance - Governmental Funds
For Fiscal Years Ended June 30, 2010**

	General	Road Fund	Human Services	CDBG Rehab	Other Governmental Funds	Total
Revenues	\$ 13,459,072	\$ 7,998,047	\$ 5,996,598	\$ 173,580	\$ 14,403,330	\$ 42,030,627
Expenditures	13,122,450	6,839,406	6,857,794	80,204	10,712,877	37,612,731
Other Financing Sources (Uses), net Excess (Deficiency) of Revenues and (Under) Expenditures and Other Financing Uses	268,354	(786,415)	732,349	(1,192,840)	633,780	(344,772)
Increase (Decrease) in deposits and inventories	604,976	372,226	(128,847)	(1,099,464)	4,324,233	4,073,124
Prior Period Adjustment	447,809	75,060	-	-	-	522,869
Fund Balance - July 1, 2009	883,299	-	-	-	116,529	999,828
Fund Balance - June 30, 2010	5,028,897	1,610,360	164,952	2,956,852	10,760,545	20,521,606
	<u>\$ 6,964,981</u>	<u>\$ 2,057,646</u>	<u>\$ 36,105</u>	<u>\$ 1,857,388</u>	<u>\$ 15,201,307</u>	<u>\$ 26,117,427</u>

At June, 30, 2010, the County's governmental funds reported combined fund balances of \$26,117,427. Of these combined fund balances, \$12,925,487 constitutes *unreserved fund balance*, which is available to meet the County's current and future needs. The remainder of fund balance, \$13,191,940, is *reserved* to indicate that it is *not* available for new spending because it has been committed.

The General Fund is the County's main operating fund. During the fiscal year, fund balance in the General Fund increased by \$1,936,084. This increase was due to revenues exceeding expenditures by \$604,976, an increase of \$447,809 due to increased deposits and inventories, and an increase of \$883,299 due to a prior period adjustment.

The County uses the Road Fund to account for the planning, design, construction, maintenance and administration of the County's roads and infrastructure. During the fiscal year, fund balance in the Road Fund increased by \$447,286. This increase is due to revenues exceeding expenditures by \$372,226 and an increase of \$75,060 due to increased deposits and inventories

The County uses the Human Services Fund to account for health and human services and social services program activity within the County. During the fiscal year, fund balance in the Human Services Fund decreased by \$128,847. This decrease is attributable to expenditures exceeding revenues.

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS – (continued)

The County uses the CDBG Rehab Fund to account for all of the Community Development Block Grant (CDBG) Rehab loans within the County. During the fiscal year, fund balance in the CDBG Rehab Fund decreased by \$1,099,464. This decrease is attributable to a \$1,282,596 reallocation of loans receivable into three additional funds to track the Home grant, State grant, and Federal grant programs separately from the CDBG Rehab Fund.

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

As of July 2007, the County is no longer responsible or liable for hospital operations and facilities. The hospital remains open, under the management and operation of the Healthcare District, providing the same services as prior to its transfer to the Healthcare District. Prior to the transfer of the former Trinity Hospital to an authority and subsequently to the Healthcare District, the Hospital Fund had an accumulated deficit in the amount of approximately \$7.5 million. As of June 30, 2010, the accumulated deficit net assets is \$7,714,507.

The Solid Waste Fund is used to account for the operations and the maintenance of the County's landfill sites. As of June 30, 2010, unrestricted net assets of the Solid Waste Fund were a deficit of \$3,515,368, while total net assets were a deficit of \$2,154,379. Total net assets of the solid waste increased by \$4,268,860. This increase was mainly due to a \$4,145,700 prior period adjustment for an overstatement of the Net OPEB Obligation.

The Trinity County Waterworks District No. 1 Fund accounts for the operations and the maintenance of the water and sewer facilities provided to the community of Hayfork. As of June 30, 2010, unrestricted net assets were \$381,336, while total net assets were 10,306,021. Total net assets of the Waterworks District No. 1 decreased by \$351,747. This decrease was mainly due to an operating loss of \$425,605.

**Changes in Net Assets – Proprietary Funds
For Fiscal Year Ended June 30, 2010**

	Hospital	Solid Waste	Waterworks District No. 1	Non-Major Enterprise Funds	Total
Operating Revenues	\$ -	\$ 2,237,318	\$ 442,615	\$ 42,295	\$ 2,722,228
Operating Expenses	-	2,464,677	868,220	410,027	3,742,924
Operating Income (Loss)	-	(227,359)	(425,605)	(367,732)	(1,020,696)
Non-Operating Revenue (Expense)	(37,005)	153,442	73,858	392,040	582,335
Net Income before Transfers	(37,005)	(73,917)	(351,747)	24,308	(438,361)
Transfers In (Out)	47,963	(49,243)	-	346,353	345,073
Change in Net Assets	10,958	(123,160)	(351,747)	370,661	(93,288)
Net Assets - Beginning of Year	(7,725,465)	(6,176,919)	10,306,021	(79,503)	(3,675,866)
Prior Period Adjustment		4,145,700	351,747	412,617	4,910,064
Net Assets - End of Year	\$ (7,714,507)	\$ (2,154,379)	\$ 10,306,021	\$ 703,775	\$ 1,140,910

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

GENERAL FUND BUDGETARY HIGHLIGHTS

Resources (revenues) and appropriations (expenditures) represent the legal level of budgetary controls. During the year, actual general fund revenues were \$13,459,072 or 6.13% more than budgeted, while actual general fund expenditures were \$13,122,450 or 7.95% under budget. In addition, actual other financing sources (uses) were \$268,354 or -65.62% less than budget.

**Budgetary Comparison Schedule
General Fund**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget	
				Amount	Percent
Total Revenues	\$ 12,213,076	\$ 12,681,637	\$ 13,459,072	\$ 777,435	6.13%
Total Expenditures	13,958,467	14,255,099	13,122,450	1,132,649	7.95%
Other Financing Sources (Uses)	1,765,391	780,589	268,354	(512,235)	-65.62%
Net Change in Fund Balance	\$ 20,000	\$ (792,873)	\$ 604,976	\$ 1,397,849	176.30%

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

CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2010, amounted to \$158,651,938 (net of accumulated depreciation). This investment in a broad range of capital assets includes land, infrastructure (roads and bridges), structures and improvements, and equipment.

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

**Total Investment in Capital Assets
For Fiscal Years Ended June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 1,193,657	\$ 1,093,657	\$ 34,616	\$ 41,029	\$ 1,228,273	\$ 1,134,686
Construction in Progress	262,266	1,142,816	62,786	62,786	325,052	1,205,602
Structures & Improvements	21,741,959	20,437,072	16,041,190	16,041,190	37,783,149	36,478,262
Equipment	11,228,768	10,813,208	2,683,651	2,173,166	13,912,419	12,986,374
Infrastructure	221,897,491	220,862,212	-	-	221,897,491	220,862,212
Total	256,324,141	254,348,965	18,822,243	18,318,171	275,146,384	272,667,136
Accumulated Depreciation	(110,208,260)	(98,307,179)	(6,286,186)	(6,133,402)	(116,494,446)	(104,440,581)
Net Capital Assets	\$ 146,115,881	\$ 156,041,786	\$ 12,536,057	\$ 12,184,769	\$ 158,651,938	\$ 168,226,555

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

COUNTY OF TRINITY

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

LONG-TERM LIABILITIES

At June 30, 2010, the County had total long-term liabilities outstanding of \$22,133,988 as compared to \$65,492,593 in the prior year. During the year, retirement of liabilities amounted to \$47,466,811 of which \$45,106,079 was due to an adjustment made to the net OPEB obligation caused by a prior year overstatement. Additions to long-term liabilities amounted to \$4,046,478 and were comprised primarily of the current year's increase to the net OPEB obligation.

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

**Total Outstanding Long-Term Liabilities
For Fiscal Years Ended June 30, 2010 and 2009**

	Governmental Activities		Business Activities		Total Activities	
	2010	2009	2010	2009	2010	2009
Certificate of Participation	\$ 11,140,000	\$ 11,860,000	\$ 0	\$ 0	\$ 11,140,000	\$ 11,860,000
Special Assessment Debt	0	0	626,566	626,566	626,566	626,566
Capital Lease	0	0	234,927	0	234,927	0
Compensated absences	1,012,717	1,447,594	77,003	101,661	1,089,720	1,549,255
Liability for self-insurance	730,444	304,880	0	0	730,444	304,880
Loans payable	1,813,777	1,949,570	320,990	320,990	2,134,767	2,270,560
Net OPEB Obligation	5,604,286	43,993,199	573,278	4,888,133	6,177,564	48,881,332
Total	20,301,224	59,555,243	1,832,764	5,937,350	22,133,988	65,492,593
Less Current Portion	(1,585,144)	(1,839,888)	(104,561)	(85,166)	(1,689,705)	(1,925,054)
Net Long-Term Debt	\$ 18,716,080	\$ 57,715,355	\$ 1,728,203	\$ 5,852,184	\$ 20,444,283	\$ 63,567,539

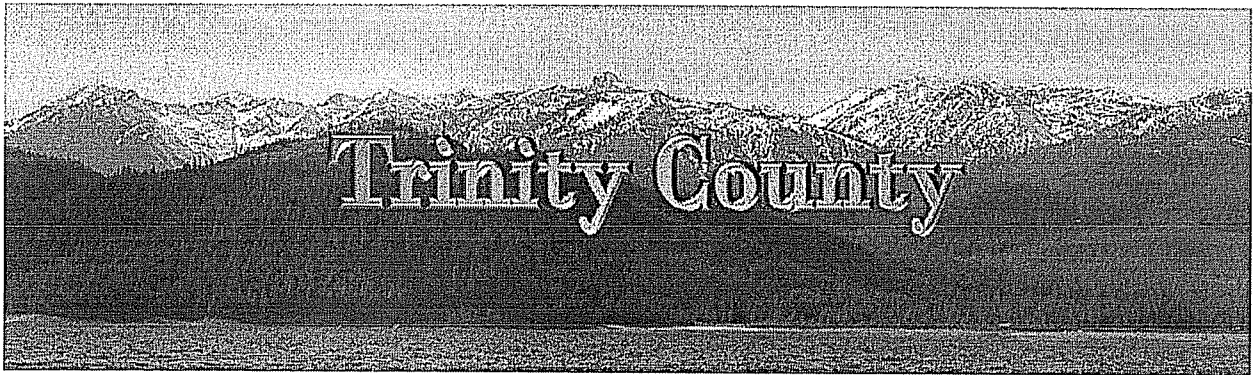
Additional information on the County's long term debt can be found in Note 6 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2010-2011 budget year the County must be committed to conservative administrative practices in financial management to avoid further erosion of the County's financial base while planning for future obligations. We must recognize the broader economic slow-down and its effect on revenue as well as planning for possible cash flow issues due to both the State budget shortfall and the delay of grant reimbursement payments.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Trinity County Auditor's Office at P.O. Box 1230, Weaverville, California 96093.



BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF TRINITY
STATEMENT OF NET ASSETS

June 30, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments in Pool	\$ 7,276,132	\$ 1,044,739	\$ 8,320,871
Cash and investments		322,169	322,169
Restricted Assets:			
Cash & investments in pool	-	31,154	31,154
Cash & investments	-	72,054	72,054
Cash with fiscal agent	464,030	-	464,030
Imprest cash	8,475	1,450	9,925
Accounts receivable	4,271,640	225,837	4,497,477
Taxes receivable	1,696,733	-	1,696,733
Interest receivable	23,314	1,231	24,545
Due from other governments	-	-	-
Prepaid expenses	95	6,966	7,061
Loans and notes receivable	4,312,001	-	4,312,001
Deposits with others	2,343,244	-	2,343,244
Inventories	1,098,235	27,501	1,125,736
Internal balance	7,479,684	(7,479,684)	-
Capital Assets:			
Nondepreciable	1,455,923	97,402	1,553,325
Depreciable, net	144,659,958	12,438,655	157,098,613
	<u>\$ 175,089,464</u>	<u>\$ 6,789,474</u>	<u>\$ 181,878,938</u>
Total Assets	<u>\$ 175,089,464</u>	<u>\$ 6,789,474</u>	<u>\$ 181,878,938</u>
LIABILITIES			
Accounts payable	1,521,937	79,867	1,601,804
Accrued salaries and benefits payable	101,484	-	101,484
Interest payable	196,845	14,917	211,762
Unearned revenue	1,142,885	571,322	1,714,207
Other liabilities	-	23,252	23,252
Long-term Liabilities:			
Portion due or payable within one year:			
Bonds and special assessment debt	760,000	10,500	770,500
Loans, notes and leases payable	-	10,064	10,064
Capital lease	-	35,835	35,835
Compensated absences	675,144	48,162	723,306
Contract payable	150,000	-	150,000
Portion due or payable after one year:			
Bonds and special assessment debt	10,380,000	616,066	10,996,066
Loans, notes and leases payable	-	310,926	310,926
Capital lease	-	199,092	199,092
Compensated absences	337,573	28,840	366,413
Liability for unpaid claims	730,444	-	730,444
Contract payable	1,663,777	-	1,663,777
Net OPEB obligation	5,604,286	573,278	6,177,564
Liability for landfill closure	-	3,126,443	3,126,443
	<u>23,264,375</u>	<u>5,648,564</u>	<u>28,912,939</u>
Total Liabilities	<u>23,264,375</u>	<u>5,648,564</u>	<u>28,912,939</u>
NET ASSETS			
Invested in capital assets, net of related debt	146,115,881	11,545,289	157,661,170
Restricted for:			
Debt service	628,031	-	628,031
Public protection	139,171	-	139,171
Public ways and facilities	4,356,927	103,208	4,460,135
Public health and assistance	4,341,599	-	4,341,599
Community development	-	-	-
Other County programs	4,208,311	-	4,208,311
Unrestricted	(7,964,831)	(10,507,587)	(18,472,418)
	<u>151,825,089</u>	<u>1,140,910</u>	<u>152,965,999</u>
Total Net Assets	<u>151,825,089</u>	<u>1,140,910</u>	<u>152,965,999</u>
Liabilities and net assets	<u>\$ 175,089,464</u>	<u>\$ 6,789,474</u>	<u>\$ 181,878,938</u>

The accompanying notes are an integral part of these financial statements

COUNTY OF TRINITY

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2010

	<u>Expenses</u>	<u>Program Revenues Fees, Fines and Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
General government	\$ 4,133,083	\$ 2,115,873	\$ 758,816	\$ -
Public protection	10,879,074	1,763,372	4,286,904	-
Public ways and facilities	19,022,868	863,068	1,039,541	8,353,713
Health and sanitation	6,564,267	361,442	7,434,199	-
Public assistance	7,379,055	97,235	7,769,079	-
Education	387,830	3,488	4,944	-
Culture and recreation	-	-	68,016	-
Interest on long-term debt	862,010	-	-	-
Total governmental activities	<u>49,228,187</u>	<u>5,204,478</u>	<u>21,361,499</u>	<u>8,353,713</u>
Business-type activities:				
Cemeteries	11,817	10,832	-	-
Hospital	-	-	-	-
Transit	398,210	31,463	390,653	-
Solid Waste	2,472,165	2,237,318	50,507	-
Water Works District No. 1	911,287	442,615	-	-
Total business-type activities	<u>3,793,479</u>	<u>2,722,228</u>	<u>441,160</u>	<u>-</u>
Total Trinity County	<u>\$ 53,021,666</u>	<u>\$ 7,926,706</u>	<u>\$ 21,802,659</u>	<u>\$ 8,353,713</u>

General Revenues:

- Taxes:
 - Property taxes
 - Sales and use taxes
 - Other taxes
 - Interest and investment earnings
 - Miscellaneous
 - Transfers
- Total general revenues and transfers

Change in net assets

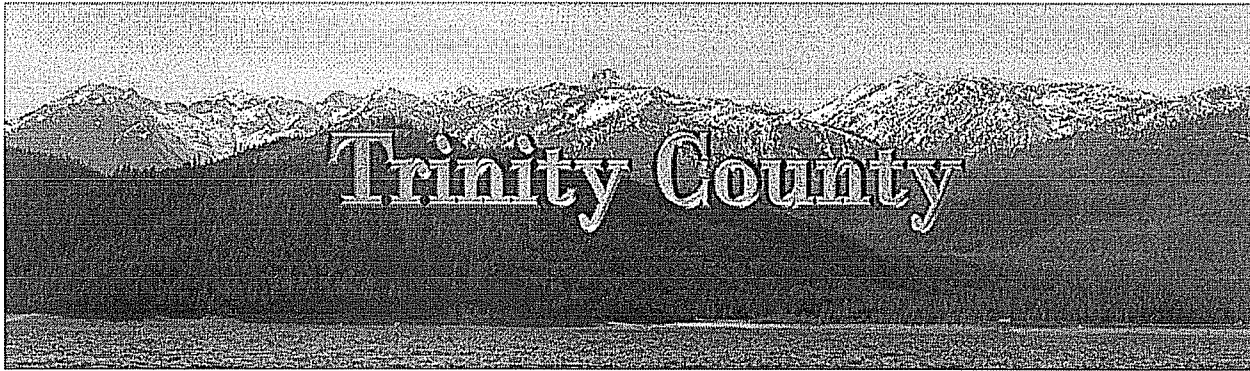
- Net assets, July 1, 2009
- Prior period adjustments
- Net assets--beginning, as adjusted

Net assets, June 30, 2010

Net (Expense) Revenue and Changes in Net Assets

Primary Government

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,258,394)	\$ -	\$ (1,258,394)
(4,828,798)	-	(4,828,798)
(8,766,546)	-	(8,766,546)
1,231,374	-	1,231,374
487,259	-	487,259
(379,398)	-	(379,398)
68,016	-	68,016
<u>(862,010)</u>	<u>-</u>	<u>(862,010)</u>
<u>(14,308,497)</u>	<u>-</u>	<u>(14,308,497)</u>
-	(985)	(985)
-	-	-
-	23,906	23,906
-	(184,340)	(184,340)
-	(468,672)	(468,672)
-	<u>(630,091)</u>	<u>(630,091)</u>
<u>(14,308,497)</u>	<u>(630,091)</u>	<u>(14,938,588)</u>
3,436,487	211,234	3,647,721
2,517,641	-	2,517,641
237,238	-	237,238
181,204	(9,922)	171,282
931,869	(9,581)	922,288
<u>(345,072)</u>	<u>345,072</u>	<u>-</u>
<u>6,959,367</u>	<u>536,803</u>	<u>7,496,170</u>
<u>(7,349,130)</u>	<u>(93,288)</u>	<u>(7,442,418)</u>
116,847,162	(3,675,866)	113,171,296
<u>42,327,057</u>	<u>4,910,064</u>	<u>47,237,121</u>
<u>159,174,219</u>	<u>1,234,198</u>	<u>160,408,417</u>
<u>\$ 151,825,089</u>	<u>\$ 1,140,910</u>	<u>\$ 152,965,999</u>



BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

COUNTY OF TRINITY

Balance Sheet
Governmental Funds
June 30, 2010

	General	Road Fund	Human Services	CDBG Rehab	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and investments	\$ --	\$ 788,210	\$ 206,526	\$ 34,633	\$ 6,143,686	\$ 7,173,055
Restricted Assets:						
Cash with fiscal agent	--	56	--	--	463,974	464,030
Imprest cash	8,125	200	75	--	75	8,475
Accounts receivable	638,609	567,407	424,579	84,547	2,556,498	4,271,640
Taxes receivable	--	--	--	--	1,696,733	1,696,733
Due from other governmental agencies	--	--	--	--	--	--
Interest receivable	5,129	1,227	192	186	16,467	23,201
Loans receivable	--	--	--	1,743,413	2,568,588	4,312,001
Advances to other funds	148,818	--	--	--	--	148,818
Due from other funds	4,915,125	--	--	--	4,333,246	9,248,371
Deposits with others	2,343,244	--	--	--	--	2,343,244
Inventory	--	1,098,235	--	--	--	1,098,235
Total Assets	<u>\$ 8,059,050</u>	<u>\$ 2,455,335</u>	<u>\$ 631,372</u>	<u>\$ 1,862,779</u>	<u>\$ 17,779,267</u>	<u>\$ 30,787,803</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 335,265	\$ 296,205	\$ 308,640	\$ 5,391	563,001	\$ 1,508,502
Accrued salaries and benefits payable	--	101,484	--	--	--	101,484
Advances from other funds	--	--	--	--	148,818	148,818
Due to other funds	--	--	--	--	1,768,687	1,768,687
Deferred revenue	758,804	--	286,627	--	97,454	1,142,885
Other current liabilities	--	--	--	--	--	--
Total Liabilities	<u>1,094,069</u>	<u>397,689</u>	<u>595,267</u>	<u>5,391</u>	<u>2,577,960</u>	<u>4,670,376</u>
Fund Balances						
Reserved:						
Imprest Cash	10,125	200	75	--	75	10,475
Deposits	2,341,244	--	--	--	--	2,341,244
Road Reserves	--	--	--	--	6,016,701	6,016,701
Inventory	--	1,098,235	--	--	--	1,098,235
Loans/advances	--	56	--	1,186,448	2,538,781	3,725,285
Unreserved, undesignated and reported in:						
General fund	4,613,612	--	--	--	--	4,613,612
Special revenue funds:	--	959,155	36,030	670,940	5,431,178	7,097,303
Debt service funds	--	--	--	--	1,181,601	1,181,601
Capital projects funds	--	--	--	--	32,971	32,971
Total Fund Balances	<u>6,964,981</u>	<u>2,057,646</u>	<u>36,105</u>	<u>1,857,388</u>	<u>15,201,307</u>	<u>26,117,427</u>
Total Liabilities and Fund Balances	<u>\$ 8,059,050</u>	<u>\$ 2,455,335</u>	<u>\$ 631,372</u>	<u>\$ 1,862,779</u>	<u>\$ 17,779,267</u>	<u>\$ 30,787,803</u>

The accompanying notes are an integral part of these financial statements

COUNTY OF TRINITY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

June 30, 2010

Fund Balances - Governmental Funds	\$ 26,117,427
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	146,115,881
Internal services funds are used by the County to charge the costs of copying and fleet services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	89,850
Long term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(11,140,000)
Notes payable	-
Interest payable	(196,845)
Claims liability	(730,444)
Compensated absences	(1,012,717)
Contract payable	(1,813,777)
Net OPEB obligation	<u>(5,604,286)</u>
Net Assets of Governmental Activities	<u>\$ 151,825,089</u>

COUNTY OF TRINITY

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Road Fund	Human Services	CDBG Rehab	Other Governmental Funds	Total
Revenues:						
Taxes	\$ 5,940,397	\$ --	\$ --	\$ --	\$ 250,969	\$ 6,191,366
Licenses and permits	529,395	16,883	--	--	17,176	563,454
Fines, forfeitures and penalties	161,658	--	--	--	179,693	341,351
Use of money and property	38,552	5,142	349	10,741	125,649	180,433
Intergovernmental	2,916,195	7,125,123	5,865,109	162,816	13,645,968	29,715,211
Charges for services	3,048,319	846,004	109,104	--	110,413	4,113,840
Other revenues	824,556	4,895	22,036	23	73,462	924,972
Total Revenues	<u>13,459,072</u>	<u>7,998,047</u>	<u>5,996,598</u>	<u>173,580</u>	<u>14,403,330</u>	<u>42,030,627</u>
Expenditures:						
Current:						
General government	2,964,328	--	--	--	608,383	3,572,711
Public protection	7,846,522	--	46,750	--	2,124,832	10,018,104
Public ways and facilities	2,496	6,819,354	--	--	835,896	7,657,746
Health and sanitation	1,824,616	--	--	--	4,450,365	6,274,981
Public assistance	56,791	--	6,708,499	80,204	142,173	6,987,667
Education	345,966	--	--	--	--	345,966
Recreation and culture	--	--	--	--	--	--
Debt service - principal	--	--	--	--	720,000	720,000
Debt service - interest	--	--	--	--	1,030,086	1,030,086
Capital outlay	81,731	20,052	102,545	--	801,142	1,005,470
Total Expenditures	<u>13,122,450</u>	<u>6,839,406</u>	<u>6,857,794</u>	<u>80,204</u>	<u>10,712,877</u>	<u>37,612,731</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>336,622</u>	<u>1,158,641</u>	<u>(861,196)</u>	<u>93,376</u>	<u>3,690,453</u>	<u>4,417,896</u>
Other Financing Sources (Uses):						
Transfers in	1,585,812	1,383,824	864,099	89,756	8,404,299	12,327,790
Transfers out	(1,317,458)	(2,170,239)	(131,750)	--	(9,053,115)	(12,672,562)
Loans receivable reallocation	--	--	--	(1,282,596)	1,282,596	--
Total Other Financing Sources (Uses)	<u>268,354</u>	<u>(786,415)</u>	<u>732,349</u>	<u>(1,192,840)</u>	<u>633,780</u>	<u>(344,772)</u>
Net Changes in Fund Balances	604,976	372,226	(128,847)	(1,099,464)	4,324,233	4,073,124
Fund Balances, Beginning of Year	5,028,897	1,610,360	164,952	2,956,852	10,760,545	20,521,606
Increase (decrease) in deposits and inventories	447,809	75,060	--	--	--	522,869
Prior Period Adjustment	<u>883,299</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>116,529</u>	<u>999,828</u>
Fund Balances, End of Year	<u>\$ 6,964,981</u>	<u>\$ 2,057,646</u>	<u>\$ 36,105</u>	<u>\$ 1,857,388</u>	<u>\$ 15,201,307</u>	<u>\$ 26,117,427</u>

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

COUNTY OF TRINITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

Net change in fund balances for all governmental funds		\$ 4,073,124
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets	1,067,852	
Less current year's depreciation	(11,807,939)	(10,740,087)
Inventories are determined using the purchases method in governmental funds but the consumption method is used for governmental activities		
		75,060
Changes in Insurance deposits are adjusted to beginning fund balance but are an adjustment to expense for governmental activities		
		447,809
Long-term debt proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Contract payable - net		
Principal repayments:	135,793	
Certificates of participation	<u>720,000</u>	855,793
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	434,877	
Change in claims liability	(384,166)	
Change in OPEB liability	(2,179,376)	
Change in Accrued interest payable	<u>19,926</u>	(2,108,739)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.		
		<u>47,910</u>
Change in net assets of governmental activities		<u>\$ (7,349,130)</u>

COUNTY OF TRINITY

Statement of Net Assets
Proprietary Funds
June 30, 2010

ASSETS	Business-type Activities - Enterprise Fund					Governmental
	Hospital	Solid Waste	Waterworks District No.1	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Current assets:						
Cash and investments	\$ --	\$ 903,204	\$ 322,169	\$ 141,535	\$ 1,366,908	\$ 103,077
Imprest cash	--	1,450	--	--	1,450	--
Accounts receivable	--	139,629	26,239	59,969	225,837	--
Advances to other funds	--	--	--	--	--	--
Due from other funds	--	--	--	227,394	227,394	--
Interest receivable	--	962	--	269	1,231	113
Prepaid expenses	--	--	6,966	--	6,966	95
Inventory	--	--	27,501	--	27,501	--
Total current assets	--	1,045,245	382,875	429,167	1,857,287	103,285
Noncurrent assets:						
Restricted Assets:						
Cash and investments	--	--	103,208	--	103,208	--
Capital Assets:						
Nondepreciable	--	6,000	66,786	24,616	97,402	--
Depreciable, net	--	1,354,989	10,745,459	338,207	12,438,655	185,702
Total noncurrent assets	--	1,360,989	10,915,453	362,823	12,639,265	185,702
Total Assets	\$ --	\$ 2,406,234	\$ 11,298,328	\$ 791,990	\$ 14,496,552	\$ 288,987
LIABILITIES						
Current liabilities:						
Accounts payable	\$ --	\$ 69,968	\$ 2,462	\$ 7,437	\$ 79,867	\$ 13,435
Interest payable	7,429	7,488	--	--	14,917	--
Advances from other funds	--	--	--	--	--	--
Due to other funds	7,707,078	--	--	--	7,707,078	--
Other current liabilities:	--	--	23,252	--	23,252	--
Deferred Revenue	--	571,322	--	--	571,322	--
Current portion of long-term liabilities						
Bonds, notes and special assessment debt	--	--	10,500	--	10,500	--
Loan payable	--	--	10,064	--	10,064	--
Capital lease	--	35,835	--	--	35,835	--
Compensated absences	--	34,212	9,519	4,431	48,162	--
Total current liabilities	7,714,507	718,825	55,797	11,868	8,500,997	13,435
Noncurrent liabilities:						
Bonds, notes and special assessment debt	--	--	616,066	--	616,066	--
Loans payable	--	--	310,926	--	310,926	--
Capital lease	--	199,092	--	--	199,092	--
Compensated absences	--	17,106	9,518	2,216	28,840	--
Liability for landfill closure	--	3,126,443	--	--	3,126,443	--
Net OPEB obligation	--	499,147	--	74,131	573,278	--
Other long-term liabilities	--	--	--	--	--	--
Total Long-term Liabilities	--	3,841,788	936,510	76,347	4,854,645	--
Total Liabilities	7,714,507	4,560,613	992,307	88,215	13,355,642	13,435
NET ASSETS						
Investment in capital assets, net of relat	--	1,360,989	9,821,477	362,823	11,545,289	185,702
Restricted	--	--	103,208	--	103,208	--
Unrestricted	(7,714,507)	(3,515,368)	381,336	340,952	(10,507,587)	89,850
Total Net Assets	(7,714,507)	(2,154,379)	10,306,021	703,775	1,140,910	275,552
Total Liabilities and Net Assets \$	--	\$ 2,406,234	\$ 11,298,328	\$ 791,990	\$ 14,496,552	\$ 288,987

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

COUNTY OF TRINITY

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ending June 30, 2010

	Business-Type Activities - Enterprise Funds				Total	Governmental
	Hospital	Solid Waste	Waterworks District No. 1	Nonmajor Enterprise Funds		Internal Service Funds
Operating Revenues:						
Charges for services	\$ --	\$ 2,214,593	\$ 362,215	\$ 41,914	\$ 2,618,722	\$ 185,832
Other income	--	22,725	80,400	381	103,506	--
Total Operating Revenues	--	2,237,318	442,615	42,295	2,722,228	185,832
Operating Expenses:						
Salaries and benefits	--	1,346,124	273,150	197,912	1,817,186	--
Services and supplies	--	957,022	251,206	182,407	1,390,635	95,267
Depreciation	--	124,459	343,864	29,708	498,031	50,025
Closure/postclosure	--	37,072	--	--	37,072	--
Total Operating Expenses	--	2,464,677	868,220	410,027	3,742,924	145,292
Operating Income (Loss)	--	(227,359)	(425,605)	(367,732)	(1,020,696)	40,540
Non-Operating Revenue (Expenses):						
Investment income (expense)	(37,004)	17,299	8,396	1,387	(9,922)	771
Taxes	--	101,691	109,543	--	211,234	--
Intergovernmental revenues	--	50,507	--	390,653	441,160	--
Sale of capital assets	--	--	--	--	--	--
Other	--	(8,567)	(1,014)	--	(9,581)	6,899
Interest Expense	--	(7,488)	(43,067)	--	(50,555)	--
Total Non-Operating Revenue (Expense)	(37,004)	153,442	73,858	392,040	582,336	7,670
Income (Loss) Before Transfers	(37,004)	(73,917)	(351,747)	24,308	(438,360)	48,210
Other Financing Sources (Uses):						
Transfers in	47,962	65,000	--	370,167	483,129	--
Transfers out	--	(114,243)	--	(23,814)	(138,057)	(300)
Total Other Financing Sources (Uses)	47,962	(49,243)	--	346,353	345,072	(300)
Change in net assets	10,958	(123,160)	(351,747)	370,661	(93,288)	47,910
Net Assets - Beginning of Year	(7,725,465)	(6,176,919)	10,306,021	(79,503)	(3,675,866)	221,361
Prior period adjustment	--	4,145,700	351,747	412,617	4,910,064	6,281
Net Assets - End of Year	\$ (7,714,507)	\$ (2,154,379)	\$ 10,306,021	\$ 703,775	\$ 1,140,910	\$ 275,552

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

COUNTY OF TRINITY

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year ended June 30, 2010

	Business-type Activities - Enterprise Fund					Governmental
	Hospital	Solid Waste	Waterworks	Non-major	Total	Internal
			District No.1	Enterprise Funds	Enterprise Funds	Service Funds
Cash flows from Operating Activities:						
Cash receipts from customers and users	\$ --	\$ 2,300,319	\$ 372,860	\$ 41,717	\$ 2,714,896	\$ 185,843
Receipts from interfund services provided	--	--	--	--	--	--
Other receipts	--	--	80,400	--	80,400	--
Cash paid to suppliers	--	(979,021)	(241,517)	(183,439)	(1,403,977)	(91,934)
Cash paid to employees	--	(1,174,977)	(273,150)	(170,809)	(1,618,936)	--
Net Cash Provided (Used) by Operating Activities	--	146,321	(61,407)	(312,531)	(227,617)	93,909
Cash Flows from Non-Capital Financing Activities:						
Aid from other governmental agencies	--	50,507	--	332,155	382,662	--
Taxes	--	101,691	109,543	--	211,234	--
Interfund loans	(22)	--	--	--	(22)	--
Return of unused funding	--	--	--	--	--	--
Other revenue (expense)	--	(8,567)	(1,014)	--	(9,581)	6,899
Transfers in	47,963	65,000	--	332,500	445,463	--
Transfers out	--	(114,243)	--	(23,814)	(138,057)	(300)
Net Cash Provided (Used) by Noncapital Financing Activities	47,941	94,388	108,529	640,841	891,699	6,599
Cash Flows from Capital and Related Financing Activities:						
Purchase of capital assets	--	(234,927)	(1)	(250,000)	(484,928)	(105,267)
Proceeds from sale of capital assets	--	--	--	--	--	--
Proceeds from capital grants	--	--	--	--	--	--
Proceeds from capital debt	--	234,927	--	--	234,927	--
Principal payments on debt	--	--	(20,330)	--	(20,330)	--
Interest payments	--	--	(43,067)	--	(43,067)	--
Net Cash Provided (used) by Capital and Related Financing Activities	--	--	(63,398)	(250,000)	(313,398)	(105,267)
Cash Flows from Investing Activities:						
Interest received (paid)	(47,965)	17,927	8,396	2,107	(19,535)	1,056
Net Cash Provided (used) by Investing Activities	(47,965)	17,927	8,396	2,107	(19,535)	1,056
Net Increase (Decrease) in Cash and Cash Equivalents	(24)	258,636	(7,880)	80,417	331,149	(3,703)
Cash and Cash Equivalents, Beginning of Year	24	646,018	433,257	61,118	1,140,417	106,780
Cash and Cash Equivalents, End of Year	\$ --	\$ 904,654	\$ 425,377	\$ 141,535	\$ 1,471,566	\$ 103,077

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

COUNTY OF TRINITY

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year ended June 30, 2010

	Business-type Activities - Enterprise Fund					Governmental
	Hospital	Solid Waste	Waterworks	Non-major	Total	Internal
			District No.1	Enterprise Funds	Enterprise Funds	Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ --	\$ (227,359)	\$ (425,605)	\$ (367,732)	\$ (1,020,696)	\$ 40,540
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	--	124,459	343,864	29,708	498,031	50,025
OPEB charge	--	194,107	--	28,828	222,935	--
Changes in assets and liabilities:						
Decrease (increase) in:						
Accounts receivable	--	(29,280)	10,174	(577)	(19,683)	11
Inventories	--	--	--	--	--	--
Prepaid expenses	--	--	--	--	--	--
Increase (decrease) in:						
Accounts payable	--	(21,998)	--	(1,059)	(23,057)	3,333
Salaries and benefits payable	--	--	--	--	--	--
Deferred revenue	--	92,280	--	--	92,280	--
Compensated absences payable	--	(22,960)	--	(1,699)	(24,659)	--
Other liabilities	--	--	10,160	--	10,160	--
Closure/post closure liability	--	37,072	--	--	37,072	--
Net Cash Provided (Used) by Operating Activities	\$ --	\$ 146,321	\$ (61,407)	\$ (312,531)	\$ (227,617)	\$ 93,909
Recap of Cash and Cash Equivalents, as Reported on the Statements of Net Assets:						
Cash and investments in pool	\$ --	\$ 903,204	\$ 322,169	\$ 141,535	\$ 1,366,908	\$ 103,077
Imprest cash	--	1,450	--	--	1,450	--
Restricted Assets:						
Cash and investments held outside County	--	--	103,208	--	103,208	--
Total	\$ --	\$ 904,654	\$ 425,377	\$ 141,535	\$ 1,471,566	\$ 103,077
Supplemental Disclosure of Non-cash Capital and Related Financing Activities:						
Contribution of capital assets from governmental funds	--	--	--	--	--	--
Total	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

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

COUNTY OF TRINITY

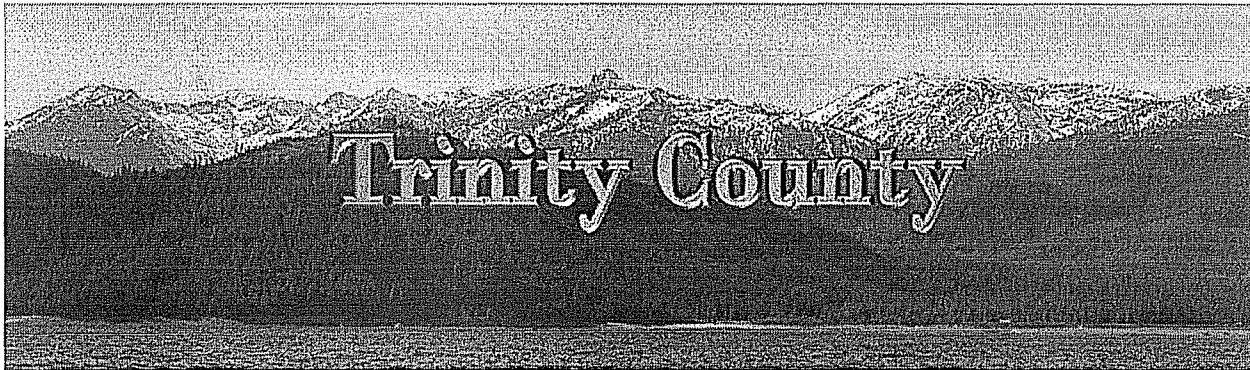
Statement of Fiduciary Net Assets
Fuduciary Funds
June 30 2010

	<u>Investment Trust Funds</u>	<u>Agency Funds</u>	<u>Total Fiduciary Funds</u>
ASSETS:			
Cash and investments	\$ 17,264,905	\$ 4,176,286	\$ 21,441,191
Interest receivable	28,149	4,888	33,037
Taxes receivable	-	76,353	76,353
Total Assets	<u>\$ 17,293,054</u>	<u>\$ 4,257,527</u>	<u>\$ 21,550,581</u>
LIABILITIES AND NET ASSETS:			
Liabilities:			
Due to other funds	\$ -	\$ 1,533,269	\$ 1,533,269
Agency obligations	-	2,724,258	2,724,258
Total Liabilities	<u>-</u>	<u>4,257,527</u>	<u>4,257,527</u>
Net Assets:			
Held in trust for external participants	<u>17,293,054</u>	<u>-</u>	<u>17,293,054</u>
Total Net Assets	<u>17,293,054</u>	<u>-</u>	<u>17,293,054</u>
Total Liabilities and Net Assets	<u>\$ 17,293,054</u>	<u>\$ 4,257,527</u>	<u>\$ 21,550,581</u>

COUNTY OF TRINITY

Statement Changes in Fiduciary Net Assets
Fuduciary Funds
For the Fiscal Year Ended June 30 2010

	Investment Trust Funds
Additions:	
Net Investment earnings	\$ 123,050
Contributions to investment pool	<u>8,328,120</u>
Total Additions	<u>8,451,170</u>
Deductions:	
Distributions from investment pool	<u>6,343,414</u>
Change in Net Assets	2,107,756
Net Assets, Beginning of Year	15,185,298
Addition of Interest receivable at beginning of year	
Net Assets, Beginning of Year as restated	<u>15,185,298</u>
Net Assets, End of Year	<u>\$ 17,293,054</u>



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 TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

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

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

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

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

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

Cemetery Districts
Hayfork Lighting District
Weaverville Lighting District Commission
Trinity County Water Works District 1
Trinity County Transportation Commission

The above component units are legally separate entities which are governed by the County's Board of Supervisors; therefore, their financial data has been combined with the County's financial data and presented as blended component units. The separate financial statements for Trinity County Transportation Commission and Trinity County Water Works District 1 may be obtained by contacting the County.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

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

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The County reports the following major enterprise funds:

- The *Hospital Fund* was established to account for the operation of Trinity Hospital, a County health care facility providing a full range of services including 24-hour emergency care, surgery, acute care, skilled nursing, home health and outpatient diagnostic services. During the 2006-07 fiscal year, the hospital was transferred to the Mountain Community Healthcare District. The State transferred the Hospital license from the County to MCMS-District on July 9, 2007. The fund is still maintained to account for the hospital's liabilities, which remained with the County. See Note 6 and 15 for additional information.
- The *Solid Waste Fund* accounts for the County's landfill sites, which provide a dumping site for the disposal of solid waste. Revenues are derived from fees generated for the disposal of waste at the site.
- The *Waterworks District No.1* fund accounts for the water service provided to the community of Hayfork.

