

**COUNTY OF PLUMAS,
CALIFORNIA**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2014**

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COUNTY OF PLUMAS
Annual Financial Report
For the Year Ended June 30, 2014

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INTRODUCTORY SECTION

- **List of Officials**

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COUNTY OF PLUMAS
County Officials
For the Year Ended June 30, 2014

ELECTED OFFICIALS

| | |
|-------------------------------------------------|-------------------|
| Supervisor, District 1..... | Terry Swofford |
| Supervisor, District 2..... | Kevin Goss |
| Supervisor, District 3..... | Sherrie Thrall |
| Supervisor, District 4..... | Lori Simpson |
| Supervisor, District 5..... | Jon Kennedy |
| Assessor..... | Charles Leonhardt |
| Auditor/Controller..... | Roberta Allen |
| Clerk/Recorder..... | Kathleen Williams |
| District Attorney and Public Administrator..... | David Hollister |
| Sheriff/Coroner..... | Greg Hagwood |
| Treasurer/Tax Collector/Collections..... | Julie White |

DEPARTMENT DIRECTORS/ADMINISTRATORS

| | |
|-----------------------------------------------------------------------------|--------------------|
| Administrative Officer, General Services..... | Vacant |
| Agricultural Commissioner/Sealer of Weights and Measure/Animal Control..... | Tim W. Gibson |
| Building..... | John Cunningham |
| Child Support Services..... | Michelle Blackford |
| Clerk of the Board of Supervisors..... | Nancy Daforno |
| County Counsel..... | Craig Settlemire |
| Environmental Health Director..... | Jerry Sipe |
| Facility Services..... | Dony Sawchuk |
| Fair..... | John Steffanic |
| Farm Advisor..... | Holly George |
| Human Resources..... | Gayla Trumbo |
| Information Technology..... | Dave Preston |
| Librarian..... | Lynn Sheehy |
| Mental Health..... | Kimball Pier |
| Museum..... | Scott Lawson |
| Office of Emergency Services..... | Jerry Sipe |
| Planning..... | Randall Wilson |
| Probation..... | Dan Prince |
| Public Health..... | Mimi Hall |
| Public Works..... | Robert Perreault |
| Social Services and Public Guardian..... | Elliott Smart |
| Veteran's Services..... | Jimmy LaPlante |

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Nonmajor Fund Statements**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Report on the Financial Statements

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 Plumas, California (County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1Q to the financial statements, in 2014, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 70. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Funding Progress, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

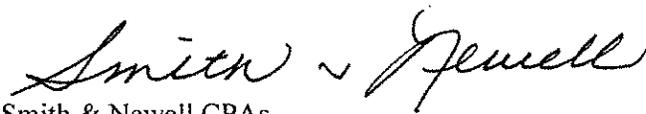
The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Smith & Newell". The signature is written in black ink and is positioned above the printed name of the firm.

Smith & Newell CPAs
Yuba City, California
March 26, 2015

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**Management's Discussion and Analysis
(Unaudited)**

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Management's Discussion and Analysis

As management of the County of Plumas, California, (County) we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2013-2014 fiscal year by \$86,413,065 (net position). Of this amount, \$6,447,263 (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors, \$40,876,154 is restricted for specific purpose (*restricted net position*), and \$39,089,648 is the net investment in capital assets.
- The County governmental funds reported combined fund balances of \$48,841,567; an increase of \$5,055,875 in comparison with the prior year; whereas the increase from 2011-12 to 2012-13 was \$4,391,417.
- The County's unassigned fund balance for the general fund was \$4,712,314 or 26.2% of total general fund expenditures, an increase of 86.9% from the prior years' unassigned to expenditure ratio.
- The County's net investment in capital assets increased by \$71,380. The increase resulted primarily because of a reduction of liabilities during 2013-2014, owed on capital assets purchase.
- The County's total long-term debt decreased by \$438,431 in comparison with the prior year.

PRESENTATION CHANGES FROM PREVIOUS FINANCIAL STATEMENTS TO NOTE

There were no major changes in the presentation of the County's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Component units are included in our 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. The component units are blended special revenue funds and include County Fair, Air Pollution, Crescent Mills Lighting, Quincy Lighting, Beckwourth CSA Sewer, Flood Control, CSA #11 Ambulance, Walker Ranch CSD, Grizzly Ranch CSD, and CSA #12 Plumas County Transit.

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. All of the funds of the County can be divided into three categories: *governmental funds (special revenue & capital project)*, *proprietary funds (enterprise & internal service)*, and *fiduciary funds (school, trial courts, special districts, County departmental agencies and accrued trust 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 governmental funds organized according to their type—special revenue and capital projects. The county segregates from the General Fund a number of significant functions in 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, Local Revenue 2011, Social Services, Mental Health, Public Health, and Public Safety, all of which are considered to be major funds.

Data from the other governmental funds is provided in the form of combining statements located in the Combining Nonmajor Fund Statements section of this report.

Proprietary funds are maintained in two ways. *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 airport, solid waste disposal, and Transit. *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 self-insurance such as worker's compensation, unemployment, and liability insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Airport Operation and Solid Waste Planning and Operations funds are considered to be major funds of the County. 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 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 except for agency funds.

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 is presented concerning the County General Fund and major special revenue funds budgetary schedules. The County adopts an annual appropriated budget for its General Fund and major special revenue funds. A budgetary comparison schedule has been provided for the General Fund and major special revenue funds to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$86,413,065 at the close of the most recent fiscal year.

| | Statement of Net Position | | |
|----------------------------------|----------------------------|-----------------------------|----------------------|
| | June 30, 2014 | | |
| | Governmental Activities | Business-Type Activities | Total |
| Current and Other Assets | \$ 57,351,382 | \$ 3,654,429 | \$ 61,005,811 |
| Capital Assets | 47,969,590 | 6,005,058 | 53,974,648 |
| Total Assets | <u>105,320,972</u> | <u>9,659,487</u> | <u>114,980,459</u> |
| Current and Other Liabilities | 5,100,121 | 40,124 | 5,140,245 |
| Long-Term Liabilities | 20,930,661 | 2,496,488 | 23,427,149 |
| Total Liabilities | <u>26,030,782</u> | <u>2,536,612</u> | <u>28,567,394</u> |
| Net Investment in Capital Assets | 33,084,590 | 6,005,058 | 39,089,648 |
| Restricted | 40,876,154 | - | 40,876,154 |
| Unrestricted | 5,329,446 | 1,117,817 | 6,447,263 |
| Total Net Position | <u>\$ 79,290,190</u> | <u>\$ 7,122,875</u> | <u>\$ 86,413,065</u> |

Of the County's net position, \$6,447,263 represents unrestricted net position which may be used to meet the County's ongoing obligations to citizens and creditors. In addition, a portion of the County's restricted net position, \$40,876,154, can be used to meet the County's on-going obligations but are restricted in how they are used because they have been received for a specific purpose, such as State and Federal grants and debt service.

Another significant portion of the County's net position, \$39,089,648 reflects its net 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.

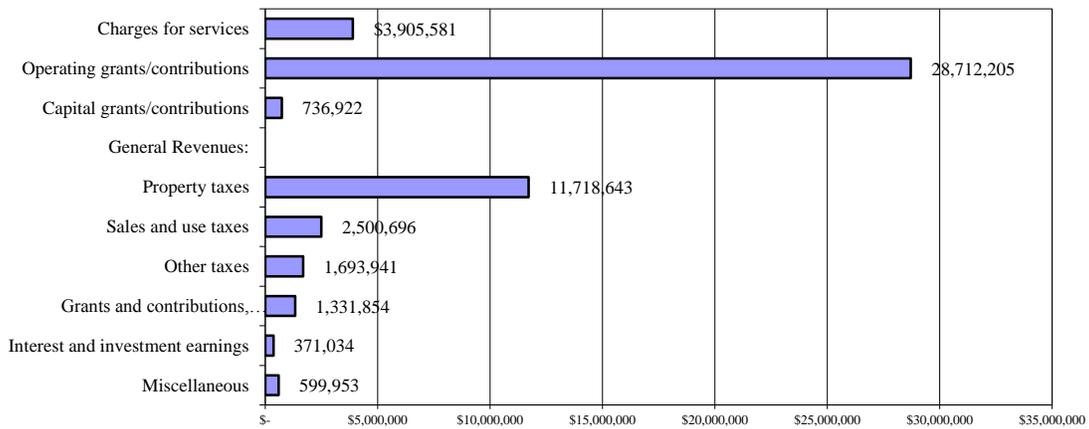
At the end of the current fiscal year, the County reported positive balances in all three categories of net position, for the County as a whole.

The County's net position increased by \$5,792,539 during the current fiscal year. This increase is due to an increase of \$5,792,539 due to ongoing revenues exceeding ongoing expenses. The increase in the net investment in capital assets represents capital purchases net of depreciation plus the retirement of related long-term debt.

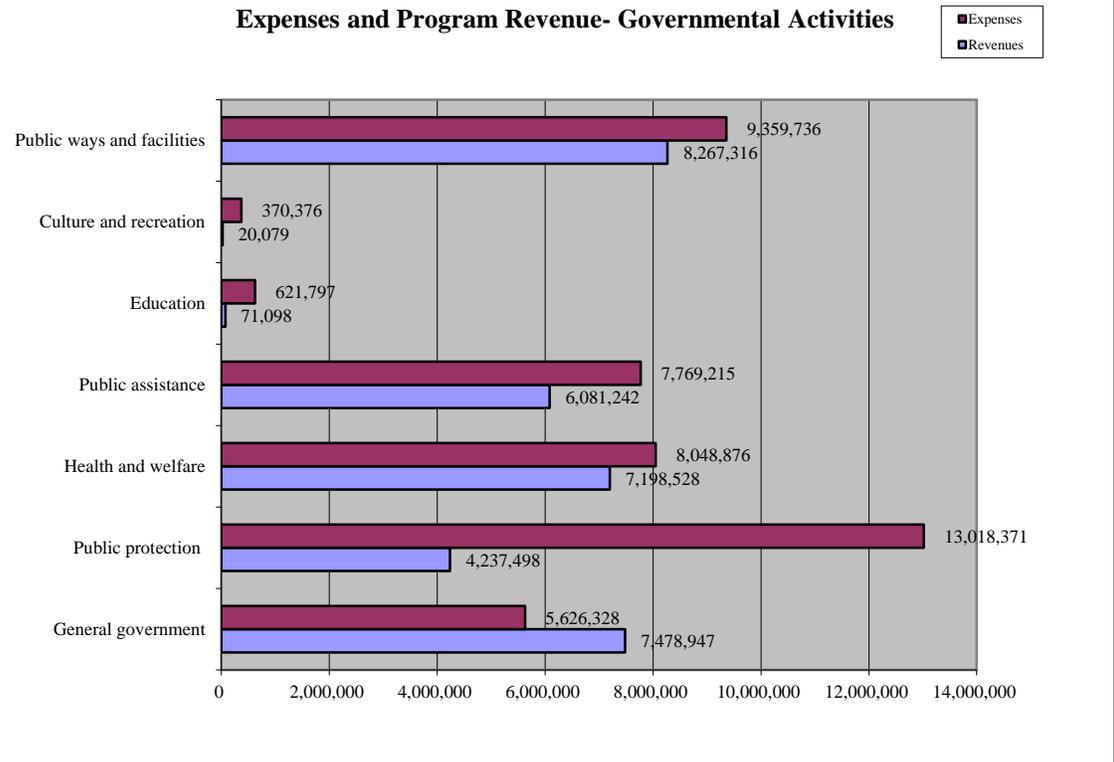
The following table indicates the changes in net position for governmental and business-type activities:

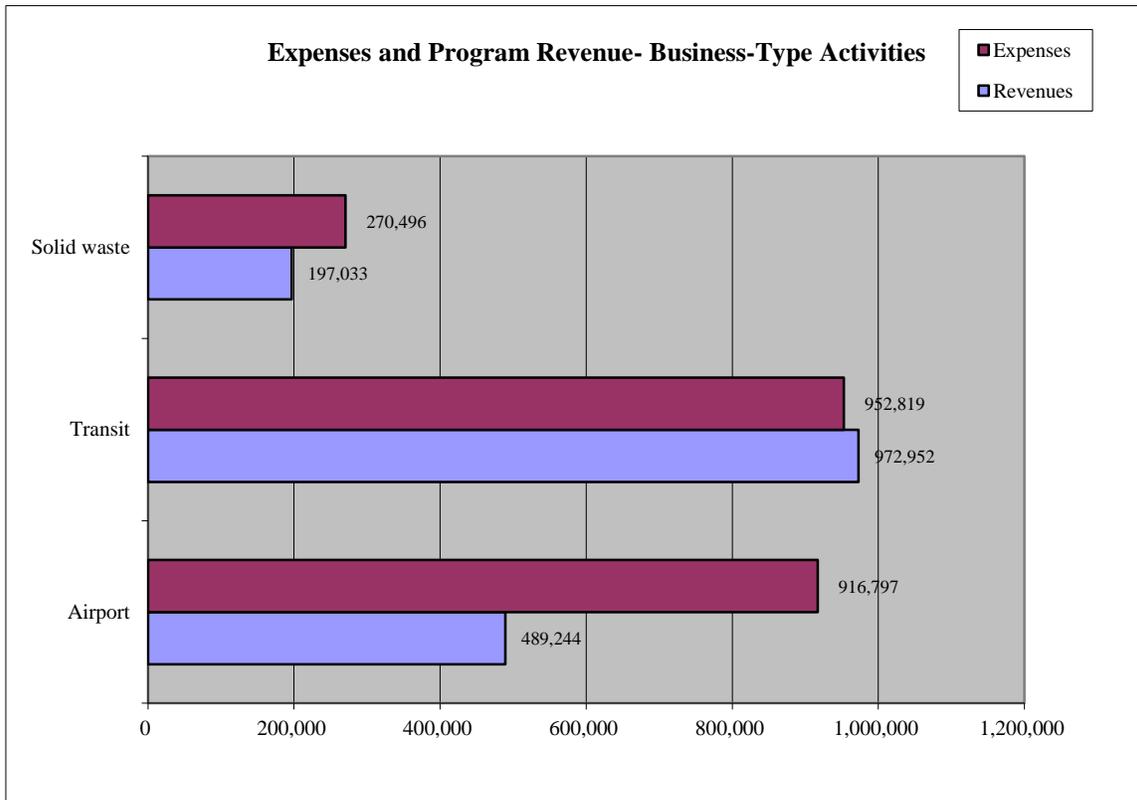
| Statement of Activities For the Year Ended June 30, 2014 | | | |
|-------------------------------------------------------------|----------------------------|-----------------------------|---------------|
| | Governmental Activities | Business-Type Activities | Total |
| Revenues | | | |
| Program Revenues: | | | |
| Charges for services | \$ 3,905,581 | \$ 221,343 | \$ 4,126,924 |
| Operating grants/contributions | 28,712,205 | 979,002 | 29,691,207 |
| Capital grants/contributions | 736,922 | 458,884 | 1,195,806 |
| General Revenues: | | | |
| Property taxes | 11,718,643 | - | 11,718,643 |
| Sales and use taxes | 2,500,696 | - | 2,500,696 |
| Other taxes | 1,693,941 | 2,558 | 1,696,499 |
| Grants and contributions, unrestricted | 1,331,854 | - | 1,331,854 |
| Interest and investment earnings | 371,034 | 252,507 | 623,541 |
| Miscellaneous | 599,953 | 13,752 | 613,705 |
| Transfers | 92,800 | (92,800) | - |
| Total Revenues | 51,663,629 | 1,835,246 | 53,498,875 |
| Expenses | | | |
| General government | 5,626,328 | - | 5,626,328 |
| Public protection | 13,018,371 | - | 13,018,371 |
| Health and welfare | 8,048,876 | - | 8,048,876 |
| Public assistance | 7,769,215 | - | 7,769,215 |
| Education | 621,797 | - | 621,797 |
| Culture and recreation | 370,376 | - | 370,376 |
| Public ways and facilities | 9,359,736 | - | 9,359,736 |
| Interest and fiscal charges | 751,525 | - | 751,525 |
| Airport | - | 916,797 | 916,797 |
| Transit | - | 952,819 | 952,819 |
| Solid waste | - | 270,496 | 270,496 |
| Total Expenses | 45,566,224 | 2,140,112 | 47,706,336 |
| Change in Net Position | 6,097,405 | (304,866) | 5,792,539 |
| Net Position - Beginning | 73,192,785 | 7,427,741 | 80,620,526 |
| Net Position - Ending | \$ 79,290,190 | \$ 7,122,875 | \$ 86,413,065 |

Revenue by Source-Governmental Activities



Expenses and Program Revenue- Governmental Activities





FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

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

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

| | FY 2013 | FY 2014 | Increase(Decrease) | |
|--------------------------------|---------------|---------------|--------------------|---------|
| | | | Amount | Percent |
| Fund Balance - Beginning | \$ 39,394,275 | \$ 43,785,692 | \$ 4,391,417 | 11.15% |
| Revenues | 49,199,196 | 52,352,737 | 3,153,541 | 6.41% |
| Expenditures | (44,847,343) | (47,502,264) | (2,654,921) | 5.92% |
| Other Financing Sources (Uses) | 39,564 | 205,402 | 165,838 | 419.16% |
| Fund Balance - Ending | \$ 43,785,692 | \$ 48,841,567 | \$ 5,055,875 | 11.55% |

At June, 30, 2014, the County's governmental funds reported combined fund balances of \$48,841,567, an increase of \$5,055,875 in comparison with the prior year. Of these combined fund balances, 4,645,378 constitutes net unassigned; \$40,397,363 restricted, and \$699,487 assigned for special purposes, in the General and Special Revenue Funds, which is available to meet the County's current and future needs. The remainder of fund balance is not available for new spending because it has been Committed for future use \$2,672,087 or is in Nonspendable form \$427,252.

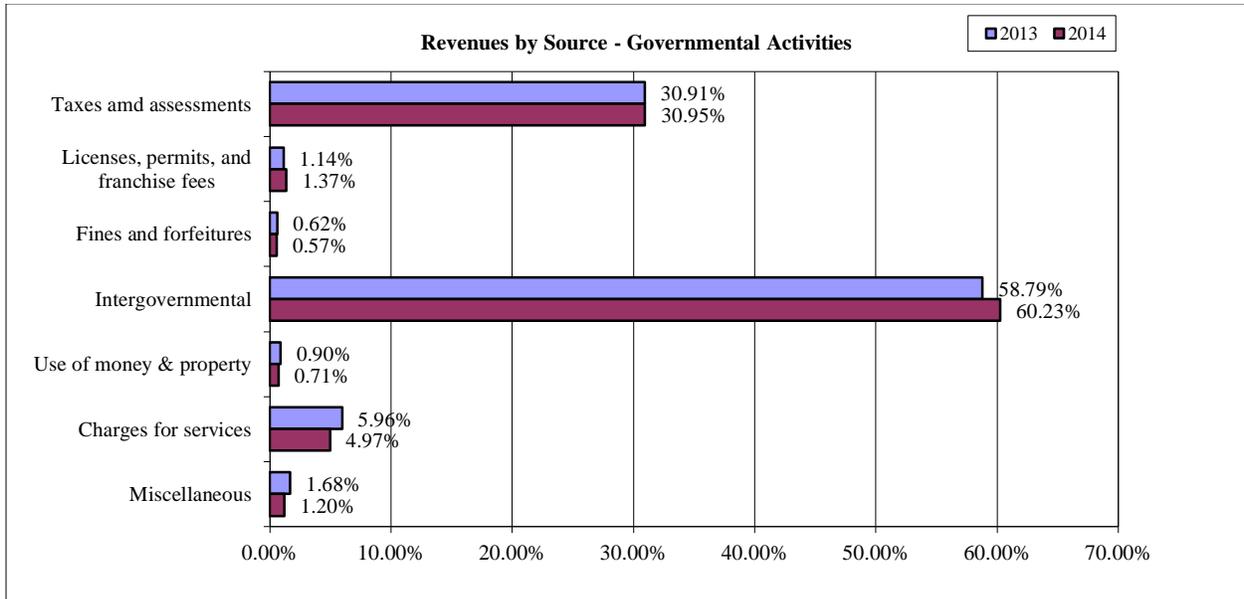
The General Fund is the chief operating fund of the County. At June 30, 2014, unassigned fund balance was \$4,712,314 while total fund balance was \$8,031,995. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 26.2% of total General Fund expenditures, while the total fund balance represents 44.6% of total General Fund expenditures.

The major funds and other governmental funds' fund balances increased from \$37,690,191 to \$40,809,572. The major and other governmental funds had decreases/increases in fund balance as follows: Public Ways-Road decreased \$520,180, Local Revenue 2011 increased \$645,397, Social Services increased \$1,351,166, Mental Health increased \$1,306,648, Public Health increased \$303,677, Public Safety decreased \$480,864, and other non-major governmental funds increased \$513,537.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

| | Revenues Classified by Source Governmental Funds | | | | | |
|---------------------------------------|-----------------------------------------------------|------------------|----------------------|------------------|---------------------|-------------------|
| | FY 2013 | | FY 2014 | | Increase(Decrease) | |
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Change |
| Revenue by Source: | | | | | | |
| Taxes and assessments | \$ 15,208,986 | 30.91% | \$ 16,204,050 | 30.95% | \$ 995,064 | 6.54% |
| Licenses, permits, and franchise fees | 560,780 | 1.14% | 717,507 | 1.37% | 156,727 | 27.95% |
| Fines and forfeitures | 305,673 | 0.62% | 297,961 | 0.57% | (7,712) | -2.52% |
| Intergovernmental | 28,923,788 | 58.79% | 31,534,131 | 60.23% | 2,610,343 | 9.02% |
| Use of money & property | 442,134 | 0.90% | 370,464 | 0.71% | (71,670) | -16.21% |
| Charges for services | 2,930,637 | 5.96% | 2,599,343 | 4.97% | (331,294) | -11.30% |
| Miscellaneous | 827,198 | 1.68% | 629,281 | 1.20% | (197,917) | -23.93% |
| Total | <u>\$ 49,199,196</u> | <u>100.00%</u> | <u>\$ 52,352,737</u> | <u>100.00%</u> | <u>\$ 3,153,541</u> | 6.41% |

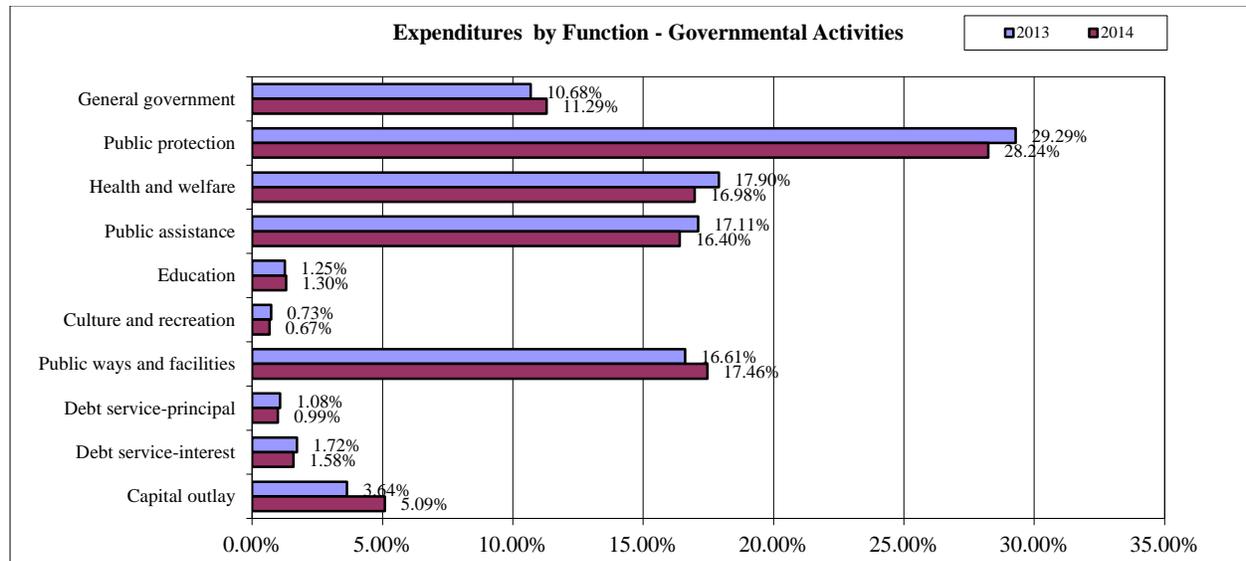
The following graph shows an illustrative picture of where the County funds come from.