The County reports the following additional fund types:

- *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.
- *Capital Projects Funds* are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).
- *Enterprise Funds* are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.
- *Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.
- *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for other governments. These funds represent the assets, primarily cash and investments, and the related liabilities of the County to disburse these monies on demand.
- *Agency Funds* account for assets held by the County as an agent for various local governments.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). Property and sales taxes, interest, state and federal grants and changes for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's Investment Pool, to be cash equivalents.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Compensated Absences

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

F. Capital Assets

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

The estimated useful lives are as follows:

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

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

G. Interfund Transactions

Interfund transactions are reflected as loans, services provided reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of inter fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of Interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

H. Other Assets

Inventory: Inventory consists of expendable supplies held for consumption. In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting of inventory is used for the governmental fund types and the proprietary fund types. For the governmental fund types, the reserve for inventory indicates that a portion of the fund balance is not an available financial resource.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Property Tax Revenue

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

J. Use of Estimates

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

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 2: Cash and Investments

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

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

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

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

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

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

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

Note 2: Cash and Investments(continued)

At June 30, 2010, total County cash and investments were as follows:

	<u>Cash and Investments</u>	<u>In Treasurer's Pool</u>
<i>Cash:</i>		
Cash on hand	\$ 9,416	\$ 9,416
Deposits	752,312	752,312
External to the treasurer's pool (Trinity Waterworks)	81,689	-
External to the treasurer's pool (with fiscal agent)	-	-
Outstanding warrants	(780,512)	(780,512)
Imprest cash	9,925	-
Total Cash	<u>72,830</u>	<u>(18,784)</u>
 <i>Investments:</i>		
In treasurer's pool	29,812,000	29,812,000
With fiscal agent	464,030	-
Other external to the treasurer's pool (Trinity Waterworks)	312,534	-
Total Investments	<u>30,588,564</u>	<u>29,812,000</u>
 Total Cash and Investments	 <u>\$ 30,661,394</u>	 <u>\$ 29,793,216</u>

Total cash and investments at June 30, 2010 were presented on the County's financial statements as follows:

	<u>Cash and Investments</u>	<u>In Treasurer's Pool</u>
Primary Government		
Governmental Activities		
Cash and investments in pool	\$ 7,276,132	\$ 7,276,132
Restricted cash with fiscal agent	464,030	-
Imprest cash	8,475	-
Business-type activities		
Cash and investments in pool	1,044,739	1,044,739
Cash and investments	322,169	-
Restricted cash and investments in pool	31,154	31,154
Restricted cash and investments	72,054	-
Imprest cash	1,450	-
Investment trust funds	17,264,905	17,264,905
Agency Funds	4,176,286	4,176,286
Total Cash and Investments	<u>\$ 30,661,394</u>	<u>\$ 29,793,216</u>

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 2: Cash and Investments(continued)

Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

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

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 2: Cash and Investments(continued)

At June 30, 2010, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Cost</u>	<u>Fair Value</u>	<u>WAM (Years)</u>
Investments in Investment Pool						
Local Agency Investment Fund (LAIF)	Variable	On Demand	\$ 26,312,000	\$ 26,312,000	\$ 26,312,000	-
Money Market Mutual Funds	Variable	On Demand	3,500,000	3,500,000	3,244,035	-
Total			<u>\$ 29,812,000</u>	<u>29,812,000</u>	<u>29,556,035</u>	
Investments outside Investment Pool						
<i>Investments with Fiscal Agents</i>						
Money Market Funds	Variable	On Demand	408,655	408,655	408,655	-
<i>Trinity County Water Works District No. 1</i>						
Mutual Funds	Variable	On Demand	18,222	18,222	18,222	-
Local Agency Investment Fund (LAIF)	Variable	On Demand	298,501	298,501	298,501	-
Total			<u>\$ 316,723</u>	<u>316,723</u>	<u>316,723</u>	
Total Cost				<u>\$ 30,537,378</u>		
Total Fair Value					<u>\$ 30,281,413</u>	
% Fair Value to Cost					<u>99.16%</u>	

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

Credit Risk

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investors Service. The County does not have minimum credit ratings for government agency securities.

Concentration of Credit Risk

At June 30, 2010, in accordance with State law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization, and it did not have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2010

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 2: Cash and Investments(continued)

<u>Investment Type</u>	<u>S&P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
Franklin Mutual Funds	Unrated	Unrated	5.03%
IXIS Advisor Mutual Funds	Unrated	Unrated	6.71%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	88.26%
			<u>100.00%</u>

Custodial Credit Risk

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

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), LAIF is part of the Pooled Money Investment Account (PMIA), an investment pool consisting of funds held by the state in addition to those deposited in LAIF. All PMIA funds are managed by the Investment Division of the State Treasurer's Office. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required

to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2010, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$26,312,000, which approximates fair value and is the same as value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$69,385,966,558. Of that amount, 5.42% was invested in structured notes and asset-backed securities with the remaining 94.58% invested in other non-derivative financial products.

At June 30, 2010 the difference between the cost and fair value of cash and investments was not material (fair value was 99.16% of carrying value). Therefore, an adjustment to fair value was not required. Fair value is based on information provided by the State for the Local Agency Investment Fund and by mutual fund managers for the County's mutual fund holdings. Investments are liquid.

Restricted Cash and Investments

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

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 2: Cash and Investments(continued)

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2010:

Statement of Net Assets in the Treasurer's Pool

Net assets held for pool participants	<u>\$ 29,793,216</u>
Equity of internal pool participants	8,352,025
Equity of external pool participants (trust and agency funds)	<u>21,441,191</u>
Total Net Assets	<u>\$ 29,793,216</u>

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

Net investment earnings	\$ 210,816
Net contributions (withdrawals) from pool participants	<u>4,952,544</u>
Increase in Net Assets	5,163,360
Net Assets in the Treasurer's Pool at June 30, 2009	<u>24,629,856</u>
Net Assets in the Treasurer's Pool at June 30, 2010	<u>\$ 29,793,216</u>

Reconciliation to Financial Statement Amounts

Net Assets in the Treasurer's Pool at June 30, 2010	<u>\$ 29,793,216</u>
Governmental activities cash and investments in the treasurer's pool	7,276,132
Business-type activities cash and investments in the treasurer's pool	1,044,739
Business-type activities restricted cash in the treasurer's pool	31,154
Agency funds cash and investments in the treasurer's pool	4,176,286
Investment trust funds cash and investments in the treasurer's pool	<u>17,264,905</u>
Total Cash and Investments in Treasurer's Pool per Financial Statements	<u>\$ 29,793,216</u>

Note 3: Line of Credit Payable

On July 7, 2009, the County obtained a \$3,000,000 line of credit to manage the temporary cash flow deficits that occur when the timing of required expenditures does not coincide with the timing of the collection of taxes and other revenues. The County received a draw of \$3,000,000 on October 13, 2009 in anticipation of collection of taxes and other revenues to be received during the fiscal year ended June 30, 2010. The loan was repaid with taxes and other revenues in the amounts of \$1,000,000 on December 22, 2009 and \$2,000,000 on January 19, 2010.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

Note 3: Line of Credit Payable (continued)

Line of credit payable activity for the year ended June 30, 2010 was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>
Line of credit payable	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -

Note 4: Interfund Transactions

The composition of Interfund balances as of June 30, 2010 is as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 4,915,125	\$ -
Non-major Governmental Funds	4,333,246	1,768,687
Hospital	-	7,707,078
Non-major Enterprise Funds	227,394	-
Internal Service Funds	-	-
Total	<u>\$ 9,475,765</u>	<u>\$ 9,475,765</u>

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

Interfund balances are long-term loans that are not expected to be repaid during the next fiscal year. The composition of advances balances as of June 30, 2010 is as follows:

<u>Advance From</u>	<u>Advance To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Non Major Governmental Fund	\$ 52,601	Prior Year Seed Funding
	Non Major Governmental Fund	50,000	Current Year Seed Funding
	Non Major Governmental Fund	46,217	Deficit Cash Balance - Financial Policy
	Total	<u>\$ 148,818</u>	

Transfers

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

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

Note 4: Interfund Transactions (continued)

Between Funds within the Governmental Activities:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Human Services Fund	\$ 46,064	Budget transfer
	Non-Major Governmental Funds	1,001,103	Debt service payments
	Non-Major Governmental Funds	222,328	Various
		<u>1,269,495</u>	
Road Fund	Non-Major Governmental Funds	2,000,000	Road reserves
	Non-Major Governmental Funds	170,239	Debt service payments
		<u>2,170,239</u>	
Human Services Fund	Non-Major Governmental Funds	<u>131,750</u>	Debt service payments
Non-Major Governmental Funds	CDBG Rehab	89,756	Loan payments received
	General Fund	1,283,536	Realignment
	General Fund	301,976	Various
	Human Services Fund	818,035	Realignment
	Non-Major Governmental Funds	197,671	Debt service payments
	Non-Major Governmental Funds	1,687,602	Road reserves
	Non-Major Governmental Funds	558,142	Realignment
	Non-Major Governmental Funds	2,297,406	Various
	Road Fund	<u>1,383,824</u>	Budget transfers
		<u>8,617,948</u>	
Subtotal Transfers		<u>12,189,432</u>	

Between Governmental and Business-Type Activities:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Hospital Fund	\$ 47,963	Negative interest
Solid Waste Fund	Non-Major Governmental Funds	65,000	Landfill Post Closure Costs
	Non-Major Governmental Funds	49,243	Debt service payments
		<u>114,243</u>	
Transit Fund	Non-Major Governmental Funds	17,151	Unspent LTF Funds
	Non-Major Governmental Funds	6,663	Debt service payments
		<u>23,814</u>	
Non-Major Enterprise Funds	General Fund	<u>300</u>	Capital asset transfer
Non-Major Governmental Funds	Transit Fund	370,167	LTF/STA Allocation
	Solid Waste	65,000	
		<u>435,167</u>	
Subtotal Transfers		<u>621,487</u>	
Total Transfers In/Out		<u>12,810,919</u>	

COUNTY OF TRINITY

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	Balance July 1, 2009	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2010
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 1,093,657	\$ 100,000	\$ -	\$ -	\$ 1,193,657
Construction in progress	1,142,816	-	-	(880,550)	262,266
Total capital assets not being depreciated	<u>2,236,473</u>	<u>100,000</u>	<u>-</u>	<u>(880,550)</u>	<u>1,455,923</u>
Capital assets being depreciated:					
Infrastructure	220,862,212	1,023,777	-	11,502	221,897,491
Structures and improvements	20,437,072	424,337	-	880,550	21,741,959
Equipment	11,553,511	494,867	(56,522)	(763,088)	11,228,768
Total capital assets being depreciated	<u>252,852,795</u>	<u>1,942,981</u>	<u>(56,522)</u>	<u>128,964</u>	<u>254,868,218</u>
Less accumulated depreciation for:					
Infrastructure	(73,156,081)	(11,167,355)	-	(152,843)	(84,476,279)
Structures and improvements	(15,273,830)	(244,549)	-	-	(15,518,379)
Equipment	(10,487,111)	(396,034)	56,522	613,021	(10,213,602)
Total accumulated depreciation	<u>(98,917,022)</u>	<u>(11,807,938)</u>	<u>56,522</u>	<u>460,178</u>	<u>(110,208,260)</u>
Total capital assets being depreciated net	<u>153,935,773</u>	<u>(9,864,957)</u>	<u>-</u>	<u>589,142</u>	<u>144,659,958</u>
Governmental Activities Capital Assets Net	<u>\$ 156,172,246</u>	<u>\$ (9,764,957)</u>	<u>\$ -</u>	<u>\$ (291,408)</u>	<u>\$ 146,115,881</u>
Business-Type Activities					
Capital assets not being depreciated:					
Land	\$ 41,029	\$ -	\$ -	\$ (6,413)	\$ 34,616
Construction in progress	62,786	-	-	-	62,786
Total capital assets not being depreciated	<u>103,815</u>	<u>-</u>	<u>-</u>	<u>(6,413)</u>	<u>97,402</u>
Capital assets being depreciated:					
Structures and improvements	16,041,190	-	-	-	16,041,190
Equipment	2,173,166	521,635	(11,150)	-	2,683,651
Total capital assets being depreciated	<u>18,214,356</u>	<u>521,635</u>	<u>(11,150)</u>	<u>-</u>	<u>18,724,841</u>
Less accumulated depreciation for:					
Structures and improvements	(4,221,449)	(346,921)	-	319,160	(4,249,210)
Equipment	(1,911,953)	(151,110)	-	26,087	(2,036,976)
Total accumulated depreciation	<u>(6,133,402)</u>	<u>(498,031)</u>	<u>-</u>	<u>345,247</u>	<u>(6,286,186)</u>
Total capital assets being depreciated net	<u>12,080,954</u>	<u>23,604</u>	<u>(11,150)</u>	<u>345,247</u>	<u>12,438,655</u>
Business-Type Activities Capital Assets Net	<u>\$ 12,184,769</u>	<u>\$ 23,604</u>	<u>\$ (11,150)</u>	<u>\$ 338,834</u>	<u>\$ 12,536,057</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
General government	\$ 252,449
Public protection	270,341
Health and sanitation	36,684
Public ways and facilities	11,160,352
Public assistance	61,754
Education	26,359
Total Depreciation Governmental Activities	<u>\$ 11,807,939</u>

COUNTY OF TRINITY

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010**

Note 5: Capital Assets (continued)

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

Business-Type Activities	
Transit	\$ 29,708
Solid Waste	124,459
Water Works District No. 1	343,864
Total Depreciation Business-Type Activities	<u>\$ 498,031</u>

Note 6: Long-Term Liabilities

Long-term debt at June 30, 2010 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, 2010</u>
Governmental Activities:						
Certificat of Participation - 1997 issue to refund the Trinity County Project Fixed Rate COP dated 10/2/89	1997	2010	4.00-5.00%	\$145,000-\$545,000	\$ 1,625,000	\$ 0
Pension Obligation Bonds	1998	2017	5.90%-6.65%	\$115,000-\$5,255,000	9,140,000	6,580,000
Certificate of Participation - 2005 issue to repay temporary transfer from the County Pool	2005	2026	8.50%	\$145,000-\$490,000	<u>4,560,000</u>	<u>4,560,000</u>
Total Governmental Activities					<u>\$ 15,325,000</u>	<u>\$ 11,140,000</u>
Business-Type Activities:						
Notes payable Davis-Grunsky - Water Works District No. 1	1980	2033	2.50%	\$4,889-\$16,239	482,000	301,397
Special Assessment Debt - Water Works District No. 1 - sewer system construction	1997-2000	2039	4.50%	\$9,000-\$41,066	1,103,750	626,566
Loan payable USDA/RDC - Water Works District No. 1	2004	2023	4.38%	\$904-\$1,872	<u>25,000</u>	<u>19,593</u>
Total Business-Type Activities					<u>\$ 1,610,750</u>	<u>\$ 947,556</u>

¹ We are reporting the liability amounts based on the June 30, 2009 audited financial statements of the Water Works District.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

Note 6: Long-Term Liabilities (continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2010:

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due Within One Year
Governmental Activities					
Certificate of Participation - 1997 issue \$	190,000	\$ -	\$ 190,000	\$ -	\$ -
Pension Obligation Bonds - 1998 issue	7,110,000	-	530,000	6,580,000	615,000
Certificate of Participation - 2005 issue	4,560,000	-	-	4,560,000	145,000
Compensated Absences	1,447,594	1,012,717	1,447,594	1,012,717	675,144
Liability for Self-Insurance ¹	346,278	384,166	-	730,444	-
Contract Payable	1,949,570	12,357	148,150	1,813,777	150,000
Net OPEB Obligation	<u>43,993,199</u>	<u>2,179,376</u>	<u>40,568,289</u>	<u>5,604,286</u>	<u>-</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 59,596,641</u>	<u>\$ 3,588,616</u>	<u>\$ 42,884,033</u>	<u>\$ 20,301,224</u>	<u>\$ 1,585,144</u>
Business-Type Activities					
Transit Fund					
Compensated Absences	\$ 8,346	\$ -	\$ 1,699	\$ 6,647	\$ 4,431
Net OPEB Obligation	454,841	28,828	409,538	74,131	-
Solid Waste Fund					
Capital Lease	-	234,927	-	234,927	35,835
Compensated Absences	74,278	-	22,959	51,319	34,212
Net OPEB Obligation	4,433,292	194,107	4,128,252	499,147	-
Water Works District No. 1²					
Compensated Absences	19,037	-	-	19,037	9,519
Special Assessment Debt	637,066	-	10,500	626,566	10,500
Note Payable - Davis Grunsky	310,226	-	8,829	301,397	9,019
Loan Payable - USDA 2004	20,594	-	1,001	19,593	1,045
Net OPEB Obligation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 5,957,680</u>	<u>\$ 457,862</u>	<u>\$ 4,582,778</u>	<u>\$ 1,832,764</u>	<u>\$ 104,561</u>

¹ We are reporting the claims liability activity based on Trindel's audited financial statements for June 30, 2009 and 2008 respectively as 2010 and 2009 liabilities.

² We are reporting the liability amounts based on the June 30, 2009, audited financial statements of the Water Works District.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

Note 6: Long-Term Liabilities (continued)

As of June 30, 2010, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30:	Governmental Activities	
	Certificates of Participation	
	Principal	Interest
2011	\$ 760,000	\$ 820,343
2012	865,000	768,965
2013	980,000	708,930
2014	1,105,000	641,020
2015	1,240,000	564,575
2016-2020	3,765,000	1,625,675
2021-2025	1,935,000	728,875
2026-2028	490,000	41,650
	<u>\$ 11,140,000</u>	<u>\$ 5,900,033</u>

As of June 30, 2010, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30:	Business-Type Activities ¹							
	Special Assessment Debt		Loans Payable		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 10,500	\$ 27,475	\$ 9,019	\$ 9,416	\$ 1,045	\$ 808	\$ 20,564	\$ 37,699
2011	11,500	26,969	9,256	9,179	1,091	761	21,847	36,909
2012	12,000	26,441	10,182	8,936	1,138	711	23,320	36,088
2013	12,500	25,889	11,200	8,686	1,188	659	24,888	35,234
2014	13,000	25,315	12,320	8,431	2,534	604	27,854	34,350
2015-2019	91,000	116,857	11,200	38,093	7,374	2,117	109,574	157,067
2020-2024	96,500	97,879	56,440	30,677	5,223	449	158,163	129,005
2025-2029	120,500	73,927	63,796	22,294	-	-	184,296	96,221
2030-2034	150,500	45,139	72,198	2,408	-	-	222,698	47,547
2035-2039	108,566	12,116	45,786	-	-	-	154,352	12,116
	<u>\$ 626,566</u>	<u>\$ 478,007</u>	<u>\$ 301,397</u>	<u>\$ 138,120</u>	<u>\$ 19,593</u>	<u>\$ 6,109</u>	<u>\$ 947,556</u>	<u>\$ 622,236</u>

¹ We are reporting the liability amounts based on the June 30, 2009, audited financial statements of the Water Works District.

Certificate of participation retirements and related interest payments are paid from a debt service fund. Loans payable retirements and related interest payments are paid from the Solid Waste Fund. Bonds payable and special assessment debt retirements and related interest payments are paid from the Waterworks District enterprise fund. Claims and judgments will be paid from the County's General Fund. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, nine special revenue funds, and two enterprise funds. Historically, 84 percent of these costs have been paid from the County's governmental funds, with the remaining 16 percent paid from its proprietary funds.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 6: Long-Term Liabilities(continued)

Certificates of Participation (COPs)

2005 COPs

The 2005 COPs were issued in May 2005 and the proceeds were used to repay a \$# million County Treasurer's temporary transfer of funds from the County Treasury Pool, pay the final set-aside for the 2004-05 tax revenue anticipation notes (TRANS), and establish a reserve fund for the 2005 COPs. As of June 30, 2010, the outstanding principal amount of the 2005 COPs was \$4,560,000.

1997 COPs

The 1997 COPs were issued in the original principal amount of \$1,625,000, of which \$190,000 principal amount was outstanding as of June 30, 2009. The 1997 COPs matured and were repaid in full on October 1, 2009.

1998 Pension Obligation Bonds

The County has outstanding pension obligation bonds (the 1998 POBs) that are payable from the County general fund. The 1998 POBs were issued in the original principal amount of \$9,140,000, and mature on June 1, 2017. As of June 30, 2010, the outstanding principal amount of the 1998 POBs was \$6,580,000.

Special Assessment Debt and Sewer System Construction

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

Contract Payable

In February 2005, the County transferred the Trinity Hospital to Mountain Community Medical Services Authority (MCMS). As stated in the project agreement, Trinity Public Utilities District (TPUD) was willing to use up to \$1.8 million of its existing reserves (up to \$2.789 million according to Amendment No.1 Project Agreement No.1) to temporarily assume responsibility to manage and direct MCMS and support hospital and health care services. The County is solely responsible for refunding TPUD for the use of these funds to help MCMS carry out its obligations and has reported an estimated liability for the amount of the reserve in the governmental activities of the Statement of Net Assets since the liability cannot be exactly determined at the report date. All TPUD reserves transferred to MCMS shall be fully reimbursed with accrued interest equal to what TPUD would have earned if the transferred amount were deposited with the Local Agency Investment Fund (LAIF) or its equivalent.

In accordance with the agreement, TPUD increased electrical rates for all electric services paid for by the County effective until TPUD's said reserves have been fully reimbursed with interest.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 6: Long-Term Debt (continued)

Hospital District Operations

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

Status of Accumulated Hospital Fund Operating Deficit

As a former County enterprise, the operations of the former Trinity Hospital were accounted for in a separate enterprise fund (the Hospital Fund) in the audited financial statements of the County.

Prior to the transfer of the former Trinity Hospital to the Authority and subsequently to the District, the hospital Fund had an accumulated deficit in the amount of \$7.5 million, which remains in the County pooled treasury. As of June 30, 2010, the total accumulated deficit was \$7,714,507.

Note 7: Landfill Closure and Post-closure Maintenance Costs

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

The recognition of the estimated liability for closure and post-closure maintenance costs is based on the estimated remaining life of the landfill. The estimated liability of all County landfill sites for closure and post-closure maintenance costs was \$ 339,058 for fiscal year 2010, and was based on approximately 73.85% usage (filled) of the landfill. It is estimated that an additional \$ 2,754,333 liability will be incurred as closure and post-closure maintenance costs between the date of the balance sheet and the date the landfills are expected to be closed. The estimated total current cost of the landfill closure and post-closure maintenance costs of \$3,126,443 is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of the balance sheet date. However, the costs for landfill closure and post-closure maintenance are based on yearly estimates, reviewed by the California Integrated Waste Management Board, as prepared by the County.

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

The County is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure maintenance costs. The County has established a trust fund to maintain the funds necessary to be in compliance with state and federal financial assurance requirements. The balance of the monies held in reserve to finance closure and post-closure maintenance costs at year end was \$381,432.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 8: Operating Leases

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

Fiscal Year Ending June 30	Payments
2011	\$ 285,473
2012	274,138
2013	254,132
2014	82,800
2015	-
Total	<u>\$ 896,543</u>

Rent expenditures were \$365,797 for the fiscal year ended June 30, 2010.

Note 9: Net Assets/Fund Balances

Net Assets

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

- *Invested in Capital Assets, Net of Related Debt* - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Assets* - This category represents net assets of the County, not restricted for any project or other purpose.
- When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Balances

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. As of June 30, 2010, reservations of fund balance are described below:

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 9: Net Assets/Fund Balances(continued)

The term "reserved" is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The County's management will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans. Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

The County has "reserved" fund balances as follows:

- *Reserved for imprest cash* - unavailable for appropriation because the County maintains various levels of revolving funds for daily operations.
- *Reserved for road reserves* - to reflect amounts reserved by the County to cover emergencies.
- *Reserved for inventory and pre-paids* - unavailable for appropriation since the expenditure was already recognized at the time of purchase.
- *Reserved for debt repayment* - represents the portion of fund balance available to fund future long-term debt liabilities.
- *Reserved for loans/advances* - represents long-term receivables from other funds. The portion of fund balance representing the advance does not represent an available spendable resource.

Note 10: Prior Period Adjustments

The special items consist of funds transferred from Miscellaneous Special Revenue Funds to the Solid Waste Fund (the Post-Closure Fund) and Funds transferred from Agency funds to Miscellaneous Special Revenue Funds (Tax Reserve fund and Tax Loss Fund).

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

	Governmental Activities	Governmental Funds
Prior Period Adjustments:		
Beginning balance July 1, 2009	\$ 116,847,162	\$ 20,521,606
Adjustments:		
General Fund:		
Prior year revenues over prior year expenditures	883,299	883,299
Non-Major Governmental Funds net of revenues and expenditures	116,529	116,529
Copier Fund prior year revenues	2,671	-
Motor Pool prior year revenues	3,610	-
Adjustments of capital assets to client schedule	752,659	-
Net OPEB adjustment	40,568,289	-
Total Prior Period Adjustments	42,327,057	999,828
Beginning balance July 1, 2009 as restated	\$ 159,174,219	\$ 21,521,434

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

Note 10: Prior Period Adjustments(continued)

	<u>Business-Type Activities</u>
Prior Period Adjustments:	
Beginning balance July 1, 2009	\$ (3,675,866)
Adjustments:	
Waterworks District No. 1 change report to use prior year	351,747
Cemetary Fund prior year revenues	100
Transit Fund:	
Prior year revenues over prior year expenses	2,979
Net OPEB adjustment	409,538
Solid Waste Fund:	
Adjustment of balance sheet accounts to fund balance	
Adjustment of capital assets	
Prior year revenues over prior year expenses	17,448
Net OPEB adjustment	4,128,252
Total Prior Period Adjustments	<u>4,910,064</u>
Beginning balance July 1, 2008 as restated	<u>\$ 1,234,198</u>

Note 11: Deficit Fund Balance/Net Assets

The following funds had deficit fund balances/deficit net assets at June 30, 2010:

Non-Major Governmental Funds:	
Miscellaneous Grants	\$ 453,998
Federal Grants	11,463
Special Aviation	82,790
Bioterrorism	522
ADA Sheriff	1,418
Natural Resources	256,656
WIC	25,126
Pandemic Flu	1,791
Emergency Services	72,227
Capital Projects	72,361
Total Non-Major Governmental Funds	<u>\$ 978,352</u>
Proprietary Funds:	
Hospital	\$ 7,714,507
Solid Waste	2,154,379
Total Proprietary Funds	<u>\$ 9,868,886</u>

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

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 12: Public Employee Retirement System

Plan Description

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

Funding Policy

The County makes the contribution required of County employees on their behalf and for their account in the amount of 7% for miscellaneous employees and 9% for safety employees. The employee rates are set by statute and therefore generally remain unchanged from year to year. The present employer actuarially determined rates of annual covered payroll were 17.359% for miscellaneous employees and 28.729% for safety employees. For the year ended June 30, 2010, the County contributed \$3,276,317 on employees' behalf and for their account.

Annual Pension Cost

For fiscal year 2009-2010, the County's annual pension cost of \$2,317,126 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2007 actuarial report. The assumptions included 7.75% investment rate of return (net of administrative expenses) and projected annual salary increases that vary by duration of service and included an inflation component of 3.25%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis.

THREE-YEAR TREND INFORMATION FOR PERS

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2008	\$ 2,505,222	100%	\$ -
6/30/2009	\$ 2,471,838	100%	\$ -
6/30/2010	\$ 2,317,126	100%	\$ -

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 13: Post-Employment Health Care Benefits

The County provides post-employment medical, dental and life insurance benefits through the Public Employment Benefit Services (PARS) that provides retirees with health insurance through the PERS Choice health insurance plan. To qualify an employee must have attained age 50 and a minimum of 5 years of CalPERS-credited service and be eligible to retire (Service retirement through CalPERS). The County will pay the single member monthly premium but the employee is responsible for spouses and dependents.

As of June 30, 2010, the County had on deposit \$265,600 in the PARS trust for payment of its OPEB liability. The County is charging each department \$3.25 per hour for Post employment benefits. This charge funds the pay-as-you-go cost of about \$1.5 million annually. During the fiscal year 2008-09, 281 retirees received benefits at a cost of \$1,356,335.

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

Year Ended June 30	Annual OPEB-Subsidy Obligation	Annual Actual Contribution	Percentage of Annual Cost Contribution	Net Pension Obligation End of Year
2009	\$ 5,806	\$ 2,031 ¹	24.59%	\$ 3,775
2010	\$ 4,122	\$ 1,720	32.90%	\$ 6,177

¹ Prior year contributions made were understated by \$603,125; \$305,765 in designated funds and \$297,360 prior year contributions not reported.

The status of the net OPEB obligation as of June 30, 2010 (the most recent actuarial valuation date) was as follows:

Annual required contribution	\$ 4,109,121
Interest on net OPEB-implicit subsidy obligation	175,135
Adjustment to annual required contribution	<u>(161,777)</u>
Annual OPEB-implicit subsidy cost	4,122,479
Contribution made	<u>1,720,168</u>
Increase in obligation	2,402,311
Net OPEB-implicit subsidy obligation - beginning of year	4,378,378
Prior Period Adjustment	<u>(603,125) ¹</u>
Net OPEB-implicit subsidy obligation - end of year	<u><u>\$ 6,177,564</u></u>

¹ Prior year contributions made were understated by \$603,125; \$305,765 in designated funds and \$297,360 prior year contributions not reported.

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 13: Post-Employment Health Care Benefits(continued)

The funding status of the plan as of June 30, 2009 (the most recent actuarial valuation date) was as follows:

Actuarial value of plan assets	\$	241,888
Unfunded actuarial accrued liability (UAAL)	\$	52,469,403
Funded ratio (actuarial value of plan assets/AAL)		0.46%
Covered payroll (active plan members)	\$	12,243,107
UAAL as a percentage of covered payroll		428.56%

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

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

The unfunded actuarial liability is amortized over a period of 30 years from July 1, 2006, with payments increasing by a payroll growth assumption of 3.25% per annum. Payments are assumed to be made throughout the year. Subsequent gains and losses and benefit improvements will be amortized over the same remaining period

Note 14: Risk Management

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

The County is a member of a joint powers agency (JPA) called Trindel Insurance. The County also belongs to another larger JPA called the County Supervisors Association of California Excess Insurance Authority (CSACEIA). CSACEIA along with other commercial carriers increases the coverage for general liability to \$29.9 million. Also, CSACEIA, with other commercial carriers, covers replacement cost on property to \$50 million with a \$500,000 deductible per occurrence. The County has acquired \$5 million

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 14: Risk Management(continued)

coverage through Trindel Insurance Company.

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

Changes in the balance of claims liability during the fiscal years ended June 30, 2010 and 2009 was as follows:

	2010 ¹	2009 ¹
Unpaid claims, Beginning	\$ 304,880	\$ 303,324
Incurred claims (including IBNRs) current year and adjustments	593,371	32,394
Claim payments	<u>(167,807)</u>	<u>(30,838)</u>
Unpaid claims, Ending	<u>\$ 730,444</u>	<u>\$ 304,880</u>

¹ We are reporting the claims liability activity based on Trindell's audited financial statements for June 30, 2009 and 2008 respectively as 2010 and 2009 liabilities because of concerns of the future availability of timely data.

Note 15: Contingent Liabilities

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

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

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

Transfer of Hospital- As of June 30, 2010 the County's obligation to TPUD is \$1,813,777 for the advance of hospital operating cash through December 31, 2006 (see note 6). Per the Agreement

COUNTY OF TRINITY

NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2010

Note 15: Contingent Liabilities (continued)

with TPUD, the County commenced repayment through an electrical rate surcharge, not to exceed \$150,000 per year, starting January 1, 2006.

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

Note 16: Proposition 1A Borrowing by the State of California

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

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

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

Note 17: Subsequent Events

On August 3, 2010, the County entered into a loan agreement with a financial institution for \$3,000,000 at 3.25%. The loan was used as part of a cash management policy to maintain the County's working capital until sufficient taxes or revenues were collected to fund the County's operations. \$1,000,000 was paid back on December 21, 2010, and the final amount of \$2,000,000 is scheduled to be paid on or before the due date.



REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF TRINITY

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2010

	151	151	151	Variance with Final Budget Positive (Negative)
	171	171	171	
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues:				
Taxes	\$ 5,489,087	\$ 5,489,087	\$ 5,940,397	\$ 451,310
Licenses and permits	510,295	516,656	529,395	12,739
Fines, forfeitures and penalties	100,925	100,925	161,658	60,733
Use of money and property	65,110	65,297	38,552	(26,745)
Intergovernmental	3,120,914	2,968,660	2,916,195	(52,465)
Charges for services	2,645,225	2,845,129	3,048,319	203,190
Other revenues	281,520	695,883	824,556	128,673
Total Revenues	12,213,076	12,681,637	13,459,072	777,435
Expenditures:				
Current:				
General government	3,053,180	3,182,044	2,964,328	217,716
Public protection	8,432,471	8,496,118	7,846,522	649,596
Public ways and facilities	2,500	2,500	2,496	4
Health and sanitation	2,026,192	2,026,192	1,824,616	201,576
Public assistance	63,773	65,321	56,791	8,530
Education	345,351	357,391	345,966	11,425
Recreation and culture	--	--	--	--
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Capital outlay	35,000	125,533	81,731	43,802
Total Expenditures	13,958,467	14,255,099	13,122,450	1,132,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,745,391)</u>	<u>(1,573,462)</u>	<u>336,622</u>	<u>1,910,084</u>
Other Financing Sources (Uses):				
Transfers in	2,770,178	1,913,718	1,585,812	(327,906)
Transfers out	<u>(1,004,787)</u>	<u>(1,133,129)</u>	<u>(1,317,458)</u>	<u>184,329</u>
Total Other Financing Sources (Uses)	1,765,391	780,589	268,354	(143,577)
Net Changes in Fund Balances	20,000	(792,873)	604,976	1,397,849
Fund Balances, Beginning of Year	4,002,542	4,002,542	5,028,897	1,026,355
Increase (decrease) in deposits and inventories	--	--	447,809	447,809
Prior Period Adjustment	--	--	883,299	883,299
Fund Balances, End of Year	\$ 4,022,542	\$ 3,209,669	\$ 6,964,981	\$ 3,755,312

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government				
Budget Unit:				
<i>Board of Supervisors</i>				
Salaries and Benefits	\$ 259,786	\$ 253,170	\$ 243,140	\$ 10,030
Services and Supplies	75,120	91,520	85,897	5,623
Interfund expense	3,000	--	--	--
Intrafund Expense	35,895	35,895	35,895	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	373,801	380,585	364,932	15,653
<i>Administration and Personnel</i>				
Salaries and Benefits	383,243	366,110	348,718	17,392
Services and Supplies	18,000	31,937	23,211	8,726
Interfund expense	1,500	1,500	1,172	328
Intrafund Expense	(63,072)	(63,072)	(63,072)	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	339,671	336,475	310,029	26,446
<i>Auditor-Controller's Office</i>				
Salaries and Benefits	506,300	464,646	442,731	21,915
Services and Supplies	98,626	161,426	161,408	18
Interfund expense	500	--	15	(15)
Intrafund Expense	(127,669)	(127,669)	(127,669)	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	477,757	498,403	476,485	21,918
<i>Treasurer-Tax Collector</i>				
Salaries and Benefits	246,566	253,364	239,061	14,303
Services and Supplies	51,250	51,250	50,048	1,202
Interfund expense	500	500	--	500
Intrafund Expense	(22,000)	(22,000)	(21,775)	(225)
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	276,316	283,114	267,334	15,780

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
Budget Unit:				
<i>Assessor</i>				
Salaries and Benefits	\$ 238,321	\$ 226,262	\$ 212,990	\$ 13,272
Services and Supplies	24,000	28,400	28,400	--
Interfund expense	--	--	--	--
Intrafund Expense	20,150	20,150	20,150	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>282,471</u>	<u>274,812</u>	<u>261,540</u>	<u>13,272</u>
<i>Delinquent collections</i>				
Salaries and Benefits	209,775	209,775	187,896	21,879
Services and Supplies	19,300	19,300	16,326	2,974
Interfund expense	--	--	--	--
Intrafund Expense	12,347	12,347	12,347	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>241,422</u>	<u>241,422</u>	<u>216,569</u>	<u>24,853</u>
<i>Collections</i>				
Salaries and Benefits	47,131	46,250	44,160	2,090
Services and Supplies	3,790	3,790	3,790	--
Interfund expense	--	--	--	--
Intrafund Expense	6,405	6,405	6,405	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>57,326</u>	<u>56,445</u>	<u>54,355</u>	<u>2,090</u>
<i>County Counsel</i>				
Salaries and Benefits	1,282	2,628	2,627	1
Services and Supplies	117,500	147,703	118,103	29,600
Interfund expense	--	--	--	--
Intrafund Expense	(8,651)	(8,651)	(8,651)	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>110,131</u>	<u>141,680</u>	<u>112,079</u>	<u>29,601</u>