The following table presents expenditures by function compared to prior year amounts.

| | FY 2013 | | FY 2014 | | Increase(Decrease) | |
|----------------------------|---------------|------------------|---------------|------------------|--------------------|-------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Change |
| Expenditures by Function: | | | | | | |
| General government | \$ 4,790,740 | 10.68% | \$ 5,365,258 | 11.29% | \$ 574,518 | 11.99% |
| Public protection | 13,134,947 | 29.29% | 13,412,603 | 28.24% | 277,656 | 2.11% |
| Health and welfare | 8,029,818 | 17.90% | 8,063,996 | 16.98% | 34,178 | 0.43% |
| Public assistance | 7,671,306 | 17.11% | 7,789,504 | 16.40% | 118,198 | 1.54% |
| Education | 561,558 | 1.25% | 617,619 | 1.30% | 56,061 | 9.98% |
| Culture and recreation | 325,494 | 0.73% | 316,811 | 0.67% | (8,683) | -2.67% |
| Public ways and facilities | 7,447,018 | 16.61% | 8,295,710 | 17.46% | 848,692 | 11.40% |
| Debt service-principal | 482,950 | 1.08% | 470,000 | 0.99% | (12,950) | -2.68% |
| Debt service-interest | 769,952 | 1.72% | 751,525 | 1.58% | (18,427) | -2.39% |
| Capital outlay | 1,633,560 | 3.64% | 2,419,238 | 5.09% | 785,678 | 48.10% |
| Total | \$ 44,847,343 | 100.00% | \$ 47,502,264 | 100.00% | \$ 2,654,921 | 5.92% |

The following graph shows an illustrative picture of how County funds were spent.



Other financing sources and uses are presented below to illustrate changes from the prior year.

| | FY 2013 | FY 2014 | Increase(Decrease) | |
|--------------------------------------|---------------|---------------|--------------------|---------|
| | | | Amount | Percent |
| Transfers In | \$ 13,971,042 | \$ 14,691,965 | \$ 720,923 | 5.16% |
| Transfers Out | (13,931,478) | (14,540,014) | (608,536) | 4.37% |
| Proceeds from Sale of Capital Assets | -0- | 53,451 | 53,451 | 100.00% |
| Net other financing sources(uses) | \$ 39,564 | \$ 205,402 | \$ 112,387 | |

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

Enterprise funds report the business-type activities of the County. Enterprise funds are used to account for airport, solid waste operations, Senior Transportation, and Plumas Transit (assets).

| | FY 2013 | FY 2014 | Net Change | |
|-----------------------------------|--------------|--------------|--------------|---------|
| | | | Amount | Percent |
| Total Net Position - Beginning | \$ 7,227,898 | \$ 7,427,741 | \$ 199,843 | 2.76% |
| Operating revenues | 337,055 | 237,754 | (99,301) | -29.46% |
| Operating expenses | (2,024,598) | (2,140,112) | (115,514) | 5.71% |
| Non-operating revenues (expenses) | 1,127,942 | 1,231,408 | 103,466 | 9.17% |
| Capital contribution | 799,008 | 458,884 | (340,124) | -42.57% |
| Transfers in (out) | (39,564) | (92,800) | (53,236) | 134.56% |
| Total Net Position - Ending | \$ 7,427,741 | \$ 7,122,875 | \$ (304,866) | -4.10% |

Internal service funds are an accounting device to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for risk management, unemployment insurance, workers compensation, health insurance funds, and liability.

Net Change in Fund Net Position
Internal Service Funds

| | FY 2013 | FY 2014 | Increase(Decrease) | |
|-----------------------------------|---------------------|---------------------|---------------------|-----------|
| | | | Amount | Percent |
| Total Net Position - Beginning | \$ 1,152,049 | \$ 1,115,004 | \$ (37,045) | -3.22% |
| Operating revenues | 1,494,151 | 1,739,242 | 245,091 | 16.40% |
| Operating expenses | (1,533,132) | (90,087) | (1,443,045) | 94.12% |
| Non-operating revenues (expenses) | 1,936 | (58,581) | (60,517) | -3125.88% |
| Total Net Position - Ending | <u>\$ 1,115,004</u> | <u>\$ 2,705,578</u> | <u>\$ 1,590,574</u> | 142.65% |

Unrestricted net position of the internal service funds at June 30, 2014 was \$2,705,578 an increase of \$1,590,574. This was largely attributable to the County's self-funded insurance funds. The County has increased the workers comp. rates and has entered into a risk management program. Both liability and workers comp are now funded at the 80% or higher confidence level as recommended.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Board of Supervisors revises the County's budget many times. Each time a grant or specific revenue enhancement is made available to a County program that requires new appropriations, a budget amendment is required.

The mid-year review is a formal process by which each department is analyzed for expense and revenue trends. Adjustments are recommended where indicated and monitored for the remainder of the year. Unless there is some unforeseen and unusual circumstance that causes a budget overrun, a draw on the Contingency Reserve is not recommended.

Differences between the original budget and the final amended budget is summarized in the table below:

Budgetary Comparison
General Fund

| | Original Budget | Final Budget | Net Change | |
|--------------------------------|--------------------|---------------------|---------------------|---------|
| | | | Amount | Percent |
| Total Revenues | \$ 20,274,856 | \$ 20,468,239 | \$ 193,383 | 0.95% |
| Total Expenditures | (20,897,455) | (21,102,508) | (205,053) | 0.98% |
| Other Financing Sources (Uses) | 543,227 | 433,721 | (109,506) | -20.16% |
| Net Change in Fund Balances | <u>\$ (79,372)</u> | <u>\$ (200,548)</u> | <u>\$ (121,176)</u> | |

Differences between the final amended budget and actual amounts is summarized in the table below:

Budgetary Comparison
General Fund

| | Final Budget | Actual Amounts | Variance with Final Budget | |
|--------------------------------|---------------------|---------------------|----------------------------|---------|
| | | | Amount | Percent |
| Total Revenues | \$ 20,468,239 | \$ 21,351,158 | \$ 882,919 | 4.31% |
| Total Expenditures | (21,102,508) | (19,553,261) | 1,549,247 | 7.34% |
| Other Financing Sources (Uses) | 433,721 | 138,597 | (295,124) | 68.04% |
| Net Change in Fund Balances | <u>\$ (200,548)</u> | <u>\$ 1,936,494</u> | <u>\$ 2,137,042</u> | |

CAPITAL ASSETS

The County's net investment in capital assets as of June 30, 2014, amounted to \$53,974,648. This investment in a broad range of capital assets includes land, infrastructure (roads and bridges), structures and improvements, and equipment.

| | Capital Assets | | | | | |
|---------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Land | \$ 2,079,903 | \$ 2,079,903 | \$ 620,152 | \$ 620,152 | \$ 2,700,055 | \$ 2,700,055 |
| Construction In Progress | 2,439,044 | 3,757,032 | - | - | 2,439,044 | 3,757,032 |
| Structures & Improvements | 34,269,877 | 34,281,255 | 1,255,458 | 1,290,807 | 35,525,335 | 35,572,062 |
| Equipment | 20,718,936 | 21,025,628 | 1,839,126 | 1,848,376 | 22,558,062 | 22,874,004 |
| Software | 1,285,404 | 1,285,404 | 15,660 | 15,660 | 1,301,064 | 1,301,064 |
| Infrastructure | 39,425,582 | 39,539,658 | 8,690,099 | 9,169,476 | 48,115,681 | 48,709,134 |
| Total | 100,218,746 | 101,968,880 | 12,420,495 | 12,944,471 | 112,639,241 | 114,913,351 |
| Accumulated Depreciation | (51,978,463) | (53,999,290) | (6,287,510) | (6,939,413) | (58,265,973) | (60,938,703) |
| Net Capital Assets | \$ 48,240,283 | \$ 47,969,590 | \$ 6,132,985 | \$ 6,005,058 | \$ 54,373,268 | \$ 53,974,648 |

DEBT ADMINISTRATION

At June 30, 2014, the County had total long-term debt outstanding of \$23,427,149 as compared to \$23,865,580 in the prior year. During the year, there was retirement of debt amounting to \$402,130, and a decrease in post employment (compensated absences, closure/postclosure, and OPEB) benefits of \$34,498.

| | Long-Term Debt | | | | | |
|-------------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Loans | \$ 165,000 | \$ 165,000 | \$ - | \$ - | \$ 165,000 | \$ 165,000 |
| Certificates of Participation | 15,190,000 | 14,720,000 | - | - | 15,190,000 | 14,720,000 |
| Closure/Postclosure | - | - | 2,409,192 | 2,446,238 | 2,409,192 | 2,446,238 |
| Compensated Absences | 4,092,318 | 4,124,708 | 20,537 | 18,970 | 4,112,855 | 4,143,678 |
| Net OPEB Obligation | 1,958,142 | 1,920,953 | 30,391 | 31,280 | 1,988,533 | 1,952,233 |
| Total | 21,405,460 | 20,930,661 | 2,460,120 | 2,496,488 | 23,865,580 | 23,427,149 |
| Less Current Portion | (3,190,325) | (2,890,263) | (11,169) | (18,970) | (3,201,494) | (2,909,233) |
| Net Long-Term Debt | \$ 18,215,135 | \$ 18,040,398 | \$ 2,448,951 | \$ 2,477,518 | \$ 20,664,086 | \$ 20,517,916 |

Budget Officer's Economic Factors and Next Year's Budget

The County continues to face significant financial challenges as the economy slowly recovers from the recession. Property tax revenues increased \$997,225 from last year. Sales tax revenue declined while hotel tax revenues increased. In fiscal year 2014-2015, we expect the property tax growth to slow.

The County took significant action in attempting to prevent the use of remaining fund balance by passing a structurally balanced budget for fiscal year 2014-2015. This resulted in the fund balance in the County's General Fund increasing \$1,936,494 in the current year.

The State continues to look to local government to solve its cash flow and revenue situation. The most recent shift focuses on passing expenditures from a state responsibility to the local level along with realignment revenues which are specifically earmarked for those expenditures.

County total reserves remain healthy, and the County's General Fund reserve maintained the \$2,000,000 in the 14-15 budget. The County will continue to take reasonable action to manage spending and pass a balanced budget.

All of these factors will be taken into consideration when budgets are submitted to the Board. We as a County must be determined in our commitment to maintain conservative administrative practices in financial management to avoid further erosion of our currently stable financial base.

Request 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 County Administrative Office at County Courthouse, 520 Main St. RM 311, Quincy, California 95971.

Basic Financial Statements

- **Government-Wide Financial Statements**

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COUNTY OF PLUMAS
Statement of Net Position
June 30, 2014

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|----------------------------------|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 44,430,410 | \$ 268,258 | \$ 44,698,668 |
| Cash with fiscal agent | 6,714,459 | - | 6,714,459 |
| Receivables: | | | |
| Accounts | 126,579 | 60,068 | 186,647 |
| Taxes | 568,565 | - | 568,565 |
| Intergovernmental | 4,925,451 | - | 4,925,451 |
| Internal balances | 20,000 | (20,000) | - |
| Prepaid costs | 168,235 | 2,762 | 170,997 |
| Inventory | 262,387 | 87,565 | 349,952 |
| Loans receivable | 135,296 | - | 135,296 |
| Restricted cash and investments | - | 3,255,776 | 3,255,776 |
| Capital assets: | | | |
| Non depreciable | 5,836,935 | 620,152 | 6,457,087 |
| Depreciable, net | 42,132,655 | 5,384,906 | 47,517,561 |
| Total capital assets | <u>47,969,590</u> | <u>6,005,058</u> | <u>53,974,648</u> |
| Total Assets | <u>105,320,972</u> | <u>9,659,487</u> | <u>114,980,459</u> |
| LIABILITIES | | | |
| Accounts payable | 943,076 | 23,060 | 966,136 |
| Salaries and benefits payable | 1,001,260 | 12,872 | 1,014,132 |
| Unearned revenue | 359,595 | 4,192 | 363,787 |
| Accrued claims liability | 2,796,190 | - | 2,796,190 |
| Long-term liabilities: | | | |
| Due within one year | 2,890,263 | 18,970 | 2,909,233 |
| Due in more than one year | 18,040,398 | 2,477,518 | 20,517,916 |
| Total Liabilities | <u>26,030,782</u> | <u>2,536,612</u> | <u>28,567,394</u> |
| NET POSITION | | | |
| Net investment in capital assets | 33,084,590 | 6,005,058 | 39,089,648 |
| Restricted for: | | | |
| General government | 4,066,584 | - | 4,066,584 |
| Public protection | 2,208,244 | - | 2,208,244 |
| Public assistance | 3,657,478 | - | 3,657,478 |
| Health and welfare | 17,630,839 | - | 17,630,839 |
| Public ways and facilities | 11,533,365 | - | 11,533,365 |
| Capital projects | 380,091 | - | 380,091 |
| Debt service | 1,399,553 | - | 1,399,553 |
| Unrestricted | 5,329,446 | 1,117,817 | 6,447,263 |
| Total Net Position | <u>\$ 79,290,190</u> | <u>\$ 7,122,875</u> | <u>\$ 86,413,065</u> |