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
Budget Unit:				
<i>Elections Department</i>				
Salaries and Benefits	\$ 15,698	\$ 17,198	\$ 16,589	\$ 609
Services and Supplies	45,025	47,447	47,360	87
Interfund expense	--	78	78	--
Intrafund Expense	12,257	12,257	12,257	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>72,980</u>	<u>76,980</u>	<u>76,284</u>	<u>696</u>
<i>General Services</i>				
Salaries and Benefits	401,697	433,264	412,877	20,387
Services and Supplies	196,442	248,317	244,646	3,671
Interfund expense	27,344	7,116	6,388	728
Intrafund Expense	(269,639)	(269,639)	(269,639)	--
Other Charges	500	2,893	2,539	354
Capital Outlay	--	--	--	--
Total Expenditures	<u>356,344</u>	<u>421,951</u>	<u>396,811</u>	<u>25,140</u>
<i>Insurance General</i>				
Salaries and Benefits	103,536	100,682	83,034	17,648
Services and Supplies	188,650	193,650	190,806	2,844
Interfund expense	600	600	449	151
Intrafund Expense	(160,413)	(160,413)	(160,413)	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>132,373</u>	<u>134,519</u>	<u>113,876</u>	<u>20,643</u>
<i>Surveyor</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	--	--	--	--
Interfund expense	40,630	40,630	40,566	64
Intrafund Expense	468	468	468	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>41,098</u>	<u>41,098</u>	<u>41,034</u>	<u>64</u>

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government (continued)				
Budget Unit:				
<i>Information Technology</i>				
Salaries and Benefits	\$ 307,578	\$ 334,827	\$ 318,274	\$ 16,553
Services and Supplies	86,900	67,096	62,742	4,354
Interfund expense	5,000	625	533	92
Intrafund Expense	(164,000)	(164,000)	(164,562)	562
Other Charges	--	--	--	--
Capital Outlay	15,000	37,800	37,798	2
Total Expenditures	<u>250,478</u>	<u>276,348</u>	<u>254,785</u>	<u>21,563</u>
<i>Director of General Planning</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	--	--	--	--
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>County Advertising</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	--	--	--	--
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	56,012	56,012	56,012	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>56,012</u>	<u>56,012</u>	<u>56,012</u>	<u>--</u>
Total General Government	<u>3,068,180</u>	<u>3,219,844</u>	<u>3,002,125</u>	<u>217,719</u>

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection				
Budget Unit:				
<i>Court Services</i>				
Salaries and Benefits	\$ 700	\$ 700	\$ 672	\$ 28
Services and Supplies	9,000	10,020	10,014	6
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>9,700</u>	<u>10,720</u>	<u>10,686</u>	<u>34</u>
<i>Grand Jury</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	21,600	30,204	28,713	1,491
Interfund expense	--	--	--	--
Intrafund Expense	1,873	2,269	2,269	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>23,473</u>	<u>32,473</u>	<u>30,982</u>	<u>1,491</u>
<i>District Attorney-Public Advocate</i>				
Salaries and Benefits	546,836	510,089	484,376	25,713
Services and Supplies	68,681	72,881	55,985	16,896
Interfund expense	1,568	1,568	1,323	245
Intrafund Expense	63,782	63,782	63,782	--
Other Charges	--	--	--	--
Capital Outlay	--	43,800	--	43,800
Total Expenditures	<u>680,867</u>	<u>692,120</u>	<u>605,466</u>	<u>86,654</u>
<i>Coroner</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	27,234	26,334	22,882	3,452
Interfund expense	--	--	--	--
Intrafund Expense	522	522	522	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>27,756</u>	<u>26,856</u>	<u>23,404</u>	<u>3,452</u>

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued)				
Budget Unit:				
<i>Public Defender</i>				
Salaries and Benefits	\$ --	\$ --	\$ --	\$ --
Services and Supplies	427,000	427,000	326,690	100,310
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	427,000	427,000	326,690	100,310
<i>Sheriff Department</i>				
Salaries and Benefits	1,588,231	1,702,874	1,598,999	103,875
Services and Supplies	230,920	315,207	300,267	14,940
Interfund expense	64,000	42,000	38,297	3,703
Intrafund Expense	190,712	192,912	192,912	--
Other Charges	--	--	--	--
Capital Outlay	20,000	43,933	43,933	--
Total Expenditures	2,093,863	2,296,926	2,174,408	122,518
<i>Search and Rescue</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	4,868	4,868	4,431	437
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	4,868	4,868	4,431	437
<i>Jail</i>				
Salaries and Benefits	1,382,202	1,240,550	1,157,574	82,976
Services and Supplies	262,560	275,239	268,199	7,040
Interfund expense	1,700	1,700	--	1,700
Intrafund Expense	123,505	123,505	123,505	--
Other Charges	9,000	9,000	5,959	3,041
Capital Outlay	--	--	--	--
Total Expenditures	1,778,967	1,649,994	1,555,237	94,757

The accompanying notes are an integral part of these financial statements

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued)				
Budget Unit:				
<i>Animal Control</i>				
Salaries and Benefits	\$ 125,947	\$ 126,883	\$ 121,469	\$ 5,414
Services and Supplies	13,382	19,710	17,858	1,852
Interfund expense	2,400	1,735	1,661	74
Intrafund Expense	13,718	13,718	13,718	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>155,447</u>	<u>162,046</u>	<u>154,706</u>	<u>7,340</u>
<i>Probation Department</i>				
Salaries and Benefits	758,170	738,170	665,963	72,207
Services and Supplies	73,100	77,993	77,994	(1)
Interfund expense	6,000	7,400	6,943	457
Intrafund Expense	64,394	64,394	64,394	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>901,664</u>	<u>887,957</u>	<u>815,294</u>	<u>72,663</u>
<i>Fire Protection</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	--	--	--	--
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	10,766	10,766	6,045	4,721
Capital Outlay	--	--	--	--
Total Expenditures	<u>10,766</u>	<u>10,766</u>	<u>6,045</u>	<u>4,721</u>
<i>Juvenile Hall</i>				
Salaries and Benefits	788,635	788,635	731,287	57,348
Services and Supplies	149,800	150,941	150,942	(1)
Interfund expense	65,000	74,849	74,849	--
Intrafund Expense	107,582	107,582	107,584	(2)
Other Charges	5,000	5,000	4,662	338
Capital Outlay	--	--	--	--
Total Expenditures	<u>1,116,017</u>	<u>1,127,007</u>	<u>1,069,324</u>	<u>57,683</u>

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued)				
Budget Unit:				
<i>Building Inspector</i>				
Salaries and Benefits	\$ 400,345	\$ 415,664	\$ 355,594	\$ 60,070
Services and Supplies	55,325	53,493	40,272	13,221
Interfund expense	39,200	39,700	39,674	26
Intrafund Expense	82,560	82,560	82,560	--
Other Charges	250	1,582	1,582	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>577,680</u>	<u>592,999</u>	<u>519,682</u>	<u>73,317</u>
<i>Agriculture Commissioner</i>				
Salaries and Benefits	184,468	192,098	180,143	11,955
Services and Supplies	18,820	24,512	24,271	241
Interfund expense	5,515	5,515	2,690	2,825
Intrafund Expense	11,186	11,186	11,186	--
Other Charges	9,000	9,000	9,000	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>228,989</u>	<u>242,311</u>	<u>227,290</u>	<u>15,021</u>
<i>Recorder</i>				
Salaries and Benefits	93,210	95,160	91,324	3,836
Services and Supplies	26,600	25,759	25,660	99
Interfund expense	--	--	--	--
Intrafund Expense	22,906	22,906	22,901	5
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>142,716</u>	<u>143,825</u>	<u>139,885</u>	<u>3,940</u>
<i>LAFCO</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	--	--	--	--
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	7,000	7,000	7,000	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>--</u>

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Protection (continued)				
Budget Unit:				
<i>Planning Department</i>				
Salaries and Benefits	\$ 115,797	\$ 119,082	\$ 97,540	\$ 21,542
Services and Supplies	69,750	60,375	33,028	27,347
Interfund expense	40,700	50,000	49,851	149
Intrafund Expense	39,451	39,451	39,451	--
Other Charges	--	75	55	20
Capital Outlay	--	--	--	--
Total Expenditures	<u>265,698</u>	<u>268,983</u>	<u>219,925</u>	<u>49,058</u>
Total Public Protection	<u>8,452,471</u>	<u>8,583,851</u>	<u>7,890,455</u>	<u>693,396</u>
Public Ways and Facilities				
<i>Public Works Miscellaneous</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	2,500	--	--	--
Interfund expense	--	2,500	2,496	4
Intrafund Expense	--	--	--	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Public Ways and Facilities	<u>2,500</u>	<u>2,500</u>	<u>2,496</u>	<u>4</u>
Health and Sanitation				
<i>Health Department</i>				
Salaries and Benefits	559,233	559,233	524,745	34,488
Services and Supplies	335,142	331,568	280,444	51,124
Interfund expense	371,746	371,746	314,644	57,102
Intrafund Expense	39,848	43,422	43,421	1
Other Charges	720,223	720,223	661,362	58,861
Capital Outlay	--	--	--	--
Total Expenditures	<u>2,026,192</u>	<u>2,026,192</u>	<u>1,824,616</u>	<u>201,576</u>

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Sanitation (continued)				
Budget Unit:				
<i>Hospital General Fund</i>				
Salaries and Benefits	\$ --	\$ --	\$ --	\$ --
Services and Supplies	--	--	--	--
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Health and Sanitation	<u>2,026,192</u>	<u>2,026,192</u>	<u>1,824,616</u>	<u>201,576</u>
	411,594			
Public Assistance				
<i>Veteran's Services Office:</i>				
Salaries and Benefits	51,665	52,932	45,372	7,560
Services and Supplies	1,655	1,655	985	670
Interfund expense	--	--	--	--
Intrafund Expense	5,099	5,099	5,099	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>58,419</u>	<u>59,686</u>	<u>51,456</u>	<u>8,230</u>
<i>Agency on Aging</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	--	--	--	--
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	5,054	5,335	5,335	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>5,054</u>	<u>5,335</u>	<u>5,335</u>	<u>--</u>

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual-General Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Assistance (continued)				
Budget Unit:				
<i>Commission on Aging</i>				
Salaries and Benefits	\$ --	\$ --	\$ --	\$ --
Services and Supplies	300	300	--	300
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>300</u>	<u>300</u>	<u>--</u>	<u>300</u>
Total Public Assistance	<u>63,773</u>	<u>65,321</u>	<u>56,791</u>	<u>8,530</u>
Education				
<i>Library Department:</i>				
Salaries and Benefits	177,606	185,360	177,356	8,004
Services and Supplies	34,693	33,462	33,464	(2)
Interfund expense	--	--	--	--
Intrafund Expense	76,717	76,717	76,717	--
Other Charges	--	4,304	4,304	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>289,016</u>	<u>299,843</u>	<u>291,841</u>	<u>8,002</u>
<i>Trinity County COOP Extension:</i>				
Salaries and Benefits	50,549	51,762	48,716	3,046
Services and Supplies	2,568	2,568	2,191	377
Interfund expense	--	--	--	--
Intrafund Expense	3,218	3,218	3,218	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>56,335</u>	<u>57,548</u>	<u>54,125</u>	<u>3,423</u>
Total Education	<u>345,351</u>	<u>357,391</u>	<u>345,966</u>	<u>11,425</u>
Total Expenditures General Fund	<u>\$ 13,958,467</u>	<u>\$ 14,255,099</u>	<u>\$ 13,122,449</u>	<u>\$ 1,132,650</u>

COUNTY OF TRINITY

Schedule of Transfers - Budget and Actual - General Fund -
Budget Units
For the Fiscal Year Ended June 30, 2010

Schedule of Transfers	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>General Fund General</i>				
Transfer in	\$ 895,700	\$ 2,000	\$ 2,291	\$ 291
Transfer out	--	--	--	--
<i>Board of Supervisors</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(9,978)	9,978
<i>Administration and Personnel</i>				
Transfer in	--	--	--	--
Transfer out	--	(30,582)	(47,974)	17,392
<i>Auditor-Controller's Office</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(20,819)	20,819
<i>Treasurer-Tax Collector</i>				
Transfer in	30,000	30,000	30,000	--
Transfer out	--	--	(11,561)	11,561
<i>Assessor</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(10,134)	10,134
<i>Delinquent collections</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(10,416)	10,416
<i>Collections</i>				
Transfer in	--	--	--	--
Transfer out	--	(2,600)	(4,649)	2,049
<i>County Counsel</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Elections Department</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(615)	615
<i>General Reserve</i>				
Transfer in	--	46,216	46,216	--
Transfer out	--	--	--	--
<i>General Services</i>				
Transfer in	--	29,891	29,891	--
Transfer out	--	(383)	(17,712)	17,329
<i>Insurance General</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(3,968)	3,968
<i>Surveyor</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Information Technology</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(16,524)	16,524

COUNTY OF TRINITY

Schedule of Transfers - Budget and Actual - General Fund -
Budget Units
For the Fiscal Year Ended June 30, 2010

Schedule of Transfers (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Contribution to other Funds</i>				
Transfer in	--	--	--	--
Transfer out	(798,091)	(910,524)	(733,133)	(177,391)
<i>Director of General Planning</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>County Advertising</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Court Services</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Grand Jury</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>District Attorney-Public Advocate</i>				
Transfer in	4,000	4,000	3,615	(385)
Transfer out	--	(50,000)	(24,119)	(25,881)
<i>Coroner</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Public Defender</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Sheriff Department</i>				
Transfer in	100,000	100,000	100,000	--
Transfer out	(81,678)	(81,678)	(173,499)	91,821
<i>Search and Rescue</i>				
Transfer in	4,318	4,318	4,310	(8)
Transfer out	--	--	--	--
<i>Jail</i>				
Transfer in	87,656	20,000	23,315	3,315
Transfer out	(67,656)	--	(58,448)	58,448
<i>Animal Control</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(5,413)	5,413
<i>Probation Department</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(43,326)	43,326
<i>Fire Protection</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Juvenile Hall</i>				
Transfer in	--	35,289	44,638	9,349
Transfer out	--	--	(43,430)	43,430
<i>Building Inspector</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(17,445)	17,445

COUNTY OF TRINITY

Schedule of Transfers - Budget and Actual - General Fund -
Budget Units
For the Fiscal Year Ended June 30, 2010

Schedule of Transfers (continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Agriculture Commissioner</i>				
Transfer in	\$ --	\$ --	\$ --	\$ --
Transfer out	--	--	(9,252)	9,252
<i>Recorder</i>				
Transfer in	20,000	18,000	18,000	--
Transfer out	--	--	(3,835)	3,835
<i>LAFCO</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Planning Department</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(4,636)	4,636
<i>Public Works Miscellaneous</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Health Department</i>				
Transfer in	1,628,504	1,624,004	1,283,536	(340,468)
Transfer out	(57,362)	(57,362)	(34,934)	(22,428)
<i>Hospital General Fund</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Veteran's Services Office:</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(1,971)	1,971
<i>Agency on Aging</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Commission on Aging</i>				
Transfer in	--	--	--	--
Transfer out	--	--	--	--
<i>Library Department:</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(7,995)	7,995
<i>Trinity County COOP Extension:</i>				
Transfer in	--	--	--	--
Transfer out	--	--	(1,672)	1,672
Total Transfers General Fund				
Transfer in	2,770,178	1,913,718	1,585,812	(327,906)
Transfer out	(1,004,787)	(1,133,129)	(1,317,458)	184,329
Total Other Financing Sources (Uses)	\$ 1,765,391	\$ 780,589	\$ 268,354	\$ (143,577)

COUNTY OF TRINITY

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Road Fund
For the Fiscal Year Ended June 30, 2010

	102		102		Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts		
	Original	Final			
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	9,640	9,640	16,883	7,243	
Fines, forfeitures and penalties	--	--	--	--	--
Use of money and property	15,000	15,000	5,142	(9,858)	
Intergovernmental	11,533,643	11,533,643	7,125,123	(4,408,520)	
Charges for services	809,200	809,200	846,004	36,804	
Other revenues	14,000	14,000	4,895	(9,105)	
Total Revenues	12,381,483	12,381,483	7,998,047	(4,383,436)	
Expenditures:					
Current:					
General government	--	--	--	--	--
Public protection	--	--	--	--	--
Public ways and facilities	11,427,551	11,427,551	6,819,354	4,608,197	
Health and sanitation	--	--	--	--	--
Public assistance	--	--	--	--	--
Education	--	--	--	--	--
Recreation and culture	--	--	--	--	--
Debt service - principal	--	--	--	--	--
Debt service - interest	--	--	--	--	--
Capital outlay	502,000	502,000	20,052	481,948	
Total Expenditures	11,929,551	11,929,551	6,839,406	5,090,145	
Excess (Deficiency) of Revenues Over (Under) Expenditures	451,932	451,932	1,158,641	706,709	
Other Financing Sources (Uses):					
Transfers in	1,300,000	1,300,000	1,383,824	83,824	
Transfers out	(1,750,000)	(1,750,000)	(2,170,239)	420,239	
Total Other Financing Sources (Uses)	(450,000)	(450,000)	(786,415)	504,063	
Net Changes in Fund Balances	1,932	1,932	372,226	370,294	
Fund Balances, Beginning of Year	1,900,084	1,900,084	1,610,360	(289,724)	
Increase (decrease) in deposits and inventories	--	--	75,060	75,060	
Prior Period Adjustment	--	--	--	--	
Fund Balances, End of Year	\$ 1,902,016	\$ 1,902,016	\$ 2,057,646	\$ 155,630	

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual - Road Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Ways and Facilities				
Budget Unit:				
<i>Public Works:</i>				
Salaries and Benefits	\$ 4,264,349	\$ 4,264,349	\$ 3,864,036	400,313
Services and Supplies	5,471,130	5,471,130	2,743,511	2,727,619
Interfund expense	197,572	197,572	195,601	1,971
Intrafund Expense	--	--	--	--
Other Charges	1,494,500	1,494,500	16,206	1,478,294
Capital Outlay	502,000	502,000	20,052	481,948
Total Expenditures Road Fund	<u>\$ 11,929,551</u>	<u>\$ 11,929,551</u>	<u>\$ 6,839,406</u>	<u>\$ 5,090,145</u>

COUNTY OF TRINITY

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Human Services Fund
For the Fiscal Year Ended June 30, 2010

	111		111	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final	Amounts	
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	(1,500)	(1,500)	349	1,849
Intergovernmental	6,521,785	6,606,107	5,865,109	(740,998)
Charges for services	150,148	156,068	109,104	(46,964)
Other revenues	17,000	23,000	22,036	(964)
Total Revenues	6,687,433	6,783,675	5,996,598	(787,077)
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	51,664	59,942	46,750	13,192
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	7,495,022	7,553,209	6,708,499	844,710
Education	--	--	--	--
Recreation and culture	--	--	--	--
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Capital outlay	50,000	79,777	102,545	(22,768)
Total Expenditures	7,596,686	7,692,928	6,857,794	835,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	(909,253)	(909,253)	(861,196)	48,057
Other Financing Sources (Uses):				
Transfers in	932,376	932,376	864,099	(68,277)
Transfers out	(20,723)	(20,723)	(131,750)	111,027
Total Other Financing Sources (Uses)	911,653	911,653	732,349	42,750
Net Changes in Fund Balances	2,400	2,400	(128,847)	(131,247)
Fund Balances, Beginning of Year	145,316	145,316	164,952	19,636
Prior Period Adjustment	--	--	--	--
Fund Balances, End of Year	\$ 147,716	\$ 147,716	\$ 36,105	\$ (111,611)