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF PLUMAS
Statement of Activities
For the Year Ended June 30, 2014

| <u>Functions/Programs:</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|---------------------------------------|----------------------|-----------------------------|-------------------------------------------|-----------------------------------------|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Governmental activities: | | | | |
| General government | \$ 5,626,328 | \$ 797,116 | \$ 6,681,831 | \$ - |
| Public protection | 13,018,371 | 1,218,044 | 3,019,454 | - |
| Health and welfare | 8,048,876 | 962,016 | 6,236,512 | - |
| Public assistance | 7,769,215 | 2,531 | 6,078,711 | - |
| Education | 621,797 | 8,609 | 62,489 | - |
| Culture and recreation | 370,376 | 20,079 | - | - |
| Public ways and facilities | 9,359,736 | 897,186 | 6,633,208 | 736,922 |
| Interest on long-term debt | 751,525 | - | - | - |
| Total Governmental Activities | 45,566,224 | 3,905,581 | 28,712,205 | 736,922 |
| Business-type activities: | | | | |
| Airport | 916,797 | 360 | 30,000 | 458,884 |
| Transit | 952,819 | 23,950 | 949,002 | - |
| Solid waste | 270,496 | 197,033 | - | - |
| Total Business-Type Activities | 2,140,112 | 221,343 | 979,002 | 458,884 |
| Total | \$ 47,706,336 | \$ 4,126,924 | \$ 29,691,207 | \$ 1,195,806 |

General revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Public service taxes
- Transient occupancy taxes
- Aircraft taxes
- Timber yield tax
- Franchise fees
- Grants and contributions, unrestricted
- Interest and investment earnings
- Miscellaneous
- Loss on sale of capital assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Position**

| Governmental Activities | Business- Type Activities | Total |
|------------------------------------|------------------------------------------|----------------------|
| \$ 1,852,619 | \$ - | \$ 1,852,619 |
| (8,780,873) | - | (8,780,873) |
| (850,348) | - | (850,348) |
| (1,687,973) | - | (1,687,973) |
| (550,699) | - | (550,699) |
| (350,297) | - | (350,297) |
| (1,092,420) | - | (1,092,420) |
| (751,525) | - | (751,525) |
| <u>(12,211,516)</u> | <u>-</u> | <u>(12,211,516)</u> |
| - | (427,553) | (427,553) |
| - | 20,133 | 20,133 |
| - | (73,463) | (73,463) |
| <u>-</u> | <u>(480,883)</u> | <u>(480,883)</u> |
| <u>(12,211,516)</u> | <u>(480,883)</u> | <u>(12,692,399)</u> |
| 11,718,643 | - | 11,718,643 |
| 2,500,696 | - | 2,500,696 |
| 167,312 | - | 167,312 |
| 1,232,744 | - | 1,232,744 |
| 16,336 | - | 16,336 |
| 120,684 | 2,558 | 123,242 |
| 156,865 | - | 156,865 |
| 1,331,854 | - | 1,331,854 |
| 371,034 | 252,507 | 623,541 |
| 629,281 | 13,752 | 643,033 |
| (29,328) | - | (29,328) |
| 92,800 | (92,800) | - |
| <u>18,308,921</u> | <u>176,017</u> | <u>18,484,938</u> |
| 6,097,405 | (304,866) | 5,792,539 |
| <u>73,192,785</u> | <u>7,427,741</u> | <u>80,620,526</u> |
| <u>\$ 79,290,190</u> | <u>\$ 7,122,875</u> | <u>\$ 86,413,065</u> |

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Basic Financial Statements

- **Fund Financial Statements**

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COUNTY OF PLUMAS
Balance Sheet
Governmental Funds
June 30, 2014

| | <u>General</u> | <u>Road</u> | <u>Local Revenue 2011</u> | <u>Social Services</u> | <u>Mental Health</u> |
|--------------------------------------------------------------------------------|---------------------|---------------------|-----------------------------------|----------------------------|--------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 7,742,138 | \$ 8,300,747 | \$ 248,582 | \$ 3,220,733 | \$ 15,664,485 |
| Cash with fiscal agent | - | - | - | - | - |
| Receivables: | | | | | |
| Accounts | 61,274 | 11,647 | - | - | 11,149 |
| Taxes | 568,565 | - | - | - | - |
| Intergovernmental | 466,601 | 601,517 | 867,081 | 651,836 | 1,103,836 |
| Prepaid costs | 108,250 | 225 | - | 1,652 | 149 |
| Inventory | - | 262,387 | - | - | - |
| Due from other funds | 1,168 | - | - | - | - |
| Advance to other funds | 35,530 | - | - | - | - |
| Loans receivable | 135,296 | - | - | - | - |
| Total Assets | <u>\$ 9,118,822</u> | <u>\$ 9,176,523</u> | <u>\$ 1,115,663</u> | <u>\$ 3,874,221</u> | <u>\$ 16,779,619</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 256,792 | \$ 176,136 | \$ - | \$ 24,461 | \$ 134,404 |
| Salaries and benefits payable | 538,649 | 134,516 | - | 83,523 | 80,885 |
| Unearned revenue | 196,276 | - | - | 108,759 | - |
| Due to other funds | - | - | - | - | - |
| Advance from other funds | - | - | - | - | - |
| Total Liabilities | <u>991,717</u> | <u>310,652</u> | <u>-</u> | <u>216,743</u> | <u>215,289</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | 95,110 | 49,737 | - | - | - |
| Total Deferred Inflows of Resources | <u>95,110</u> | <u>49,737</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 108,250 | 262,612 | - | 1,652 | 149 |
| Restricted | 399,531 | 8,553,522 | 1,115,663 | 3,655,826 | 16,564,181 |
| Committed | 2,112,413 | - | - | - | - |
| Assigned | 699,487 | - | - | - | - |
| Unassigned | 4,712,314 | - | - | - | - |
| Total Fund Balances | <u>8,031,995</u> | <u>8,816,134</u> | <u>1,115,663</u> | <u>3,657,478</u> | <u>16,564,330</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 9,118,822</u> | <u>\$ 9,176,523</u> | <u>\$ 1,115,663</u> | <u>\$ 3,874,221</u> | <u>\$ 16,779,619</u> |

The notes to the basic financial statements are an integral part of this statement.

| Public Health | Public Safety | Other Governmental Funds | Total |
|----------------------|----------------------|---------------------------------|---------------------|
| \$ 661,843 | \$ 796,143 | \$ 7,612,247 | \$44,246,918 |
| - | - | 1,399,553 | 1,399,553 |
| 30,730 | - | 11,779 | 126,579 |
| - | - | - | 568,565 |
| 733,902 | 249,341 | 251,337 | 4,925,451 |
| 2,380 | 47,785 | 4,424 | 164,865 |
| - | - | - | 262,387 |
| - | - | - | 1,168 |
| - | - | - | 35,530 |
| - | - | - | 135,296 |
| <u>\$ 1,428,855</u> | <u>\$ 1,093,269</u> | <u>\$ 9,279,340</u> | <u>\$51,866,312</u> |
| \$ 99,995 | \$ 49,922 | \$ 201,366 | \$ 943,076 |
| 63,127 | 59,270 | 41,290 | 1,001,260 |
| - | - | 54,560 | 359,595 |
| - | - | 1,168 | 1,168 |
| - | - | 15,530 | 15,530 |
| <u>163,122</u> | <u>109,192</u> | <u>313,914</u> | <u>2,320,629</u> |
| <u>330,959</u> | <u>180,924</u> | <u>47,386</u> | <u>704,116</u> |
| <u>330,959</u> | <u>180,924</u> | <u>47,386</u> | <u>704,116</u> |
| 2,380 | 47,785 | 4,424 | 427,252 |
| 932,394 | 755,368 | 8,420,878 | 40,397,363 |
| - | - | 559,674 | 2,672,087 |
| - | - | - | 699,487 |
| - | - | (66,936) | 4,645,378 |
| <u>934,774</u> | <u>803,153</u> | <u>8,918,040</u> | <u>48,841,567</u> |
| <u>\$ 1,428,855</u> | <u>\$ 1,093,269</u> | <u>\$ 9,279,340</u> | <u>\$51,866,312</u> |

COUNTY OF PLUMAS
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2014

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Total Fund Balance - Total Governmental Funds | \$ 48,841,567 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets. | 47,969,590 |
| Other long term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds. | 704,116 |
| Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. | |
| Loans payable | (165,000) |
| Certificates of participation | (14,720,000) |
| Compensated absences | (4,124,708) |
| Net OPEB obligation | (1,920,953) |
| Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. | <u>2,705,578</u> |
| Net Position of Governmental Activities | <u><u>\$ 79,290,190</u></u> |

The notes to the basic financial statements are an integral part of this statement.

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COUNTY OF PLUMAS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

| | <u>General</u> | <u>Road</u> | <u>Local Revenue 2011</u> | <u>Social Services</u> | <u>Mental Health</u> |
|---------------------------------------------------------|---------------------|---------------------|-----------------------------------|----------------------------|--------------------------|
| REVENUES | | | | | |
| Taxes and assessments | \$ 15,505,716 | \$ 953 | \$ - | \$ - | \$ - |
| Licenses, permits, and franchises | 641,853 | 71,461 | - | - | - |
| Fines and forfeitures | 221,477 | 4,933 | - | - | - |
| Intergovernmental | 1,568,969 | 7,045,251 | 5,646,944 | 6,186,597 | 3,186,110 |
| Use of money and property | 60,636 | 51,353 | - | 9,004 | 26,779 |
| Charges for services | 1,387,830 | 205,948 | - | - | 221,699 |
| Other revenues | 403,914 | 4,084 | - | 96,523 | 6,215 |
| Total Revenues | <u>19,790,395</u> | <u>7,383,983</u> | <u>5,646,944</u> | <u>6,292,124</u> | <u>3,440,803</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 4,734,843 | - | - | - | - |
| Public protection | 10,962,791 | - | - | - | - |
| Health and welfare | 539,675 | - | - | - | 3,314,228 |
| Public assistance | 436,650 | - | - | 7,352,854 | - |
| Education | 617,619 | - | - | - | - |
| Culture and recreation | 316,811 | - | - | - | - |
| Public ways and facilities | 347,924 | 5,974,746 | - | - | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest and other charges | - | - | - | - | - |
| Capital outlay | 36,185 | 2,021,309 | - | 26,752 | 7,359 |
| Total Expenditures | <u>17,992,498</u> | <u>7,996,055</u> | <u>-</u> | <u>7,379,606</u> | <u>3,321,587</u> |
| Excess of Revenues Over (Under) Expenditures | <u>1,797,897</u> | <u>(612,072)</u> | <u>5,646,944</u> | <u>(1,087,482)</u> | <u>119,216</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 7,235,879 | 102,878 | - | 2,450,212 | 1,701,796 |
| Transfers out | (7,097,282) | (57,084) | (5,001,547) | (11,564) | (514,364) |
| Proceeds from sale of capital assets | - | 46,098 | - | - | - |
| Total Other Financing Sources (Uses) | <u>138,597</u> | <u>91,892</u> | <u>(5,001,547)</u> | <u>2,438,648</u> | <u>1,187,432</u> |
| Net Change in Fund Balances | 1,936,494 | (520,180) | 645,397 | 1,351,166 | 1,306,648 |
| Fund Balances - Beginning | <u>6,095,501</u> | <u>9,336,314</u> | <u>470,266</u> | <u>2,306,312</u> | <u>15,257,682</u> |
| Fund Balances - Ending | <u>\$ 8,031,995</u> | <u>\$ 8,816,134</u> | <u>\$ 1,115,663</u> | <u>\$ 3,657,478</u> | <u>\$ 16,564,330</u> |

The notes to the basic financial statements are an integral part of this statement.

| Public Health | Public Safety | Other Governmental Funds | Total |
|----------------------|----------------------|---------------------------------|----------------------|
| \$ - | \$ 18,264 | \$ 679,117 | \$ 16,204,050 |
| - | - | 4,193 | 717,507 |
| - | 3,141 | 68,410 | 297,961 |
| 3,538,346 | 703,589 | 3,658,325 | 31,534,131 |
| 1,009 | 228 | 221,455 | 370,464 |
| 447,552 | 19,563 | 316,751 | 2,599,343 |
| 1,141 | 38,555 | 78,849 | 629,281 |
| <u>3,988,048</u> | <u>783,340</u> | <u>5,027,100</u> | <u>52,352,737</u> |
| - | - | 630,415 | 5,365,258 |
| - | 1,495,619 | 954,193 | 13,412,603 |
| 3,615,082 | - | 595,011 | 8,063,996 |
| - | - | - | 7,789,504 |
| - | - | - | 617,619 |
| - | - | - | 316,811 |
| - | - | 1,973,040 | 8,295,710 |
| - | - | 470,000 | 470,000 |
| - | - | 751,525 | 751,525 |
| 33,551 | 249,086 | 44,996 | 2,419,238 |
| <u>3,648,633</u> | <u>1,744,705</u> | <u>5,419,180</u> | <u>47,502,264</u> |
| <u>339,415</u> | <u>(961,365)</u> | <u>(392,080)</u> | <u>4,850,473</u> |
| 182,443 | 1,104,484 | 1,914,273 | 14,691,965 |
| (224,431) | (625,086) | (1,008,656) | (14,540,014) |
| 6,250 | 1,103 | - | 53,451 |
| <u>(35,738)</u> | <u>480,501</u> | <u>905,617</u> | <u>205,402</u> |
| 303,677 | (480,864) | 513,537 | 5,055,875 |
| 631,097 | 1,284,017 | 8,404,503 | 43,785,692 |
| <u>\$ 934,774</u> | <u>\$ 803,153</u> | <u>\$ 8,918,040</u> | <u>\$ 48,841,567</u> |

COUNTY OF PLUMAS
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2014

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 5,055,875 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | |
| Expenditures for capital outlay | 2,419,238 |
| Less current year depreciation | (2,591,522) |
| Various adjustments effecting capital assets | (15,630) |
| Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the net cost of the capital assets disposed. Proceeds from the sale of capital assets was \$ 53,451. | |
| | (82,779) |
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | |
| Principal retirements | 470,000 |
| Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds. | |
| Change in unavailable revenue | (753,150) |
| 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 the governmental funds. | |
| Change in compensated absences | (32,390) |
| Change in net OPEB obligation | 37,189 |
| Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. | |
| | 1,590,574 |
| Change in Net Position of Governmental Activities | \$ 6,097,405 |

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF PLUMAS
Statement of Net Position
Proprietary Funds
June 30, 2014

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|-------------------------------------|----------------------------------------------------|---------------------------------------------------|---------------------------------------|---------------------|---------------------------------------|
| | Airport | Solid Waste Planning and Operation | Other Enterprise Funds | Total | Internal Service Funds |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and investments | \$ 63,055 | \$ 160,073 | \$ 45,130 | \$ 268,258 | \$ 183,492 |
| Cash with fiscal agent | - | - | - | - | 5,314,906 |
| Receivables: | | | | | |
| Accounts | 13,671 | 45,351 | 1,046 | 60,068 | - |
| Prepaid costs | 2,687 | 75 | - | 2,762 | 3,370 |
| Inventory | 87,565 | - | - | 87,565 | - |
| Total Current Assets | 166,978 | 205,499 | 46,176 | 418,653 | 5,501,768 |
| Noncurrent Assets: | | | | | |
| Restricted cash and investments | - | 3,255,776 | - | 3,255,776 | - |
| Capital Assets : | | | | | |
| Non depreciable | 497,438 | 122,714 | - | 620,152 | - |
| Depreciable, net | 4,642,793 | 523,755 | 218,358 | 5,384,906 | - |
| Total Noncurrent Assets | 5,140,231 | 3,902,245 | 218,358 | 9,260,834 | - |
| Total Assets | 5,307,209 | 4,107,744 | 264,534 | 9,679,487 | 5,501,768 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 16,900 | 3,111 | 3,049 | 23,060 | - |
| Salaries and benefits payable | 3,704 | - | 9,168 | 12,872 | - |
| Unearned revenues | 4,192 | - | - | 4,192 | - |
| Compensated absences | 1,038 | - | 17,932 | 18,970 | - |
| Claims payable | - | - | - | - | 2,796,190 |
| Total Current Liabilities | 25,834 | 3,111 | 30,149 | 59,094 | 2,796,190 |
| Noncurrent Liabilities: | | | | | |
| Advance from other funds | 20,000 | - | - | 20,000 | - |
| Compensated absences | - | - | - | - | - |
| Closure/postclosure | - | 2,446,238 | - | 2,446,238 | - |
| Net OPEB obligation | 13,646 | - | 17,634 | 31,280 | - |
| Total Noncurrent Liabilities | 33,646 | 2,446,238 | 17,634 | 2,497,518 | - |
| Total Liabilities | 59,480 | 2,449,349 | 47,783 | 2,556,612 | 2,796,190 |
| NET POSITION | | | | | |
| Investment in capital assets | 5,140,231 | 646,469 | 218,358 | 6,005,058 | - |
| Unrestricted | 107,498 | 1,011,926 | (1,607) | 1,117,817 | 2,705,578 |
| Total Net Position | \$ 5,247,729 | \$ 1,658,395 | \$ 216,751 | \$ 7,122,875 | \$ 2,705,578 |

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF PLUMAS
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

| | Business-Type Activities - Enterprise Funds | | | Governmental | |
|-------------------------------------------------------------|---------------------------------------------|------------------------------------------|------------------------------|---------------------|--------------------------------------------|
| | Airport | Solid Waste Planning and Operation | Other Enterprise Funds | Total | Activities Internal Service Funds |
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 360 | \$ 197,033 | \$ 23,950 | \$ 221,343 | \$ 1,739,242 |
| Other revenues | 15,561 | 850 | - | 16,411 | - |
| Total Operating Revenues | <u>15,921</u> | <u>197,883</u> | <u>23,950</u> | <u>237,754</u> | <u>1,739,242</u> |
| OPERATING EXPENSES | | | | | |
| Salaries and benefits | 106,636 | - | 203,980 | 310,616 | - |
| Services and supplies | 195,442 | 230,778 | 620,773 | 1,046,993 | - |
| Claims paid/liability adjustment | - | - | - | - | 90,087 |
| Depreciation | 614,719 | 39,718 | 128,066 | 782,503 | - |
| Total Operating Expenses | <u>916,797</u> | <u>270,496</u> | <u>952,819</u> | <u>2,140,112</u> | <u>90,087</u> |
| Operating Income (Loss) | <u>(900,876)</u> | <u>(72,613)</u> | <u>(928,869)</u> | <u>(1,902,358)</u> | <u>1,649,155</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Taxes | 2,558 | - | - | 2,558 | - |
| Local transportation funds | - | - | 537,232 | 537,232 | - |
| State transit assistance funds | - | - | 102,564 | 102,564 | - |
| Intergovernmental | 30,000 | - | 309,206 | 339,206 | - |
| Interest income | 246,279 | 6,227 | 1 | 252,507 | 570 |
| Gain (loss) on sale of capital assets | 1,721 | (4,380) | - | (2,659) | - |
| Total Non-Operating Revenues (Expenses) | <u>280,558</u> | <u>1,847</u> | <u>949,003</u> | <u>1,231,408</u> | <u>570</u> |
| Income (Loss) Before Contributions and Transfers | <u>(620,318)</u> | <u>(70,766)</u> | <u>20,134</u> | <u>(670,950)</u> | <u>1,649,725</u> |
| Capital contribution | 458,884 | - | - | 458,884 | - |
| Transfers in | 20,000 | - | - | 20,000 | - |
| Transfers out | - | (95,555) | (17,245) | (112,800) | (59,151) |
| Change in Net Position | <u>(141,434)</u> | <u>(166,321)</u> | <u>2,889</u> | <u>(304,866)</u> | <u>1,590,574</u> |
| Total Net Position - Beginning | <u>5,389,163</u> | <u>1,824,716</u> | <u>213,862</u> | <u>7,427,741</u> | <u>1,115,004</u> |
| Total Net Position - Ending | <u>\$ 5,247,729</u> | <u>\$ 1,658,395</u> | <u>\$ 216,751</u> | <u>\$ 7,122,875</u> | <u>\$ 2,705,578</u> |

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF PLUMAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

| | Business-Type Activities - Enterprise Funds | | | | Governmental |
|-----------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------|---------------------------------------|---------------------|---------------------------------------|
| | Airport | Solid Waste Planning and Operation | Other Enterprise Funds | Total | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 167,133 | \$ 198,867 | \$ 28,234 | \$ 394,234 | \$ 1,765,721 |
| Payments to suppliers | (357,612) | (198,062) | (619,645) | (1,175,319) | (590,926) |
| Payments to employees | (106,177) | - | (201,184) | (307,361) | - |
| Net Cash Provided (Used) by Operating Activities | (296,656) | 805 | (792,595) | (1,088,446) | 1,174,795 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Local transportation funds received | - | - | 537,232 | 537,232 | - |
| State transit assistance funds | - | - | 102,564 | 102,564 | - |
| Tax revenue received | 2,558 | - | - | 2,558 | - |
| Intergovernmental revenue received | 30,000 | 160 | 309,206 | 339,366 | - |
| Transfers from other funds | 20,000 | - | - | 20,000 | - |
| Transfers to other funds | - | (95,555) | (17,245) | (112,800) | (59,151) |
| Interfund loans repaid | 20,000 | - | - | 20,000 | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | 72,558 | (95,395) | 931,757 | 908,920 | (59,151) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of capital assets | (491,876) | (35,350) | (127,350) | (654,576) | - |
| Proceeds from sale of capital assets | 1,721 | (4,380) | - | (2,659) | - |
| Capital contribution | 458,884 | - | - | 458,884 | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (31,271) | (39,730) | (127,350) | (198,351) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest on investments | 246,279 | 6,227 | 1 | 252,507 | 570 |
| Net Cash Provided (Used) by Investing Activities | 246,279 | 6,227 | 1 | 252,507 | 570 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (9,090) | (128,093) | 11,813 | (125,370) | 1,116,214 |
| Balances - Beginning | 72,145 | 3,543,942 | 33,317 | 3,649,404 | 4,382,184 |
| Balances - Ending | \$ 63,055 | \$ 3,415,849 | \$ 45,130 | \$ 3,524,034 | \$ 5,498,398 |

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF PLUMAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

| | <u>Business-Type Activities - Enterprise Funds</u> | | | <u>Total</u> | <u>Governmental</u> |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------|---------------------------------------|-----------------------|---------------------------------------|
| | <u>Airport</u> | <u>Solid Waste Planning and Operation</u> | <u>Other Enterprise Funds</u> | | <u>Internal Service Funds</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating income (loss) | \$ (900,876) | \$ (72,613) | \$ (928,869) | \$ (1,902,358) | \$ 1,649,155 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation | 614,719 | 39,718 | 128,066 | 782,503 | - |
| Decrease (increase) in: | | | | | |
| Accounts receivable | 150,853 | 984 | 4,284 | 156,121 | 26,479 |
| Prepaid costs | (2,687) | (75) | - | (2,762) | (3,370) |
| Inventory | (1,956) | - | - | (1,956) | - |
| Increase (decrease) in: | | | | | |
| Accounts payable | (157,527) | (4,255) | 1,128 | (160,654) | (27,479) |
| Salaries and benefits payable | 331 | - | 3,602 | 3,933 | - |
| Unearned revenue | 359 | - | - | 359 | - |
| Compensated absences payable | 579 | - | (2,146) | (1,567) | - |
| Claims payable | - | - | - | - | (469,990) |
| Closure/post closure liability | - | 37,046 | - | 37,046 | - |
| Net OPEB obligation | (451) | - | 1,340 | 889 | - |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (296,656)</u> | <u>\$ 805</u> | <u>\$ (792,595)</u> | <u>\$ (1,088,446)</u> | <u>\$ 1,174,795</u> |

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF PLUMAS
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

| | Investment Trust Funds | Agency Funds |
|-------------------------------------|-----------------------------------|-------------------------|
| ASSETS | | |
| Cash and investments | \$ 38,132,534 | \$ 1,682,876 |
| Receivables: | | |
| Taxes | - | 3,729,329 |
| Total Assets | 38,132,534 | 5,412,205 |
| LIABILITIES | | |
| Loans from other agencies | 135,296 | - |
| Agency funds held for others | - | 5,412,205 |
| Total Liabilities | 135,296 | 5,412,205 |
| NET POSITION | | |
| Held in trust for pool participants | \$ 37,997,238 | \$ - |

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF PLUMAS
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

| | <u>Investment Trust Funds</u> |
|-------------------------------------|-----------------------------------|
| ADDITIONS | |
| Contributions to investment pool | <u>\$ 3,353,551</u> |
| Total Additions | <u>3,353,551</u> |
| DEDUCTIONS | |
| Distributions from investment pool | <u>1,342,109</u> |
| Total Deductions | <u>1,342,109</u> |
| Total Change in Net Position | 2,011,442 |
| Net Position - Beginning | <u>35,985,796</u> |
| Net Position - Ending | <u><u>\$37,997,238</u></u> |

The notes to the basic financial statements are an integral part of this statement.

Basic Financial Statements

- **Notes to Basic Financial Statements**

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COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of County of Plumas (County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a county-wide basis including law and justice, education, detention, social services and health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Plumas, Auditor-Controller's Office, 520 W. Main Street, Quincy, CA 95971.

Blended Component Units

County Fair - The County Fair was established by the County Board of Supervisors. The Fair Board is composed of members appointed by the County's Board of Supervisors. The County elected officials have a continuing full or partial oversight responsibility over and accountability for fiscal matters of the fair. As an integral part of the County, the County fair is reported as a nonmajor special revenue fund in the County's financial statements.