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual - Human Services Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public protection				
Budget Unit:				
<i>Public Guardian:</i>				
Salaries and Benefits	\$ -	\$ -	\$ -	--
Services and Supplies	10,338	21,688	15,836	5,852
Interfund expense	41,326	38,254	30,914	7,340
Intrafund Expense	--	--	--	--
Other Charges	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures Public Protection	51,664	59,942	46,750	13,192
Public assistance				
Budget Unit:				
<i>Welfare Department:</i>				
Salaries and Benefits	2,969,679	2,876,771	2,523,121	353,650
Services and Supplies	845,376	896,471	777,974	118,497
Interfund expense	360,081	487,612	485,434	2,178
Intrafund Expense	--	--	--	--
Other Charges	162,494	128,963	128,962	1
Capital Outlay	50,000	79,777	102,545	(22,768)
Total Expenditures	4,387,630	4,469,594	4,018,036	451,558
Budget Unit:				
<i>Categorical Aids:</i>				
Salaries and Benefits	--	--	--	--
Services and Supplies	--	--	--	--
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	3,117,392	3,117,392	2,748,415	368,977
Capital Outlay	--	--	--	--
Total Expenditures	3,117,392	3,117,392	2,748,415	368,977

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual - Human Services Fund
Budget Units and Object Detail by Function
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance (continued)				
Budget Unit:				
<i>Indigent Care and Burial:</i>				
Salaries and Benefits	\$ --	\$ --	\$ --	\$ --
Services and Supplies	--	--	--	--
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	40,000	46,000	44,593	1,407
Capital Outlay	--	--	--	--
Total Expenditures	<u>40,000</u>	<u>46,000</u>	<u>44,593</u>	<u>1,407</u>
 Total Expenditures Public Assistance	<u>7,545,022</u>	<u>7,632,986</u>	<u>6,811,044</u>	<u>821,942</u>
 Total Expenditures Human Services Fund	<u>\$ 7,596,686</u>	<u>\$ 7,692,928</u>	<u>\$ 6,857,794</u>	<u>\$ 835,134</u>
 Schedule of Transfers by budget unit:				
<i>Public Guardian:</i>				
Transfer in	\$ 46,064	\$ 46,064	\$ 46,064	\$ --
Transfer out	--	--	--	--
<i>Welfare Department:</i>				
Transfer in	315,512	315,512	289,521	(25,991)
Transfer out	(20,723)	(20,723)	(131,750)	111,027
<i>Categorical Aids:</i>				
Transfer in	540,800	540,800	498,514	(42,286)
Transfer out	--	--	--	--
<i>Indigent Care and Burial:</i>				
Transfer in	30,000	30,000	30,000	--
Transfer out	--	--	--	--
 Total Transfers Human Services Fund				
Transfer in	932,376	932,376	864,099	(68,277)
Transfer out	(20,723)	(20,723)	(131,750)	111,027
Total Other Financing Sources (Uses)	<u>\$ 911,653</u>	<u>\$ 911,653</u>	<u>\$ 732,349</u>	<u>\$ 42,750</u>

COUNTY OF TRINITY

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
CDBG Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	--	12,000	10,741	(1,259)
Intergovernmental	--	293,500	162,816	(130,684)
Charges for services	--	--	--	--
Other revenues	--	160,000	23	(159,977)
Total Revenues	--	465,500	173,580	(291,920)
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	385,900	80,204	305,696
Education	--	--	--	--
Recreation and culture	--	--	--	--
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	--	385,900	80,204	305,696
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	79,600	93,376	13,776
Other Financing Sources (Uses):				
Transfers in	--	--	89,756	89,756
Transfers out	--	--	--	--
Loans receivable reallocation	--	--	(1,282,596)	(1,282,596)
Total Other Financing Sources (Uses)	--	--	(1,192,840)	(1,192,840)
Net Changes in Fund Balances	--	79,600	(1,099,464)	(1,179,064)
Fund Balances, Beginning of Year	2,518,073	2,518,073	2,956,852	438,779
Prior Period Adjustment	--	--	--	--
Fund Balances, End of Year	\$ 2,518,073	\$ 2,597,673	\$ 1,857,388	\$ (740,285)

COUNTY OF TRINITY

Schedule of Expenditures - Budget and Actual - CDBG Fund
 Budget Units and Object Detail by Function
 For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public assistance				
Budget Unit:				
<i>CDBG Rehab Account:</i>				
Salaries and Benefits	\$ --	\$ --	\$ --	\$ --
Services and Supplies	--	152,500	80,204	72,296
Interfund expense	--	--	--	--
Intrafund Expense	--	--	--	--
Other Charges	--	233,400	--	233,400
Capital Outlay	--	--	--	--
Total Expenditures CDBG Fund	<u>\$ -</u>	<u>\$ 385,900.00</u>	<u>\$ 80,204.00</u>	<u>\$305,696.00</u>

COUNTY OF TRINITY
Notes to the Required Supplementary Information
For the Year Ended June 30, 2010

BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

COUNTY OF TRINITY
Notes to the Required Supplementary Information
For the Year Ended June 30, 2010

1. SCHEDULE OF FUNDING PROGRESS - PENSION

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

FUNDED STATUS OF MISCELLANEOUS PLAN

Actuarial Valuation Date	(a) Actuarial Accrued Liability	(b) Actuarial Asset Value (AVA)	(a)-(b) Underfunded Actuarial Accrued Liability (UL)	(b)/(a) Funded Ratios		(c) Covered Payroll	[(a)-(b)/(c)] UL as a % of Payroll
				(AVA)	Market Rate		
6/30/2006	\$ 57,542,671	\$ 42,864,184	\$ 14,678,487 ¹	74.5%	79.1%	\$ 10,810,720	135.8
6/30/2007	61,399,428	\$ 46,602,645	\$ 14,796,783	75.9%	88.2%	\$ 11,401,960	129.8
6/30/2008	65,582,087	50,353,254	15,228,833	76.8%	78.4%	10,971,506	138.8

FUNDED STATUS OF SAFETY PLAN

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

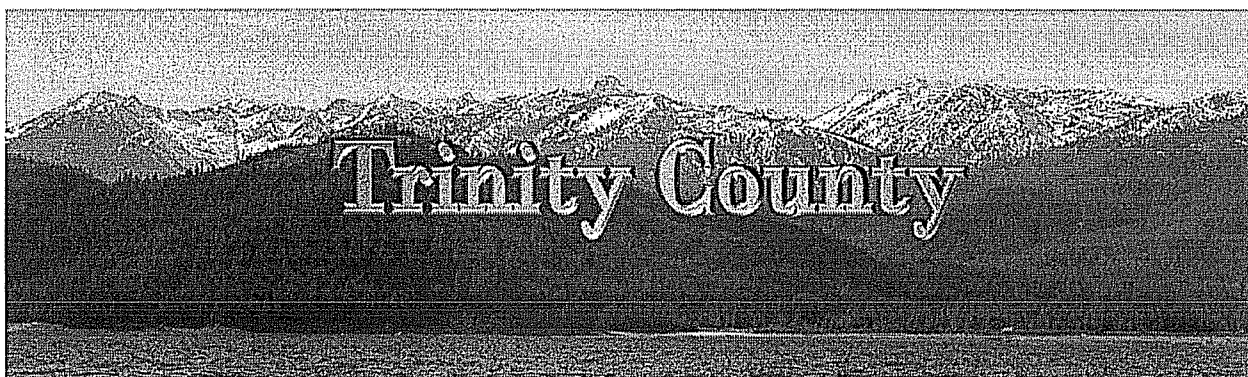
2. SCHEDULE OF FUNDING PROGRESS - OTHER POST-EMPLOYMENT BENEFITS

The table below shows a two year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial liability as a percentage of the annual covered payroll as of June 30, 2006 for the County Other Post-Employment Benefit Plan. As additional years are available, a three year trend analysis will be presented.

Actuarial Valuation Date	(a) Actuarial Accrued Liability	(b) Actuarial Asset Value (AVA)	(a)-(b) Underfunded Actuarial Accrued Liability (UL)	(b)/(a) Funded Ratio	(c) Covered Payroll	[(a)-(b)/(c)] UL as a % of Payroll
6/30/2009	52,469,403	\$ 241,888	\$ 52,227,515	0.5%	\$ 12,243,107	426.6



SUPPLEMENTARY FINANCIAL INFORMATION



Non-major Special Revenue Funds

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

COUNTY OF TRINITY

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total
<u>Assets</u>				
Cash and investments	\$ 5,310,135	\$ 728,385	\$ 105,166	\$ 6,143,686
Restricted Assets:				
Cash with fiscal agent	152	463,822	--	463,974
Imprest cash	75	--	--	75
Accounts receivable	2,556,498	--	--	2,556,498
Taxes receivable	1,696,733	--	--	1,696,733
Due from other governmental agencies	--	--	--	--
Interest receivable	15,605	696	166	16,467
Loans receivable	2,568,588	--	--	2,568,588
Advances to other funds	--	--	--	--
Due from other funds	4,333,246	--	--	4,333,246
Deposits with others	--	--	--	--
Inventory	--	--	--	--
Total Assets	<u>\$ 16,481,032</u>	<u>\$ 1,192,903</u>	<u>\$ 105,332</u>	<u>\$ 17,779,267</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 551,699	11,302	\$ --	\$ 563,001
Accrued salaries and benefits payable	--	--	--	--
Advances from other funds	105,964	--	42,854	148,818
Due to other funds	1,739,180	--	29,507	1,768,687
Deferred revenue	97,454	--	--	97,454
Other current liabilities	--	--	--	--
Total Liabilities	<u>2,494,297</u>	<u>11,302</u>	<u>72,361</u>	<u>2,577,960</u>
<u>Fund Balances</u>				
Reserved:				
Imprest Cash	75	--	--	75
Road Reserves	6,016,701	--	--	6,016,701
Inventory	--	--	--	--
Loans/advances	2,538,781	--	--	2,538,781
Unreserved, undesignated and reported in:				
General fund	--	--	--	--
Special revenue funds:	5,431,178	--	--	5,431,178
Debt service funds	--	1,181,601	--	1,181,601
Capital projects funds	--	--	32,971	32,971
Total Fund Balances	<u>13,986,735</u>	<u>1,181,601</u>	<u>32,971</u>	<u>15,201,307</u>
 Total Liabilities and Fund Balances	 <u>\$ 16,481,032</u>	 <u>\$ 1,192,903</u>	 <u>\$ 105,332</u>	 <u>\$ 17,779,267</u>

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Special Revenue Funds	Debt Service Fund	Capital Project Fund	Total
Revenues:				
Taxes	\$ 250,969	\$ --	\$ --	\$ 250,969
Licenses and permits	17,176	--	--	17,176
Fines, forfeitures and penalties	179,693	--	--	179,693
Use of money and property	118,845	1,164	5,640	125,649
Intergovernmental	13,577,952	68,016	--	13,645,968
Charges for services	110,413	--	--	110,413
Other revenues	73,462	--	--	73,462
Total Revenues	14,328,510	69,180	5,640	14,403,330
Expenditures:				
Current:				
General government	596,776	10,824	783	608,383
Public protection	2,124,832	--	--	2,124,832
Public ways and facilities	835,896	--	--	835,896
Health and sanitation	4,450,365	--	--	4,450,365
Public assistance	142,173	--	--	142,173
Education	--	--	--	--
Recreation and culture	--	--	--	--
Debt service - principal	--	720,000	--	720,000
Debt service - interest	24,475	1,005,611	--	1,030,086
Capital outlay	801,142	--	--	801,142
Total Expenditures	8,975,659	1,736,435	783	10,712,877
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,352,851	(1,667,255)	4,857	3,690,453
Other Financing Sources (Uses):				
Transfers in	6,847,247	1,556,669	383	8,404,299
Transfers out	(9,023,224)	--	(29,891)	(9,053,115)
Loans receivable reallocation	1,282,596	--	--	1,282,596
Total Other Financing Sources (Uses)	(893,381)	1,556,669	(29,508)	633,780
Net Changes in Fund Balances	4,459,470	(110,586)	(24,651)	4,324,233
Fund Balances, Beginning of Year	9,410,555	1,292,368	57,622	10,760,545
Prior Period Adjustment	116,710	(181)	--	116,529
Fund Balances, End of Year	\$ 13,986,735	\$ 1,181,601	\$ 32,971	\$ 15,201,307

COUNTY OF TRINITY

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	103	104	109	112
	Road Reserves	Road Construction Reserve	Tobacco Program	Mental Health
<u>Assets</u>				
Cash and investments	\$ 376,096	\$ --	\$ 57,998	\$ 130,127
Restricted Assets:				
Cash with fiscal agent	--	--	--	--
Imprest cash	--	--	--	75
Accounts receivable	--	1,386,205	--	239,373
Taxes receivable	--	--	--	--
Due from other governmental agencies	--	--	--	--
Interest receivable	4,663	2,633	109	(478)
Loans receivable	--	--	--	--
Advances to other funds	--	--	--	--
Due from other funds	4,247,104	--	--	--
Deposits with others	--	--	--	--
Inventory	--	--	--	--
Total Assets	<u>\$ 4,627,863</u>	<u>\$ 1,388,838</u>	<u>\$ 58,107</u>	<u>\$ 369,097</u>
 <u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 53,591	\$ 125,390
Accrued salaries and benefits payable	--	--	--	--
Advances from other funds	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
Other current liabilities	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>53,591</u>	<u>125,390</u>
 <u>Fund Balances</u>				
Reserved:				
Imprest Cash	--	--	--	75
Road Reserves	4,627,863	1,388,838	--	--
Inventory	--	--	--	--
Loans/advances	--	--	--	--
Unreserved, undesignated and reported in:				
General fund	--	--	--	--
Special revenue funds:	--	--	4,516	243,632
Debt service funds	--	--	--	--
Capital projects funds	--	--	--	--
Total Fund Balances	<u>4,627,863</u>	<u>1,388,838</u>	<u>4,516</u>	<u>243,707</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,627,863</u>	 <u>\$ 1,388,838</u>	 <u>\$ 58,107</u>	 <u>\$ 369,097</u>

continued

COUNTY OF TRINITY

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2010

	157	158	151	207
	<u>Fish & Game</u>	<u>Special Aviation</u>	<u>Non- Transit</u>	<u>Transportation Commission</u>
Assets				
Cash and investments	\$ 23,675	\$ 1,873	\$ 12,265	\$ 135,359
Restricted Assets:				
Cash with fiscal agent	--	152	--	--
Imprest cash	--	--	--	--
Accounts receivable	--	146	--	27,740
Taxes receivable	--	--	--	--
Due from other governmental agencies	--	--	--	--
Interest receivable	39	--	68	320
Loans receivable	--	--	--	--
Advances to other funds	--	--	--	--
Due from other funds	--	--	--	--
Deposits with others	--	--	--	--
Inventory	--	--	--	--
Total Assets	\$ 23,714	\$ 2,171	\$ 12,333	\$ 163,419
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ --	\$ 20,049	\$ 5,366	\$ 25,031
Accrued salaries and benefits payable	--	--	--	--
Advances from other funds	--	--	--	--
Due to other funds	--	64,912	6,967	--
Deferred revenue	--	--	--	27,740
Other current liabilities	--	--	--	--
Total Liabilities	--	84,961	12,333	52,771
Fund Balances				
Reserved:				
Imprest Cash	--	--	--	--
Road Reserves	--	--	--	--
Inventory	--	--	--	--
Loans/advances	--	152	--	--
Unreserved, undesignated and reported in:				
General fund	--	--	--	--
Special revenue funds:	23,714	(82,942)	--	110,648
Debt service funds	--	--	--	--
Capital projects funds	--	--	--	--
Total Fund Balances	23,714	(82,790)	--	110,648
Total Liabilities and Fund Balances	\$ 23,714	\$ 2,171	\$ 12,333	\$ 163,419

continued

COUNTY OF TRINITY

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2010

	181	183	184	201
	Community Development	TRANS Fund	Miscellaneous Grants	Hayfork Lighting District
<u>Assets</u>				
Cash and investments	\$ --	\$ 750	\$ --	\$ 86,934
Restricted Assets:				
Cash with fiscal agent	--	--	--	--
Imprest cash	--	--	--	--
Accounts receivable	--	--	2,577	--
Taxes receivable	--	--	--	--
Due from other governmental agencies	--	--	--	--
Interest receivable	--	(31)	(182)	134
Loans receivable	--	--	--	--
Advances to other funds	--	--	--	--
Due from other funds	--	--	--	--
Deposits with others	--	--	--	--
Inventory	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 719</u>	<u>\$ 2,395</u>	<u>\$ 87,068</u>
 <u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 3,453	\$ 662
Accrued salaries and benefits payable	--	--	--	--
Advances from other funds	--	--	--	--
Due to other funds	--	--	452,940	--
Deferred revenue	--	--	--	--
Other current liabilities	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>456,393</u>	<u>662</u>
 <u>Fund Balances</u>				
Reserved:				
Imprest Cash	--	--	--	--
Road Reserves	--	--	--	--
Inventory	--	--	--	--
Loans/advances	--	--	--	--
Unreserved, undesignated and reported in:				
General fund	--	--	--	--
Special revenue funds:	--	719	(453,998)	86,406
Debt service funds	--	--	--	--
Capital projects funds	--	--	--	--
Total Fund Balances	<u>--</u>	<u>719</u>	<u>(453,998)</u>	<u>86,406</u>
 Total Liabilities and Fund Balances	 <u>\$ --</u>	 <u>\$ 719</u>	 <u>\$ 2,395</u>	 <u>\$ 87,068</u>

continued

COUNTY OF TRINITY

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2010

	202 Weaverville Lighting District	650 Bioterrorism	Total Other Miscellaneous Special Revenue Funds	Total Nonmajor Special Revenue Funds
Assets				
Cash and investments	\$ 106,106	\$ 1,407	\$ 4,377,545	\$ 5,310,135
Restricted Assets:				
Cash with fiscal agent	--	--	--	152
Imprest cash	--	--	--	75
Accounts receivable	--	--	900,457	2,556,498
Taxes receivable	--	--	1,696,733	1,696,733
Due from other governmental agencies	--	--	--	--
Interest receivable	159	31	8,140	15,605
Loans receivable	--	--	2,568,588	2,568,588
Advances to other funds	--	--	--	--
Due from other funds	--	--	86,142	4,333,246
Deposits with others	--	--	--	--
Inventory	--	--	--	--
Total Assets	\$ 106,265	\$ 1,438	\$ 9,637,605	\$ 16,481,032
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 2,516	\$ 1,960	\$ 313,681	\$ 551,699
Accrued salaries and benefits payable	--	--	--	--
Advances from other funds	--	--	105,964	105,964
Due to other funds	--	--	1,214,361	1,739,180
Deferred revenue	--	--	69,714	97,454
Other current liabilities	--	--	--	--
Total Liabilities	2,516	1,960	1,703,720	2,494,297
Fund Balances				
Reserved:				
Imprest Cash	--	--	--	75
Road Reserves	--	--	--	6,016,701
Inventory	--	--	--	--
Loans/advances	--	--	2,538,629	2,538,781
Unreserved, undesignated and reported in:				
General fund	--	--	--	--
Special revenue funds:	103,749	(522)	5,395,256	5,431,178
Debt service funds	--	--	--	--
Capital projects funds	--	--	--	--
Total Fund Balances	103,749	(522)	7,933,885	13,986,735
Total Liabilities and Fund Balances	\$ 106,265	\$ 1,438	\$ 9,637,605	\$ 16,481,032

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	100	104	106	112
	Road Reserves	Road Construction Reserve	Tobacco Program	Mental Health
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	19,465	11,031	388	(2,412)
Intergovernmental	--	1,386,205	150,000	1,632,095
Charges for services	--	--	--	38,286
Other revenues	--	--	--	734
Total Revenues	<u>19,465</u>	<u>1,397,236</u>	<u>150,388</u>	<u>1,668,703</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	147,476	3,140,445
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation and culture	--	--	--	--
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Capital outlay	--	--	--	400,982
Total Expenditures	<u>--</u>	<u>--</u>	<u>147,476</u>	<u>3,541,427</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,465</u>	<u>1,397,236</u>	<u>2,912</u>	<u>(1,872,724)</u>
Other Financing Sources (Uses):				
Transfers in	3,687,602	--	--	2,466,529
Transfers out	(1,383,824)	(1,687,602)	--	(72,540)
Loans receivable reallocation	--	--	--	--
Total Other Financing Sources (Uses)	<u>2,303,778</u>	<u>(1,687,602)</u>	<u>--</u>	<u>2,393,989</u>
Net Changes in Fund Balances	2,323,243	(290,366)	2,912	521,265
Fund Balances, Beginning of Year	2,304,620	1,679,204	1,604	(277,558)
Prior Period Adjustment	--	--	--	--
Fund Balances, End of Year	<u>\$ 4,627,863</u>	<u>\$ 1,388,838</u>	<u>\$ 4,516</u>	<u>\$ 243,707</u>

continued

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	100	102 150	101	207
	Fish & Game	Special Aviation	Non- Transit	Transportation Commission
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	2,576	--	--	--
Use of money and property	181	--	310	1,300
Intergovernmental	623	582,733	--	219,260
Charges for services	--	--	--	--
Other revenues	--	1,772	--	1,053
Total Revenues	<u>3,380</u>	<u>584,505</u>	<u>310</u>	<u>221,613</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	2,898	--	--	--
Public ways and facilities	--	495,067	22,907	305,623
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation and culture	--	--	--	--
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>2,898</u>	<u>495,067</u>	<u>22,907</u>	<u>305,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>482</u>	<u>89,438</u>	<u>(22,597)</u>	<u>(84,010)</u>
Other Financing Sources (Uses):				
Transfers in	--	11,000	53,500	102,000
Transfers out	--	--	(30,903)	(45,809)
Loans receivable reallocation	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>11,000</u>	<u>22,597</u>	<u>56,191</u>
Net Changes in Fund Balances	482	100,438	--	(27,819)
Fund Balances, Beginning of Year	23,232	(183,228)	--	138,467
Prior Period Adjustment	--	--	--	--
Fund Balances, End of Year	<u>\$ 23,714</u>	<u>\$ (82,790)</u>	<u>\$ --</u>	<u>\$ 110,648</u>

continued

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

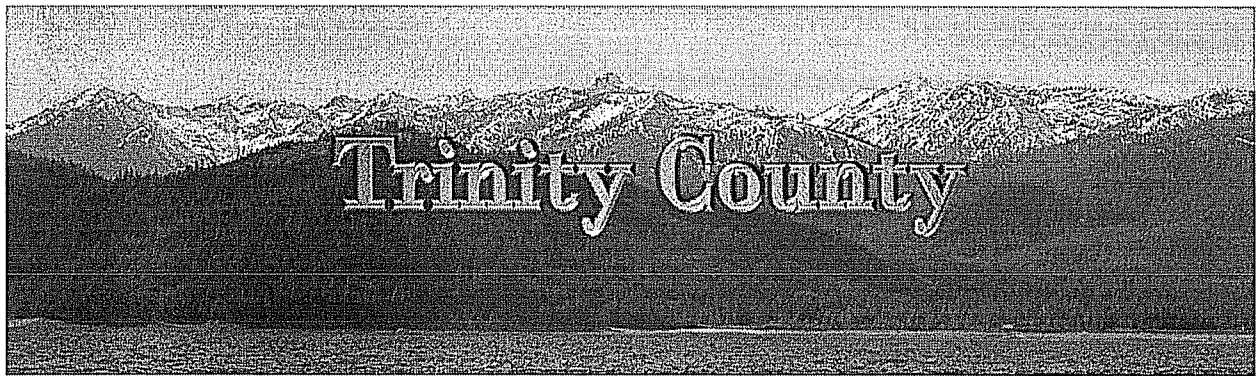
	191	100	194	20*
	Community Development	TRANS Fund	Miscellaneous Grants	Hayfork Lighting District
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ 11,399
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	--	5,479	(1,219)	640
Intergovernmental	--	--	(40,889)	191
Charges for services	--	--	7,540	--
Other revenues	--	--	575	925
Total Revenues	--	5,479	(33,993)	13,155
Expenditures:				
Current:				
General government	--	17,556	329,005	8,365
Public protection	--	--	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Education	--	--	--	--
Recreation and culture	--	--	--	--
Debt service - principal	--	--	--	--
Debt service - interest	--	24,475	--	--
Capital outlay	--	--	--	--
Total Expenditures	--	42,031	329,005	8,365
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	(36,552)	(362,998)	4,790
Other Financing Sources (Uses):				
Transfers in	--	36,000	--	--
Transfers out	--	--	(96,117)	--
Loans receivable reallocation	--	--	(804,836)	--
Total Other Financing Sources (Uses)	--	36,000	(900,953)	--
Net Changes in Fund Balances	--	(552)	(1,263,951)	4,790
Fund Balances, Beginning of Year	--	1,271	647,157	81,616
Prior Period Adjustment	--	--	162,796	--
Fund Balances, End of Year	\$ --	\$ 719	\$ (453,998)	\$ 86,406

continued

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	202 Weaverville Lighting District	550 CDC Bioterrorism	Total Other Miscellaneous Special Revenue Funds	Total Nonmajor Special Revenue Funds
Revenues:				
Taxes	\$ 41,830	\$ --	\$ 197,740	\$ 250,969
Licenses and permits	--	--	17,176	17,176
Fines, forfeitures and penalties	--	--	177,117	179,693
Use of money and property	710	169	82,803	118,845
Intergovernmental	714	54,806	9,592,214	13,577,952
Charges for services	--	--	64,587	110,413
Other revenues	3,458	--	64,945	73,462
Total Revenues	46,712	54,975	10,196,582	14,328,510
Expenditures:				
Current:				
General government	32,277	--	209,573	596,776
Public protection	--	--	2,121,934	2,124,832
Public ways and facilities	--	--	12,299	835,896
Health and sanitation	--	84,396	1,078,048	4,450,365
Public assistance	--	--	142,173	142,173
Education	--	--	--	--
Recreation and culture	--	--	--	--
Debt service - principal	--	--	--	--
Debt service - interest	--	--	--	24,475
Capital outlay	--	--	400,160	801,142
Total Expenditures	32,277	84,396	3,964,187	8,975,659
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,435	(29,421)	6,232,395	5,352,851
Other Financing Sources (Uses):			--	
Transfers in	--	--	490,616	6,847,247
Transfers out	--	--	(5,706,429)	(9,023,224)
Loans receivable reallocation	--	--	2,087,432	1,282,596
Total Other Financing Sources (Uses)	--	--	(3,128,381)	(893,381)
Net Changes in Fund Balances	14,435	(29,421)	3,104,014	4,459,470
Fund Balances, Beginning of Year	89,314	28,899	4,875,957	9,410,555
Prior Period Adjustment	--	--	(46,086)	116,710
Fund Balances, End of Year	\$ 103,749	\$ (522)	\$ 7,933,885	\$ 13,986,735



Non-major Capital Projects Funds

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

COUNTY OF TRINITY

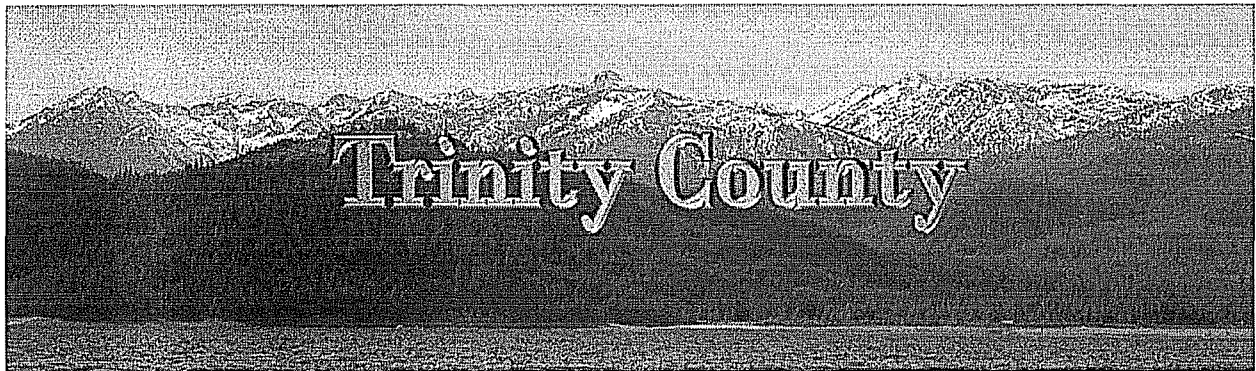
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2010

	<u>Capital Proj Fund JDF</u>	<u>Capital Projects Fund</u>	<u>TOTAL</u>
<u>Assets</u>			
Cash and investments	\$ 105,166	\$ --	\$ 105,166
Restricted Assets:			
Cash with fiscal agent	--	--	--
Imprest cash	--	--	--
Accounts receivable	--	--	--
Advances to other funds	--	--	--
Due from other governmental agencies	--	--	--
Interest receivable	166	--	166
Loans receivable	--	--	--
Due from other funds	--	--	--
Deposits with others	--	--	--
Inventory	--	--	--
Total Assets	<u>\$ 105,332</u>	<u>\$ --</u>	<u>\$ 105,332</u>
 <u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Accrued salaries and benefits payable	--	--	--
Advances from other funds	--	42,854	42,854
Due to other funds	--	29,507	29,507
Deferred revenue	--	--	--
Other current liabilities	--	--	--
Total Liabilities	<u>--</u>	<u>72,361</u>	<u>72,361</u>
 <u>Fund Balances</u>			
Reserved:			
Imprest Cash	--	--	--
Road Reserves	--	--	--
Inventory	--	--	--
Loans/advances	--	--	--
Unreserved, undesignated and reported in:			
General fund	--	--	--
Special revenue funds:			
Debt service funds	--	--	--
Capital projects funds	105,332	(72,361)	32,971
Total Fund Balances	<u>105,332</u>	<u>(72,361)</u>	<u>32,971</u>
 Total Liabilities and Fund Balances	 <u>\$ 105,332</u>	 <u>\$ --</u>	 <u>\$ 105,332</u>

COUNTY OF TRINITY

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Capital Project Funds
For the Fiscal Year Ended June 30, 2010

	Capital Proj Fund JDF	Capital Projects Fund	TOTAL
Revenues:			
Taxes	\$ --	\$ --	\$ --
Licenses and permits	--	--	--
Fines, forfeitures and penalties	--	--	--
Use of money and property	5,640	--	5,640
Intergovernmental	--	--	--
Charges for services	--	--	--
Other revenues	--	--	--
Total Revenues	<u>5,640</u>	<u>--</u>	<u>5,640</u>
Expenditures:			
Current:			
General government	--	783	783
Public protection	--	--	--
Public ways and facilities	--	--	--
Health and sanitation	--	--	--
Public assistance	--	--	--
Education	--	--	--
Recreation and culture	--	--	--
Debt service - principal	--	--	--
Debt service - interest	--	--	--
Capital outlay	--	--	--
Total Expenditures	<u>--</u>	<u>783</u>	<u>783</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,640</u>	<u>(783)</u>	<u>4,857</u>
Other Financing Sources (Uses):			
Transfers in	--	383	383
Transfers out	--	(29,891)	(29,891)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(29,508)</u>	<u>(29,508)</u>
Net Changes in Fund Balances	5,640	(30,291)	(24,651)
Fund Balances, Beginning of Year	99,692	(42,070)	57,622
Prior Period Adjustment	--	--	--
Fund Balances, End of Year	<u>\$ 105,332</u>	<u>\$ (72,361)</u>	<u>\$ 32,971</u>



Non-Major Enterprise Funds

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

COUNTY OF TRINITY

Combining Statement of Fund Net Assets
Non-Major Enterprise Funds
June 30, 2010

	<u>Cemetery Fund</u>	<u>Transit Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 16,958	\$ 124,577	\$ 141,535
Imprest cash	--	--	--
Accounts receivable	513	59,456	59,969
Advances to other funds	--	--	--
Due from other funds	--	227,394	227,394
Interest receivable	36	233	269
Prepaid expenses	--	--	--
Inventory	--	--	--
Total current assets	<u>17,507</u>	<u>411,660</u>	<u>429,167</u>
Noncurrent assets:			
Capital Assets:			
Nondepreciable	24,616	--	24,616
Depreciable, net	100	338,107	338,207
Total noncurrent assets	<u>24,716</u>	<u>338,107</u>	<u>362,823</u>
Total Assets	<u>\$ 42,223</u>	<u>\$ 749,767</u>	<u>\$ 791,990</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 525	\$ 6,912	\$ 7,437
Interest payable	--	--	--
Advances from other funds	--	--	--
Due to other funds	--	--	--
Other current liabilities:	--	--	--
Deferred Revenue	--	--	--
Current portion of long-term liabilities			
Bonds, notes and special assessment debt	--	--	--
Loan payable	--	--	--
Capital lease	--	--	--
Compensated absences	--	4,431	4,431
Total current liabilities	<u>525</u>	<u>11,343</u>	<u>11,868</u>
Noncurrent liabilities:			
Bonds, notes and special assessment debt	--	--	--
Loans payable	--	--	--
Capital lease	--	--	--
Compensated absences	--	2,216	2,216
Liability for landfill closure	--	--	--
Net OPEB obligation	--	74,131	74,131
Other long-term liabilities	--	--	--
Total Long-term Liabilities	<u>--</u>	<u>76,347</u>	<u>76,347</u>
Total Liabilities	<u>525</u>	<u>87,690</u>	<u>88,215</u>
<u>NET ASSETS</u>			
Investment in capital assets, net of related debt	24,716	338,107	362,823
Restricted	--	--	--
Unrestricted	16,982	323,970	340,952
Total Net Assets	<u>41,698</u>	<u>662,077</u>	<u>703,775</u>
Total Liabilities and Net Assets	<u>\$ 42,223</u>	<u>\$ 749,767</u>	<u>\$ 791,990</u>

COUNTY OF TRINITY

**Combining Statement of Revenues, Expenses and Changes in Net Assets
Non-Major Enterprise Funds**

For the Fiscal Year Ended June 30,2010

	<u>Cemetery Fund</u>	<u>Transit Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 10,578	\$ 31,336	\$ 41,914
Other income	254	127	381
Total Operating Revenues	<u>10,832</u>	<u>31,463</u>	<u>42,295</u>
Operating Expenses:			
Salaries and benefits	--	197,912	197,912
Services and supplies	11,817	170,590	182,407
Depreciation	--	29,708	29,708
Closure/postclosure	--	--	--
Total Operating Expenses	<u>11,817</u>	<u>398,210</u>	<u>410,027</u>
Operating Income (Loss)	<u>(985)</u>	<u>(366,747)</u>	<u>(367,732)</u>
Non-Operating Revenue (Expenses):			
Investment income (expense)	162	1,225	1,387
Taxes	--	--	--
Intergovernmental revenues	--	390,653	390,653
Sale of capital assets	--	--	--
Other	--	--	--
Interest Expense	--	--	--
Total Non-Operating Revenue (Expenses)	<u>162</u>	<u>391,878</u>	<u>392,040</u>
Income (Loss) Before Transfers	(823)	25,131	24,308
Other Financing Sources (Uses):			
Transfers in	0	370,167	370,167
Transfers out	0	(23,814)	(23,814)
Total Other Financing Sources (Uses)	<u>--</u>	<u>346,353</u>	<u>346,353</u>
Change in net assets	(823)	371,484	370,661
Net Assets - Beginning of Year	42,421	(121,924)	(79,503)
Prior period adjustment	100	412,517	412,617
Net Assets - End of Year	<u>\$ 41,698</u>	<u>\$ 662,077</u>	<u>\$ 703,775</u>

COUNTY OF TRINITY

Statement of Cash Flows
Non-Major Enterprise Funds
For the Fiscal Year ended June 30, 2010

	<u>Cemetery Fund</u>	<u>Transit Fund</u>	<u>Total</u>
Cash flows from Operating Activities:			
Cash receipts from customers and users	\$ 10,395	\$ 31,322	\$ 41,717
Receipts from interfund services provided	--		--
Other receipts	--		--
Cash paid to suppliers	(12,656)	(170,783)	(183,439)
Cash paid to employees	--	(170,809)	(170,809)
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>(2,261)</u>	<u>(310,270)</u>	<u>(312,531)</u>
Cash Flows from Non-Capital Financing Activities:			
Aid from other governmental agencies	--	332,155	332,155
Taxes	--	--	--
Interfund loans	--	--	--
Return of unused funding	--	--	--
Other revenue (expense)	--	--	--
Transfers in	--	332,500	332,500
Transfers out	--	(23,814)	(23,814)
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u> </u>	<u>640,841</u>	<u>640,841</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	--	(250,000)	(250,000)
proceeds from sale of capital assets	--	--	--
proceeds from capital grants	--		--
Principal payments on debt	--	--	--
Interest payments	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (used) by Capital and Related Financing Activities	<u> </u>	<u>(250,000)</u>	<u>(250,000)</u>
Cash Flows from Investing Activities:			
Interest received (paid)	<u>208</u>	<u>1,899</u>	<u>2,107</u>
Net Cash Provided (used) by Investing Activities	<u>208</u>	<u>1,899</u>	<u>2,107</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(2,053)</u>	<u>82,470</u>	<u>80,417</u>
Cash and Cash Equivalents, Beginning of Year	<u>19,011</u>	<u>42,107</u>	<u>61,118</u>
Cash and Cash Equivalents, End of Year	<u>\$ 16,958</u>	<u>\$ 124,577</u>	<u>\$ 141,535</u>

COUNTY OF TRINITY

Statement of Cash Flows
 Non-Major Enterprise Funds
 For the Fiscal Year ended June 30, 2010

	<u>Cemetery Fund</u>	<u>Transit Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (985)	\$ (366,747)	\$ (367,732)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	--	29,708	29,708
OPEB charge		28,828	28,828
Changes in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	(437)	(140)	(577)
Inventories	--	--	--
Prepaid expenses	--	--	--
Increase (decrease) in:			
Accounts payable	(839)	(220)	(1,059)
Salaries and benefits payable	--	--	--
Deferred revenue	--	--	--
Compensated absences payable	--	(1,699)	(1,699)
Other liabilities	--	--	--
Closure/postclosure liability	--	--	--
 Net Cash Provided (Used) by Operating Activities	 <u>\$ (2,261)</u>	 <u>\$ (310,270)</u>	 <u>\$ (312,531)</u>



Internal Service Funds

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

COUNTY OF TRINITY

Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2010

<u>ASSETS</u>	<u>Copier</u>	<u>Motor Pool</u>	<u>Total</u>
Current assets:			
Cash and investments	\$ 65,904	\$ 37,173	\$ 103,077
Imprest cash	--	--	--
Accounts receivable	--	--	--
Advances to other funds	--	--	--
Due from other funds	--	--	--
Interest receivable	81	32	113
Prepaid expenses	95	--	95
Inventory	--	--	--
Total current assets	<u>66,080</u>	<u>37,205</u>	<u>103,285</u>
Noncurrent assets:			
Capital Assets:			
Nondepreciable	--	--	--
Depreciable, net	97,779	87,923	185,702
Total noncurrent assets	<u>97,779</u>	<u>87,923</u>	<u>185,702</u>
Total Assets	<u>\$ 163,859</u>	<u>\$ 125,128</u>	<u>\$ 288,987</u>
 <u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 13,435	\$ --	\$ 13,435
Interest payable	--	--	--
Advances from other funds	--	--	--
Due to other funds	--	--	--
Total current liabilities	<u>13,435</u>	<u>--</u>	<u>13,435</u>
Total Liabilities	<u>13,435</u>	<u>--</u>	<u>13,435</u>
 <u>NET ASSETS</u>			
Investment in capital assets, net of related debt	97,779	87,923	185,702
Restricted	--	--	--
Unrestricted	52,645	37,205	89,850
Total Net Assets	<u>150,424</u>	<u>125,128</u>	<u>275,552</u>
Total Liabilities and Net Assets	<u>\$ 163,859</u>	<u>\$ 125,128</u>	<u>\$ 288,987</u>