Air Pollution - The Air Pollution District was established to provide better air quality to residents. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor special revenue fund in the County's financial statements.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Crescent Mills Lighting - The Crescent Mills Lighting District was established to provide lighting to district residents. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor special revenue fund in the County's financial statements.

Quincy Lighting - The Quincy Lighting District was established to provide lighting to district residents. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor special revenue fund in the County's financial statements.

Beckworth CSA Sewer - The Beckworth CSA Sewer was established to provide sewer services to Beckworth residents. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor special revenue fund in the County's financial statements.

Flood Control - The Flood Control District was established to provide for flood control in the County. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor special revenue fund in the County's financial statements.

CSA #11 Ambulance - The CSA #11 Ambulance was established to provide County services to residents. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor special revenue fund in the County's financial statements.

Walker Ranch CSD - The Walker Ranch CSD was established to provide services to Walker Ranch residents. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor special revenue fund in the County's financial statements.

Grizzly Ranch CSD - The Grizzly Ranch CSD was established to provide services to Grizzly Ranch residents. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor special revenue fund in the County's financial statements.

CSA #12 Plumas County Transit - The CSA #12 Plumas County Transit was established June 1, 1982 to provide transportation services for the County. The County Board of Supervisors is the governing body of this fund and approves all payments. As an integral part of the County, this fund is reported as a nonmajor enterprise fund in the County's financial statements.

Discretely Presented Component Units

There are no component units of the County which meet the criteria for discrete presentation.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Related Organizations

Plumas County Community Development Commission - The Plumas County Community Development Commission (PCCDC) was established to operate and to govern the Housing Authority and the Community Development Commission. PCCDC is considered to be a related organization to the County of Plumas.

Joint Agencies

The County is a participant in Trindel Insurance Fund (Trindel) the purpose of which is to provide for the creation and operation of a common risk sharing and insurance purchasing pool to be used to meet the obligations of the member counties to provide Worker's Compensation benefits for their employees and to provide public liability and property damage insurance for its members. Trindel is governed by a Joint Powers Agreement between the member counties pursuant to Article 1 (commencing with Section 6500), Chapter 5 of Division 7, Title 1 of the Government Code of California. Complete audited financial statements can be obtained from their office at P.O. Box 2069, Weaverville, CA 96093. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC). CSAC is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. CSAC operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. CSAC is under the control and direction of a board of directors consisting of representatives of the fifty member counties. Complete audited financial statements can be obtained from CSAC's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39, and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the County and its blended component units. These statements include the financial activities of the overall government, except 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 are normally supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down are included in the program expense reported for individual functions and activities. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and proprietary funds are separately aggregated and reported as nonmajor funds.

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 public protection, public ways and facilities, health and welfare, public assistance, education, and recreation services.
- The Road fund is a special revenue fund used to account for revenues and expenditures for streets and road expansion. Funding comes primarily from state highway users taxes and state and federal highway improvement grants.
- The Local Revenue 2011 fund is a special revenue fund used to account for revenues and expenditures related to realignment funding. Funding comes primarily from state realignment revenues.
- The Social Services fund is a special revenue fund used to account for revenues and expenditures for social welfare. Funding comes primarily from state and federal grant revenues.
- The Mental Health fund is a special revenue fund used to account for revenues and expenditures for mental health programs. Funding comes primarily from state grant revenue.
- The Public Health fund is a special revenue fund used to account for revenues and expenditures for public health programs. Funding comes primarily from federal and state grant revenues.
- The Public Safety fund is a special revenue fund used to account for revenues and expenditures for public safety. Funding comes primarily from federal and state grant revenues.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major proprietary funds:

- The Airport fund is an enterprise fund used to account for activity related to providing customers with airport facilities and services.
- The Solid Waste Planning and Operation fund is an enterprise fund used to account for activity related to providing customers with solid waste service.

The County reports the following additional fund types:

- Internal Service funds account for the County's self insurance programs which provide services to other departments on a cost reimbursement basis.
- The Investment Trust funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. The external investment pool is made up of: special districts governed by local boards, school districts, school districts debt service, and trial court. The County is obligated to disburse monies from these funds on demand.
- Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the County include two separate components.

Accrued Trust funds - Accounts for property tax receipts awaiting apportionment to other local governmental agencies and investment earnings awaiting apportionment to other local government agencies.

County Departmental Agency funds - Accounts for all assets under the control of County departments which are held in a fiduciary capacity.

C. Basis of Accounting and Measurement Focus

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

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

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. Property and sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within sixty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary funds include investment trust funds and agency funds. All investment trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting to recognize receivables and payables.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide statement of net position.

E. Cash, Cash Equivalents, and Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy.

Investment transactions are recorded on the trade date. Investments are reported at fair value which is determined using selected bases annually. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate notes are valued by the safekeeping institution and by the County brokerage firm. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash, Cash Equivalents, and Investments (Continued)

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements, as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2014, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Interest income earned in agency funds where there are no interest earnings requirements are assigned to the General fund per County policy. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased, including cash with fiscal agents and restricted cash, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. Restricted Cash and Investments

Restricted assets in the County's enterprise funds represent cash and investments held in the Solid Waste Planning and Operations fund of \$3,255,776 for closure/post-closure funding.

G. Receivables

Receivables for governmental activities consist mainly of accounts, taxes, and intergovernmental revenue. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

Receivables in business-type activities consist mainly of user fees. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

H. Other Assets

Inventory

Inventories are stated at cost (first-in, first-out basis) for governmental funds and proprietary funds. Inventory recorded by governmental funds includes postage and materials and supplies for roads. Governmental fund inventories are recorded as expenditures at the time the inventory is consumed. Inventory recorded by proprietary funds includes fuel for the airport fund. Proprietary fund inventories are recorded as expenses at the time inventory is consumed.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Other Assets (Continued)

Prepaid Costs

Payments made for services that will benefit periods beyond June 30, 2014 are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Loans Receivable

The County General fund had a loan receivable at June 30, 2014 as follows:

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Indian Valley Community Services District - Loaned monies with an interest rate of 1 percent higher than the County's annual fiscal rate. Payments are to be made annually in the amount of \$10,000 until paid in full. | \$ 135,296 |
| Total Loans Receivable | <u>\$ 135,296</u> |

J. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, and similar items) are defined by the County as assets with a cost of more than \$1,500 and an estimated useful life of more than five years. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their estimated fair market value at the date of donation.

Infrastructure assets, including bridges and roads, have been stated at estimated historical cost. Estimated historical cost for bridges was arrived at by developing a listing of all bridges constructed after 1980. Using the year constructed, width, and length of the bridges, the estimated historical cost was calculated. Estimated historical cost for roads was arrived at by developing a list of all roads located within the County. Each road was identified by type, paved/flat, paved/hillside, and graveled. The current cost assigned to each road was factored back to the year of construction using the federal-aid highway construction factors to arrive at an estimated historical cost for each road.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

| <u>Depreciable Asset</u> | <u>Estimated Lives</u> |
|-----------------------------|------------------------|
| Equipment | 5-25 years |
| Structures and improvements | 5-50 years |
| Infrastructure | 30-50 years |

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Tax

The State of California’s (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1 percent of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100 percent of market value, as defined by Article XIII A, and may be adjusted by no more than 2 percent per fiscal year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1 percent tax levy among the County, cities, school districts, and other districts.

The County of Plumas is responsible for assessing, collecting, and distributing property taxes in accordance with State law. Property taxes are levied on both secured (real property) and unsecured (personal property other than land and buildings) property. Supplemental property taxes are assessed upon transfer of ownership in property or completion of new construction.

The County levies, bills, and collects taxes as follows:

| | Secured | Unsecured |
|----------------------|--------------------------------------------------------------------------------------|-----------|
| Valuation/lien dates | January 1 | January 1 |
| Due Dates | November 1 (1 st installment) February 1 (2 nd installment) | July 1 |
| Delinquent dates | December 10 (1 st installment) April 10 (2 nd installment) | August 31 |

The County of Plumas apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan”, as prescribed by Section 4717 of the California Revenue and Taxation code. Under the Teeter Plan, the County allocates to local taxing agencies 100 percent of the secured property taxes billed. In return, the County retains penalties and interest on delinquent secured taxes in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County is legally required to maintain a minimum balance of 1 percent of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$355,333 at June 30, 2014. The County’s management believes that any ownership rights to the TLRF the County may have are effective only upon a Board approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s Teeter Plan and accounted for in an agency fund.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers. Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

M. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

N. Compensated Absences

The County’s policy regarding vacation and other leave obligations is to permit employees to accumulate earned but unused vacation and other leave obligations. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature, while the proprietary funds report the liability as it is incurred. The County includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2014, the County did not have any deferred outflows of resources.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Q. Implementation of Governmental Accounting Standards Board Statements (GASB)

The following Governmental Accounting Standards Board (GASB) Statement has been implemented, if applicable to the County of Plumas, in the current financial statements.

Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Balance

The following non-major governmental funds had a deficit fund balance as of June 30, 2013. These deficits are expected to be eliminated through future additional funding.

| | |
|----------------------------|-----------|
| County Fair | \$ 65,461 |
| Animal Control Spay/Neuter | 1,121 |

B. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. At June 30, 2014, the County does not expect to incur a liability.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS

The County Treasurer manages, in accordance with California Government Code Section 53600, funds deposited in the investment pool by the County, all county school districts, various districts, and some cities within the County. The County investment pool is not registered with the Securities and Exchange Commission as an investment company. California Government Code and the County Investment Policy govern the investment pool activity. The objectives of the policy are in order of priority, safety, liquidity, yield and public trust. The pool attempts to match maturities with planned outlays and maximize the return of investment over various market cycles. Yield is considered only after safety and credit quality have been met, consistent with limiting risk and prudent investment principles.

The Board of Supervisors 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 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 Board of Supervisors and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. All cash and investments, with the exception of cash with fiscal agents, are considered part of the investment pool.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust Fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The investments of involuntary participants in the investment pool totaled \$38,132,534 at June 30, 2014.

A. Financial Statement Presentation

As of June 30, 2014, the County's cash and investments are reported in the financial statements as follows:

| | |
|----------------------------|----------------------|
| Primary government | \$ 54,668,903 |
| Investment trust funds | 38,132,534 |
| Agency funds | <u>1,682,876</u> |
| Total Cash and Investments | <u>\$ 94,484,313</u> |

As of June 30, 2014, the County's cash and investments consisted of the following:

| | |
|--------------------------------------------------------|----------------------|
| Cash: | |
| Cash on hand | \$ 17,035 |
| Deposits in Treasurer's Pool (less outstanding checks) | <u>4,172,619</u> |
| Total Cash in Treasurer's Pool | 4,189,654 |
| Deposits with fiscal agents | <u>6,714,459</u> |
| Total Cash | <u>10,904,113</u> |
| Investments: | |
| In Treasurer's Pool | <u>83,580,200</u> |
| Total Investments | <u>83,580,200</u> |
| Total Cash and Investments | <u>\$ 94,484,313</u> |

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash

At year end, the carrying amount of the County's cash deposits (including amount in checking accounts, money market accounts and deposits with fiscal agents) was \$10,887,078 and the bank balance was \$10,217,232. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the County had cash on hand of \$17,035.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The County's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the County's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized.