COUNTY OF TRINITY

Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30,2010

	<u>Copier</u>	<u>Motor Pool</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 67,446	\$ 118,386	\$ 185,832
Other income	--	--	--
Total Operating Revenues	<u>67,446</u>	<u>118,386</u>	<u>185,832</u>
Operating Expenses:			
Services and supplies	36,678	58,589	95,267
Depreciation	31,283	18,742	50,025
Total Operating Expenses	<u>67,961</u>	<u>77,331</u>	<u>145,292</u>
Operating Income (Loss)	<u>(515)</u>	<u>41,055</u>	<u>40,540</u>
Non-Operating Revenue (Expenses):			
Investment income (expense)	431	340	771
Sale of capital assets	--	--	--
Other	--	6,899	6,899
Interest Expense	--	0	--
Total Non-Operating Revenue (Expenses)	<u>431</u>	<u>7,239</u>	<u>7,670</u>
Income (Loss) Before Transfers	(84)	48,294	48,210
Other Financing Sources (Uses):			
Transfers in	--	--	--
Transfers out	--	(300)	(300)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(300)</u>	<u>(300)</u>
Change in net assets	(84)	47,994	47,910
Net Assets - Beginning of Year	147,837	73,524	221,361
Prior period adjustment	2,671	3,610	6,281
Net Assets - End of Year	<u>\$ 150,424</u>	<u>\$ 125,128</u>	<u>\$ 275,552</u>

COUNTY OF TRINITY

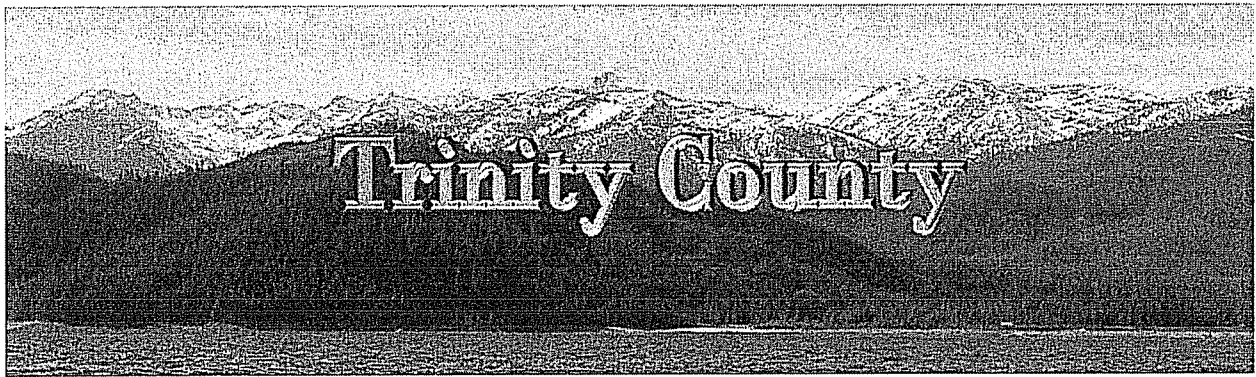
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year ended June 30, 2010

	<u>Copier</u>	<u>Motor Pool</u>	<u>Total</u>
Cash flows from Operating Activities:			
Cash receipts from customers and users	\$ 67,457	\$ 118,386	\$ 185,843
Receipts from interfund services provided	--		--
Other receipts	--		--
Cash paid to suppliers	(33,345)	(58,589)	(91,934)
Cash paid to employees	--		--
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	34,112	59,797	93,909
	<hr/>	<hr/>	<hr/>
Cash Flows from Non-Capital Financing Activities:			
Aid from other governmental agencies	--	--	--
Taxes	--	--	--
Interfund loans	--	--	--
Return of unused funding			--
Other revenue (expense)	--	6,899	6,899
Transfers in	--	--	--
Transfers out	--	(300)	(300)
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) by Noncapital Financing Activities	--	6,599	6,599
	<hr/>	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:			
Purchase of capital assets	(31,863)	(73,404)	(105,267)
proceeds from sale of capital assets	--	--	--
proceeds from capital grants	--	--	--
Principal payments on debt	--	--	--
Interest payments	--	--	--
	<hr/>	<hr/>	<hr/>
Net Cash Provided (used) by Capital and Related Financing Activities	(31,863)	(73,404)	(105,267)
	<hr/>	<hr/>	<hr/>
Cash Flows from Investing Activities:			
Interest received (paid)	636	420	1,056
Net Cash Provided (used) by Investing Activities	636	420	1,056
	<hr/>	<hr/>	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	2,885	(6,588)	(3,703)
	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents, Beginning of Year	63,019	43,761	106,780
	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents, End of Year	<u>\$ 65,904</u>	<u>\$ 37,173</u>	<u>\$ 103,077</u>

COUNTY OF TRINITY

Statement of Cash Flows
Internal Service Funds
For the Fiscal Year ended June 30, 2010

	<u>Copier</u>	<u>Motor Pool</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (515)	\$ 41,055	\$ 40,540
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	31,283	18,742	50,025
Changes in assets and liabilities:			
Decrease (increase) in:			
Accounts receivable	11	--	11
Inventories	--	--	--
Prepaid expenses	--	--	--
Increase (decrease) in:			
Accounts payable	3,333	--	3,333
Salaries and benefits payable	--	--	--
Deferred revenue	--	--	--
Compensated absences payable	--	--	--
Other liabilities	--	--	--
Closure/postclosure liability	--	--	--
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 34,112</u>	 <u>\$ 59,797</u>	 <u>\$ 93,909</u>



STATISTICAL SECTION

COUNTY OF TRINITY
Net Assets by Component
For the Last Seven Fiscal Years

	Fiscal Year						
	2010	2009	2008	2007	2006	2005	2004
Governmental Activities							
Invested in capital assets, net of related debt	\$ 146,115,881	\$ 144,181,786	\$ 171,513,586	\$ 164,498,571	\$ 175,571,795	\$ 172,234,670	\$ 180,692,794
Restricted	13,674,039	13,674,039	13,674,039	10,686,922	10,337,778	9,660,319	9,224,525
Unrestricted	(7,964,831)	(41,008,663)	2,291,030	(678,457)	969,568	2,288,501	(1,773,418)
Total governmental activities net assets	<u>\$ 151,825,089</u>	<u>\$ 116,847,162</u>	<u>\$ 187,478,655</u>	<u>\$ 174,507,036</u>	<u>\$ 186,879,141</u>	<u>\$ 184,193,490</u>	<u>\$ 188,143,901</u>
Business-type Activities							
Invested in capital assets, net of related debt	11,545,289	11,194,001	11,508,670	11,578,253	11,502,722	13,134,041	16,392,766
Restricted	103,208	-	-	-	-	94,765	5,643
Unrestricted	(10,507,587)	(14,869,867)	(9,926,571)	(9,450,939)	(8,589,577)	(8,852,203)	(4,221,778)
Total business-type activities net assets	<u>\$ 1,140,910</u>	<u>\$ (3,675,866)</u>	<u>\$ 1,582,099</u>	<u>\$ 2,127,314</u>	<u>\$ 2,913,145</u>	<u>\$ 4,376,603</u>	<u>\$ 12,176,631</u>
Primary Government							
Invested in capital assets, net of related debt	157,661,170	155,375,787	183,022,256	176,076,824	187,074,517	185,368,711	197,085,560
Restricted	13,777,247	13,674,039	13,674,039	10,686,922	10,337,778	9,755,084	9,230,168
Unrestricted	(18,472,418)	(55,878,530)	(7,635,541)	(10,129,396)	(7,620,009)	(6,553,702)	(5,995,196)
Total primary government net assets	<u>\$ 152,965,999</u>	<u>\$ 113,171,296</u>	<u>\$ 189,060,754</u>	<u>\$ 176,634,350</u>	<u>\$ 189,792,286</u>	<u>\$ 188,570,093</u>	<u>\$ 200,320,532</u>

COUNTY OF TRINITY

**Assessed Value of Taxable Property
For the Last Nine Fiscal Years**

<u>Fiscal Year June 30</u>	<u>Total Assessed Valuation</u>	<u>Secured Property Tax Levy</u>	<u>Prior Delinquent Tax Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Current Delinquent Taxes</u>
2011	\$ 1,195,274,898	\$ 12,013,948	\$ n/a	n/a	\$ n/a
2010	1,183,242,938	12,238,335	669,134	94.94%	619,273
2009	1,124,412,781	11,689,173	449,404	94.56%	636,066
2008	1,047,595,619	10,907,357	439,744	95.97%	439,451
2007	972,922,502	9,946,350	894,493	96.52%	346,505
2006	915,117,545	9,033,639	644,000	96.68%	300,015
2005	850,484,419	8,400,834	385,203	96.46%	297,775
2004	798,515,473	7,847,883	543,041	96.54%	271,807
2003	761,878,872	7,521,690	475,900	95.93%	306,038
2002	736,577,003	7,168,524	466,391	95.78%	302,368

Figures for 2011 are estimates

Source: Trinity County Auditor's Office

COUNTY OF TRINITY

Ten Principal Property Taxpayers
For the Fiscal Years Ended June 30, 2010 and 2009

Owner	2009/2010 Secured Tax			2008/2009 Secured Tax		
	Assessed Value	Rank	Percentage of Assessed Value	Assessed Value	Rank	Percentage of Assessed Value
Sierra Pacific Industries, Inc.	\$ 19,102,434	1	1.61%	\$ 16,451,096	1	1.46%
Pacific Gas & Electric Company	15,745,513	2	1.33%	14,917,497	2	1.33%
Trinity River Lumber Company	14,063,680	3	1.19%	11,186,536	3	0.99%
Verizon California, Inc.	6,995,070	4	0.59%	9,081,432	4	0.81%
Ryan Partnership	4,046,163	5	0.34%	4,516,340	5	0.40%
U.S. Department of Interior	2,654,055	6	0.22%	2,432,150	10	0.22%
Weaverville Investment Group	2,051,217	7	0.17%	3,353,968	6	0.30%
Kampgrounds of America, Inc.	1,925,443	8	0.16%	3,188,485	7	0.28%
Hodges, DL & RG TSTES	1,705,498	9	0.14%	2,602,016	9	0.23%
Doshay, David & Susan	1,559,447	10	0.13%	2,788,851	8	0.25%
	<u>69,848,520</u>		<u>5.90%</u>	<u>70,518,371</u>		<u>6.27%</u>
All others Totals	<u>1,113,394,418</u>		<u>94.10%</u>	<u>1,053,894,410</u>		<u>93.73%</u>
	<u>\$ 1,183,242,938</u>		<u>100.00%</u>	<u>\$ 1,124,412,781</u>		<u>100.00%</u>

Source: Trinity County Tax Collector's Office
Columns may not total due to rounding.

COUNTY OF TRINITY

**Outstanding Lease and Pension Bond Obligations
For the Next Ten Fiscal Years**

Governmental Activities

Fiscal Year (June 30)	Certificates of Participation		Notes Payable	Total
	General	Pension (1)		
2011	\$ 532,600	\$ 1,047,743	\$ 190,313	\$ 1,770,656
2012	530,275	1,103,690	190,313	1,824,278
2013	532,100	1,156,830	190,313	1,879,243
2014	532,650	1,213,370	190,313	1,936,333
2015	531,925	1,272,650	190,313	1,994,888
2016	529,925	1,334,010	190,313	2,054,248
2017	531,650	1,401,790	190,313	2,123,753
2018	531,675		190,313	721,988
2019	530,000		150,000	680,000
2020	531,625		150,000	681,625

Business-Type Activities

Fiscal Year (June 30)	Special Assessments	Loans Payable	Notes Payable	Total
2011	\$ 39,464	\$ 1,922	\$ 18,910	\$ 60,296
2012	39,436	1,922	18,910	60,268
2013	39,436	1,922	18,904	60,262
2014	39,436	1,922	18,892	60,250
2015	39,436	1,922	18,922	60,280
2016	39,436	1,922	18,897	60,255
2017	39,436	1,922	18,913	60,271
2018	39,436	1,922	18,923	60,281
2019	39,436	1,922	18,878	60,236
2020	39,436	1,922	18,922	60,280

Fiscal Year (June 30)	Total Primary Government	Ratio Per Tax Levy	Per Capita
2011	\$ 1,830,952	15.23%	\$ 132
2012	1,884,546	15.17%	136
2013	1,939,505	15.11%	139
2014	1,996,583	15.06%	143
2015	2,055,168	15.00%	148
2016	2,114,503	14.94%	152
2017	2,184,024	14.94%	157
2018	782,269	5.18%	56
2019	740,236	4.75%	53
2020	741,905		

(1) Pension COP matures in 2017

Source: Trinity County Auditor's Office Amortization Schedules

COUNTY OF TRINITY

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

<u>Calendar Year</u>	<u>Retail Sales</u>	<u>Total Taxable Sales</u>
2007	\$ 48,184	\$ 76,265
2006	46,869	75,783
2005	44,650	72,880
2004	42,737	73,813
2003	39,876	67,552
2002	39,201	66,526
2001	37,749	62,627
2000	37,573	60,693
1999	36,647	63,134
1998	32,611	53,297

*Source: Center for Economic Development,
Economic and Demographic Profile*

COUNTY OF TRINITY

**Full Time Equivalent by Function
For Selected Fiscal Years**

	Fiscal Years				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2005</u>	<u>2000</u>
General Government	40.8	40.3	53.3	77.0	64.8
Public Protection	19.0	26.3	16.3	29.0	28.1
District Attorney	10.0	10.0	10.0	13.0	12.9
Probation	28.0	30.0	27.0	29.0	16.0
Sheriff	52.8	54.8	52.8	52.8	54.0
Courts					15.5
Public Ways & Facilities	55.0	46.0	54.0	67.0	79.0
Health and Sanitation	10.0	10.0	10.0	13.2	17.0
Solid Waste	23.0	28.0	26.0	25.0	22.5
Behavioral Health	35.0	35.0	35.0	35.0	27.0
Hospital					164.5
Public Assistance	58.8	48.0	48.0	42.0	51.5
Education	4.0	4.0	4.0	8.0	7.5
Total	<u>336.4</u>	<u>332.4</u>	<u>336.4</u>	<u>391.0</u>	<u>560.3</u>

Source: Trinity County Budget Book

COUNTY OF TRINITY

Major Employers For the Fiscal Year Ended June 30, 2010

<u>Firm</u>	<u>Product or Service</u>	<u>Estimated Employment</u>
Trinity County Schools	K-12 Education	625
Trinity County	Government Services	336
Mountain Community Health Care District	Hospital	150
Trinity River Lumber	Lumber Mill	145
Top's Market	Grocery	75
U.S. Forest Service, Hayfork	Federal Forest	60
U.S. Forest Service, Weaverville	Federal Forest	50
Long's Drug Store	Drug/Retail	50
Jefferson State Forest Products	Wood Manufacturing	41
J & A Food Service	Restaurant	33

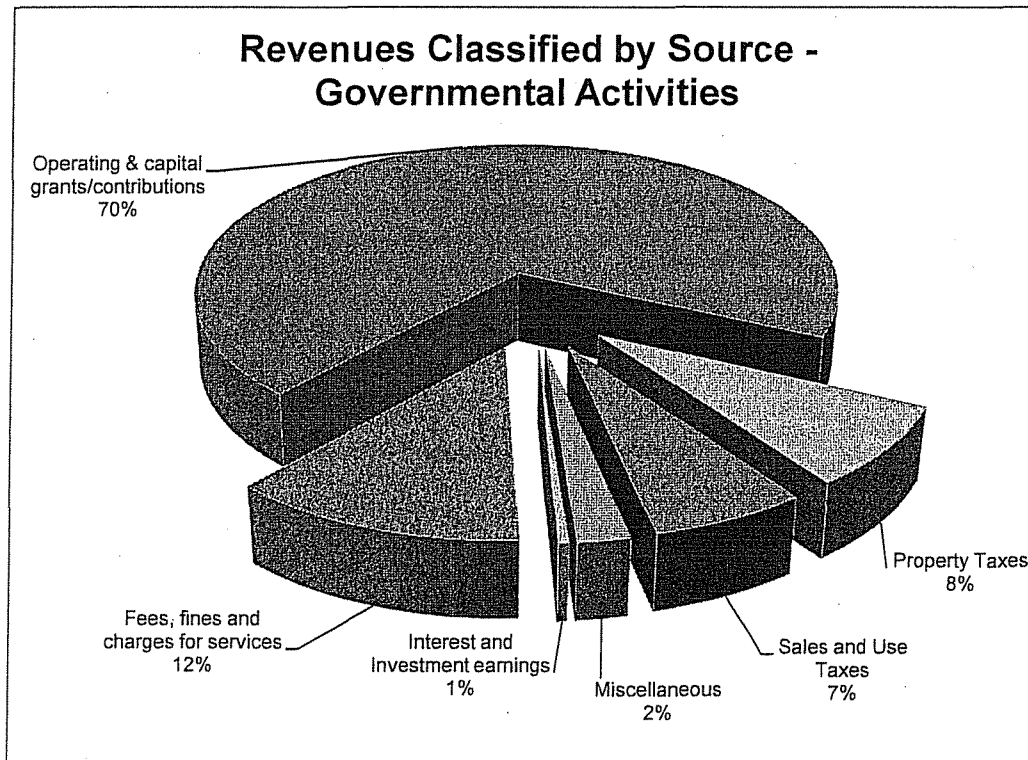
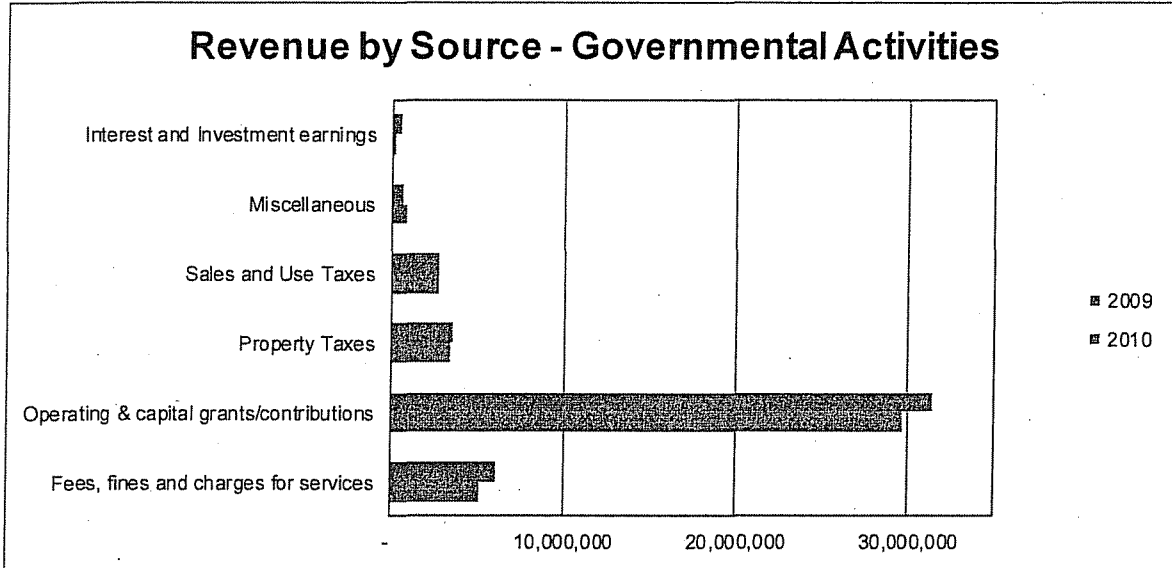
The above figures are from fiscal year 2008-09. More recent figures not found.

Source: Trinity County Auditor's Office, Trinity County Office of Education, Superior California Economic Development, Dun & Bradstreet, and listed individual employers

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