C. Investments

The County's investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law. Under the provisions of the County's investment policy the County may invest or deposit in the following:

- Banker's Acceptances
- Commercial Paper
- Local Agency Investment Fund
- Medium Term Corporate Notes
- Money Market Funds
- Negotiable Certificates of Deposit
- Time Certificates of Deposit
- Repurchase Agreements
- Shares of Beneficial Interest
- Securities of the Federal Government or its Agencies

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2014, the County had the following investments, all of which had a maturity of five years or less:

| Investment Type | Interest Rates | Maturities | | Fair Value | Weighted Average Maturity (Years) |
|--------------------------------------------|----------------|---------------------|---------------------|---------------------|-----------------------------------|
| | | 0-1 year | 1-5 years | | |
| US Treasury Notes | 0.50-3.25% | \$ 3,229,769 | \$ 9,857,290 | \$13,087,059 | 1.71 |
| Federal Agencies | 0.50-1.375% | 4,250,142 | 2,427,634 | 6,677,776 | 1.02 |
| Corporate Notes | 0.45-4.65% | 901,740 | 9,187,882 | 10,089,622 | 1.85 |
| Negotiable Certificates of Deposit | 0.00-0.652% | 2,475,000 | 3,249,562 | 5,724,562 | 1.28 |
| Local Agency Investment Fund (LAIF) | Variable | 37,500,000 | - | 37,500,000 | - |
| California Asset Management Program (CAMP) | Variable | 10,501,181 | - | 10,501,181 | - |
| Total Investments | | <u>\$58,857,832</u> | <u>\$24,722,368</u> | <u>\$83,580,200</u> | <u>0.66</u> |

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by the type of investment to be met at time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the County's investment policy, and the actual rating as of year end for each investment type.

| Investment Type | Minimum Legal Rating | Standard & Poor's Rating | Moody's Rating | % of Portfolio |
|------------------------------------|----------------------|--------------------------|----------------|----------------|
| US Treasury Notes | N/A | AA+ | Aaa | 15.66% |
| Federal Home Loan Mortgage Corp. | N/A | AA+ | Aaa | 4.07% |
| Federal National Mortgage Assoc. | N/A | AA+ | Aaa | 2.21% |
| Federal Home Loan Banks | N/A | AA+ | Aaa | 1.71% |
| Corporate notes | A | A- | A1 | 1.14% |
| Corporate notes | A | A+ | A1 | 1.69% |
| Corporate notes | A | AA+ | A1 | 0.56% |
| Corporate notes | A | A | A2 | 1.73% |
| Corporate notes | A | A+ | A2 | 1.95% |
| Corporate notes | A | A | A3 | 1.08% |
| Corporate notes | A | A- | A3 | 0.66% |
| Corporate notes | A | AA+ | A1 | 0.48% |
| Corporate notes | A | AA+ | Aa1 | 1.32% |
| Corporate notes | A | AA | Aa2 | 1.00% |
| Corporate notes | A | AA- | Aa3 | 0.46% |
| Negotiable Certificates of Deposit | N/A | A+ | Aa2 | 0.87% |
| Negotiable Certificates of Deposit | N/A | AA- | Aa2 | 1.08% |
| Negotiable Certificates of Deposit | N/A | A-1 | P-1 | 1.94% |
| Negotiable Certificates of Deposit | N/A | A-1+ | P-1 | 2.96% |
| LAIF | N/A | Unrated | Unrated | 44.87% |
| CAMP | N/A | Unrated | Unrated | 12.56% |
| Total | | | | <u>100.00%</u> |

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Custodial Credit Risk for Investments - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the County's investment policy requires that all of its managed investments be held in the name of the County in safekeeping by a third part bank trust department.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. At June 30, 2014, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools), that represent 5 percent or more of total County investments.

D. Investment in External Investment Pools

Investment in Local Agency Investment Fund - The County of Plumas is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code and is managed by the Treasurer of the State of California. The Local Investment Advisory Board (LAIF Board) has oversight responsibility for LAIF. The LAIF Board consists of five members as designated by State statute. Investments in LAIF are available on demand and are stated at amortized cost, which approximates fair value. The fair value of the County's position in the pool is the same as the value of the pooled shares. At June 30, 2014 the County's investment position in LAIF was \$37,500,000. The total amount invested by all public agencies in LAIF on that day was \$64,846,169,129. Of that amount, 98.14% is invested in non-derivative financial products and 1.86% in structured notes and asset-backed securities.

Investment in California Asset Management Program - The County of Plumas also maintains an investment in the California Asset Management Program (CAMP), a California JPA established in 1989 by the treasurers and finance directors of several California agencies. CAMP was created to provide professional investment services to California public agencies at a reasonable cost. The County's investment with CAMP as of June 30, 2014, was \$10,501,181, which approximates fair value.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

E. County Investment Pool Condensed Financial Information

The following are condensed statements of net position and changes in net position for the Treasurer's Pool at June 30, 2014:

| | Internal Participants | External Participants | Total Pool |
|-------------------------------------------------|--------------------------|--------------------------|----------------------|
| Statement of Net Position | | | |
| Cash on hand | \$ 17,035 | \$ - | \$ 17,035 |
| Deposits (Less outstanding checks) | 4,172,619 | - | 4,172,619 |
| Investments | <u>45,447,598</u> | <u>38,132,602</u> | <u>83,580,200</u> |
| Net Position at June 30, 2014 | <u>\$ 49,637,252</u> | <u>\$ 38,132,602</u> | <u>\$ 87,769,854</u> |
| Statement of Changes in Net Position | | | |
| Net position at July 1, 2013 | \$ 45,553,660 | \$ 36,129,421 | \$ 81,683,081 |
| Net changes in investments by pool participants | <u>4,083,592</u> | <u>2,003,181</u> | <u>6,086,773</u> |
| Net Position at June 30, 2014 | <u>\$ 49,637,252</u> | <u>\$ 38,132,602</u> | <u>\$ 87,769,854</u> |

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014, was as follows:

| | Balance July 1, 2013 | Additions | Retirements | Adjustments/ Transfers | Balance June 30, 2014 |
|----------------------------------------------|-------------------------|----------------------|---------------------|---------------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | \$ 2,079,903 | \$ - | \$ - | \$ - | \$ 2,079,903 |
| Construction in progress | <u>2,439,044</u> | <u>1,392,923</u> | - | (74,935) | <u>3,757,032</u> |
| Total Capital Assets, Not Being Depreciated | <u>4,518,947</u> | <u>1,392,923</u> | - | (74,935) | <u>5,836,935</u> |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings and improvements | 34,269,877 | 11,378 | - | - | 34,281,255 |
| Equipment | 20,718,936 | 902,756 | (643,107) | 47,043 | 21,025,628 |
| Software | 1,285,404 | - | - | - | 1,285,404 |
| Infrastructure | <u>39,425,582</u> | <u>112,181</u> | (73,040) | 74,935 | <u>39,539,658</u> |
| Total Capital Assets, Being Depreciated | <u>95,699,799</u> | <u>1,026,315</u> | (716,147) | 121,978 | <u>96,131,945</u> |
| Less Accumulated Depreciation For: | | | | | |
| Buildings and improvements | (12,922,529) | (617,941) | - | - | (13,540,470) |
| Equipment | (16,703,180) | (962,263) | 632,904 | (62,673) | (17,095,212) |
| Software | (1,022,102) | - | - | - | (1,022,102) |
| Infrastructure | <u>(21,330,652)</u> | <u>(1,011,318)</u> | 464 | - | <u>(22,341,506)</u> |
| Total Accumulated Depreciation | <u>(51,978,463)</u> | <u>(2,591,522)</u> | 633,368 | (62,673) | <u>(53,999,290)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>43,721,336</u> | <u>(1,565,207)</u> | (82,779) | 59,305 | <u>42,132,655</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 48,240,283</u> | <u>(\$ 172,284)</u> | <u>(\$ 82,779)</u> | <u>(\$ 15,630)</u> | <u>\$ 47,969,590</u> |

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 4: CAPITAL ASSETS (CONTINUED)

| | <u>Balance</u> <u>July 1, 2013</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>June 30, 2014</u> |
|----------------------------------------------|---------------------------------------|---------------------|--------------------|----------------------------------------|
| Business-Type Activities | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 620,152 | \$ - | \$ - | \$ 620,152 |
| Total Capital Assets, Not Being Depreciated | <u>620,152</u> | <u>-</u> | <u>-</u> | <u>620,152</u> |
| Capital Assets, Being Depreciated: | | | | |
| Buildings and improvements | 1,255,458 | 35,349 | - | 1,290,807 |
| Equipment | 1,839,126 | 139,850 | (130,600) | 1,848,376 |
| Software | 15,660 | - | - | 15,660 |
| Infrastructure | <u>8,690,099</u> | <u>479,377</u> | <u>-</u> | <u>9,169,476</u> |
| Total Capital Assets, Being Depreciated | <u>11,800,343</u> | <u>654,576</u> | <u>(130,600)</u> | <u>12,324,319</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and improvements | (758,574) | (34,805) | - | (793,379) |
| Equipment | (1,305,507) | (180,551) | 130,600 | (1,355,458) |
| Software | (15,660) | - | - | (15,660) |
| Infrastructure | <u>(4,207,769)</u> | <u>(567,147)</u> | <u>-</u> | <u>(4,774,916)</u> |
| Total Accumulated Depreciation | <u>(6,287,510)</u> | <u>(782,503)</u> | <u>130,600</u> | <u>(6,939,413)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>5,512,833</u> | <u>(127,927)</u> | <u>-</u> | <u>5,384,906</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 6,132,985</u> | <u>(\$ 127,927)</u> | <u>\$ -</u> | <u>\$ 6,005,058</u> |

Depreciation

Depreciation expense was charged to governmental functions as follows:

| | |
|-----------------------------------------------------|---------------------|
| General government | \$ 434,584 |
| Public protection | 483,939 |
| Health and welfare | 69,520 |
| Public assistance | 39,974 |
| Education | 21,877 |
| Culture and recreation | 61,871 |
| Public ways and facilities | <u>1,479,757</u> |
| Total Depreciation Expense - Governmental Functions | <u>\$ 2,591,522</u> |

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

| | |
|------------------------------------------------------|-------------------|
| Airport | \$ 614,719 |
| Solid Waste | 39,718 |
| Transit | <u>128,066</u> |
| Total Depreciation Expense – Business-Type Functions | <u>\$ 782,503</u> |

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 4: CAPITAL ASSETS (CONTINUED)

Construction in Progress

Construction in progress for governmental activities relates primarily to work performed on the Gansner Park river pathway and various bridge and road projects.

NOTE 5: INTERFUND TRANSACTIONS

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2014:

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|-----------------------------|---------------------------------|-------------------------------|
| General fund | \$ 1,168 | \$ - |
| Nonmajor Governmental funds | <u>-</u> | <u>1,168</u> |
| Total | <u>\$ 1,168</u> | <u>\$ 1,168</u> |

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not in spendable form. The following are advance to/from other funds as of June 30, 2014:

| | <u>Advance to Other Funds</u> | <u>Advance from Other Funds</u> |
|-----------------------------|-----------------------------------|-------------------------------------|
| General Fund | \$ 35,530 | \$ - |
| Nonmajor Governmental Funds | - | 15,530 |
| Airport | <u>-</u> | <u>20,000</u> |
| Total | <u>\$ 35,530</u> | <u>\$ 35,530</u> |

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, reimbursement of various County operations and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2014:

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|-------------------------------------|------------------------|-------------------------|
| General fund | \$ 7,235,879 | \$ 7,097,282 |
| Road | 102,878 | 57,084 |
| Local Revenue 2011 | - | 5,001,547 |
| Social Services | 2,450,212 | 11,564 |
| Mental Health | 1,701,796 | 514,364 |
| Public Health | 182,443 | 224,431 |
| Public Safety | 1,104,484 | 625,086 |
| Nonmajor Governmental funds | 1,914,273 | 1,008,656 |
| Airport | 20,000 | - |
| Solid Waste Planning and Operations | - | 95,555 |
| Nonmajor Enterprise funds | - | 17,245 |
| Internal Service funds | - | 59,151 |
| | <u>\$ 14,711,965</u> | <u>\$ 14,711,965</u> |
| Total | <u>\$ 14,711,965</u> | <u>\$ 14,711,965</u> |

NOTE 6: UNEARNED/UNAVAILABLE REVENUE

At June 30, 2014, the components of unearned and unavailable revenue reported were as follows:

| | <u>Unearned</u> | <u>Unavailable</u> | <u>Total</u> |
|---------------------------------------------------|-------------------|--------------------|--------------------|
| General fund | | | |
| State grant advance received | \$ 194,500 | \$ - | \$ 194,500 |
| 2014/2015 revenues received in 2013/2014 | 1,776 | - | 1,776 |
| State, Federal, and other agency receivables | - | 95,110 | 95,110 |
| Road | | | |
| State, Federal, and other agency receivables | - | 49,737 | 49,737 |
| Social Services | | | |
| State grant advances received | 108,759 | - | 108,759 |
| Public Health | | | |
| State, Federal, and other agency receivables | - | 330,959 | 330,959 |
| Public Safety | | | |
| State, Federal, and other agency receivables | - | 180,924 | 180,924 |
| Non-Major Governmental Funds | | | |
| Camping and space rental fees received in advance | 54,560 | - | 54,560 |
| State, Federal, and other agency receivables | - | 47,386 | 47,386 |
| Airport | | | |
| Lease payments received in advance | 4,192 | - | 4,192 |
| Total | <u>\$ 363,787</u> | <u>\$ 704,116</u> | <u>\$1,067,903</u> |

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

| <u>Type of Indebtedness</u> | <u>Balance July 1, 2013</u> | <u>Adjustments/ Additions</u> | <u>Retirements</u> | <u>Balance June 30, 2014</u> | <u>Amounts Due Within One Year</u> |
|---------------------------------|---------------------------------|-----------------------------------|-----------------------|----------------------------------|--------------------------------------------|
| Governmental Activities | | | | | |
| Loans | \$ 165,000 | \$ - | \$ - | \$ 165,000 | \$ - |
| Certificates of Participation | 15,190,000 | - | (470,000) | 14,720,000 | 490,000 |
| Compensated Absences | 4,092,318 | 2,432,654 | (2,400,264) | 4,124,708 | 2,400,263 |
| Net OPEB Obligation | <u>1,958,142</u> | <u>365,732</u> | <u>(402,921)</u> | <u>1,920,953</u> | <u>-</u> |
| Total Governmental Activities | <u>\$ 21,405,460</u> | <u>\$ 2,798,386</u> | <u>(\$ 3,273,185)</u> | <u>\$ 20,930,661</u> | <u>\$ 2,890,263</u> |
| Business-Type Activities | | | | | |
| Closure/Postclosure | \$ 2,409,192 | \$ 37,046 | \$ - | \$ 2,446,238 | \$ - |
| Compensated Absences | 20,537 | 17,349 | (18,916) | 18,970 | 18,970 |
| Net OPEB Obligation | <u>30,391</u> | <u>4,522</u> | <u>(3,633)</u> | <u>31,280</u> | <u>-</u> |
| Total Business-Type Activities | <u>\$ 2,460,120</u> | <u>\$ 58,917</u> | <u>(\$ 22,549)</u> | <u>\$ 2,496,488</u> | <u>\$ 18,970</u> |

Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred. The net other postemployment benefit obligation is generally liquidated by the fund where the accrued liability occurred.

Individual issues of debt payable outstanding at June 30, 2014, are as follows:

Governmental Activities

Loans:

City of Portola loan, issued April 19, 2007 in the amount of \$165,000 and payable in one payment of \$165,000, with an interest to be calculated based on the interest rate paid by LAIF and maturity on December 31, 2015. The loan was used for the Lake Davis Water Treatment plant Settlement agreement.

\$ 165,000

Total Loans

165,000

Certificates of Participation:

Certificates of Participation 2003 Series A, issued January 1, 2003, in the amount of \$18,400,000 and payable in annual installments of \$335,000 to \$1,160,000, with an interest rate of 3.50% to 5.00% and maturity on June 30, 2033. The certificates of participation were used to fund the acquisition and construction of the health and human services center, a permit center, and an animal shelter.

14,720,000

Total Certificates of Participation

14,720,000

Total Governmental Activities

\$ 14,885,000

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements of governmental activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, landfill closure/postclosure costs which are reported in Note 9 and net OPEB obligation which is reported in Note 13.

Governmental Activities

| Year Ended <u>June 30</u> | Loans | | |
|------------------------------|-------------------|-----------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2015 | \$ - | \$ - | \$ - |
| 2016 | <u>165,000</u> | <u>-*</u> | <u>165,000</u> |
| Total | <u>\$ 165,000</u> | <u>\$ -</u> | <u>\$ 165,000</u> |

* Interest will be calculated at the time of payment based on the LAIF interest rate.

| Year Ended <u>June 30</u> | Certificates of Participation | | |
|------------------------------|-------------------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2015 | \$ 490,000 | \$ 732,725 | \$ 1,222,725 |
| 2016 | 510,000 | 713,125 | 1,223,125 |
| 2017 | 530,000 | 691,450 | 1,221,450 |
| 2018 | 550,000 | 668,925 | 1,218,925 |
| 2019 | 580,000 | 640,050 | 1,220,050 |
| 2020-2024 | 3,390,000 | 2,710,163 | 6,100,163 |
| 2025-2029 | 4,345,000 | 1,754,250 | 6,099,250 |
| 2030-2033 | <u>4,325,000</u> | <u>553,500</u> | <u>4,878,500</u> |
| Total | <u>\$ 14,720,000</u> | <u>\$ 8,464,188</u> | <u>\$ 23,184,188</u> |

NOTE 8: LEASES

Operating Leases

Rental expenses incurred under operating leases are not considered material.

NOTE 9: CLOSURE/POSTCLOSURE

The County of Plumas is responsible for one operating and one closed landfill site. State and Federal laws and regulations require the County to perform certain closure and postclosure maintenance and monitoring functions at the site for thirty years after closure. GASB Statement No. 18 requires that a portion of these closure and postclosure care costs be reported as an operating expense in each year based on landfill capacity used as of each statement of net position date. The \$2,446,238 reported as closure/postclosure liability at June 30, 2014, represents the cumulative amount reported to date based on the estimates used ranging from 45 to 100 percent of total permitted site capacity filled.

The County will recognize the remaining estimated cost of closure and postclosure care of \$1,757,648 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 9: CLOSURE/POSTCLOSURE (CONTINUED)

The County is required by State and Federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and postclosure care costs in the future. At June 30, 2014, cash and investments of \$3,255,776 were held to fund closure costs. This deposit is held in the Solid Waste Planning and Operation Enterprise fund. The County has approved a pledge of revenue to fund the postclosure costs. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 10: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- **Net investment in capital assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.
- **Unrestricted net position** - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position is available, it is considered that restricted resources are used first, followed by the unrestricted resources.

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$40,876,154 of restricted net position, of which \$1,023,125 is restricted by enabling legislation.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 11: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balance for governmental funds are made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision making authority for the County that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the County’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the County’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 11: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2014, were distributed as follows:

| | <u>General Fund</u> | <u>Road</u> | <u>Local Revenue 2011</u> | <u>Social Services</u> | <u>Mental Health</u> | <u>Public Health</u> |
|--------------------------|-------------------------|---------------------|-------------------------------|----------------------------|--------------------------|--------------------------|
| Nonspendable: | | | | | | |
| Prepaid costs | \$ 108,250 | \$ 225 | \$ - | \$ 1,652 | \$ 149 | \$ 2,380 |
| Inventory | <u>-</u> | <u>262,387</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>108,250</u> | <u>262,612</u> | <u>-</u> | <u>1,652</u> | <u>149</u> | <u>2,380</u> |
| Restricted for: | | | | | | |
| General government | 399,531 | - | 1,115,663 | - | - | - |
| Public Protection | - | - | - | - | - | - |
| Health and Welfare | - | - | - | - | 16,564,181 | 932,394 |
| Public Assistance | - | - | - | 3,655,826 | - | - |
| Public ways & facilities | - | 8,553,522 | - | - | - | - |
| Capital projects | - | - | - | - | - | - |
| Debt service | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>399,531</u> | <u>8,553,522</u> | <u>1,115,663</u> | <u>3,655,826</u> | <u>16,564,181</u> | <u>932,394</u> |
| Committed to: | | | | | | |
| General government | 2,061,512 | - | - | - | - | - |
| Public protection | <u>50,901</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>2,112,413</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Assigned to: | | | | | | |
| General government | 152,317 | - | - | - | - | - |
| Public protection | 496,790 | - | - | - | - | - |
| Public assistance | <u>50,380</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Subtotal | <u>699,487</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unassigned | <u>4,712,314</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 8,031,995</u> | <u>\$ 8,816,134</u> | <u>\$ 1,115,663</u> | <u>\$ 3,657,478</u> | <u>\$ 16,564,330</u> | <u>\$ 934,774</u> |

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

| <u>Public Safety</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|--------------------------|--------------------------------------------|---------------------|
| \$ 47,785 | \$ 4,424 | \$ 164,865 |
| <u>-</u> | <u>-</u> | <u>262,387</u> |
| <u>47,785</u> | <u>4,424</u> | <u>427,252</u> |
| - | 2,246,345 | 3,761,539 |
| 755,368 | 1,545,923 | 2,301,291 |
| - | 131,735 | 17,628,310 |
| - | - | 3,655,826 |
| - | 2,717,231 | 11,270,753 |
| - | 380,091 | 380,091 |
| <u>-</u> | <u>1,399,553</u> | <u>1,399,553</u> |
| <u>755,368</u> | <u>8,420,878</u> | <u>40,397,363</u> |
| - | 559,674 | 2,621,186 |
| <u>-</u> | <u>-</u> | <u>50,901</u> |
| <u>-</u> | <u>559,674</u> | <u>2,672,087</u> |
| - | - | 152,317 |
| - | - | 496,790 |
| <u>-</u> | <u>-</u> | <u>50,380</u> |
| <u>-</u> | <u>-</u> | <u>699,487</u> |
| <u>-</u> | <u>(66,936)</u> | <u>4,645,378</u> |
| <u>\$ 803,153</u> | <u>\$ 8,918,040</u> | <u>\$48,841,567</u> |

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 11: FUND BALANCES (CONTINUED)

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance is available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The Board of Supervisors has adopted a fund balance policy for financial statement reporting. The policy establishes procedures for reporting fund balance classifications, establishes prudent reserve requirements and establishes a hierarchy of fund balance expenditures. The policy also provides for a measure of financial protection for the County against unforeseen circumstances and to comply with GASB 54. The minimum unrestricted fund balance may be recognized within the committed, assigned, or unassigned classifications.

NOTE 12: EMPLOYEES' RETIREMENT PLAN

A. Plan Description

The County contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit 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 statute. Copies of PERS' annual financial report may be obtained from their executive office - 400 Q Street, Lincoln Plaza East, Sacramento, CA 95811 or www.calpers.ca.gov.

Effective January 1, 2013, the County added retirement tiers for both Miscellaneous and Safety Plans for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 12: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

B. Funding Policy

For active plan members preceding PEPR, Miscellaneous Plan members pay 7 percent of their annual covered salary while Safety Plan members pay 9 percent of their annual covered salary. For active plan members included in PEPR, Miscellaneous Plan members pay 6.25 percent of their annual covered salary while Safety Plan members pay 12.25 percent of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The Miscellaneous and Safety Plans include a cost sharing agreement which determines whether a portion of the members' contribution is paid by the County or whether a portion of the employers' contribution is paid by the member. Results of the cost sharing agreements are as follows:

| | Member Share | | County Share | | Total | |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <u>Member</u> | <u>County</u> | <u>Member</u> | <u>County</u> | <u>Member</u> | <u>County</u> |
| Miscellaneous | | | | | | |
| Classic | 3.000% | 4.000% | 0.000% | 14.844% | 3.000% | 18.844% |
| PEPRA | | | | | | |
| No MOU | 6.250% | 0.000% | 0.000% | 14.844% | 6.250% | 14.844% |
| Safety | | | | | | |
| Classic | 7.000% | 2.000% | 0.000% | 27.992% | 7.000% | 29.992% |
| CPO | 7.000% | 2.000% | 0.000% | 217.467% | 7.000% | 219.467% |
| PEPRA | | | | | | |
| No MOU | 12.250% | 0.000% | 0.000% | 12.250% | 12.250% | 12.250% |

The County's contributions for the year ending June 30, 2014, were \$1,955,482 for the Miscellaneous Plans and \$694,554 for the Safety Plans, which equaled the required contributions each year. The County's contributions for the years ending June 30, 2013 and 2012 were \$2,469,668 and \$2,667,896 for the Miscellaneous and Safety Plans combined. The required contributions for fiscal year 2013/2014 were determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.30 percent to 14.20 percent, depending on age, service, and type of employment, (c) 2.75 percent inflation, (d) 3.00 percent payroll growth and (e) individual salary growth based on a merit scale with assumed annual inflation of 2.75 percent and annual production growth of 0.25 percent.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 12: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

C. Annual Pension Cost

The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a fifteen year period (smoothed market value). Initial unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20 year period. All gains or losses are tracked and amortized over a rolling 30 year period with the exception of gains and losses in fiscal years 2008-2009, 2009-2010 and 2010-2011 in which each year's gains or losses will be isolated and amortized over fixed and declining 30 year periods (as opposed to the current rolling 30 year amortization). If the plan's accrued liability exceeds the actuarial value of plan assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30 year amortization of the unfunded liability. The following table presents three year trend information.

Miscellaneous:

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|-------------------------------|--------------------------------------|------------------------------------------|-----------------------------------|
| June 30, 2012 | \$ 1,989,982 | 100% | \$ - |
| June 30, 2013 | 1,800,961 | 100% | - |
| June 30, 2014 | 1,955,482 | 100% | - |

Safety CPO:

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|-------------------------------|--------------------------------------|------------------------------------------|-----------------------------------|
| June 30, 2012 | \$ 149,348 | 100% | \$ - |
| June 30, 2013 | 147,662 | 100% | - |
| June 30, 2014 | 153,271 | 100% | - |

Safety Sheriff:

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|-------------------------------|--------------------------------------|------------------------------------------|-----------------------------------|
| June 30, 2012 | \$ 528,566 | 100% | \$ - |
| June 30, 2013 | 521,045 | 100% | - |
| June 30, 2014 | 541,283 | 100% | - |

D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the miscellaneous plan was 75.5 percent funded. The actuarial accrued liability for benefits was \$111,726,658, and the actuarial value of assets was \$84,398,068, resulting in an unfunded actuarial accrued liability (UAAL) of \$111,726,658. The covered payroll (annual payroll of active employees covered by the plan) was \$14,258,055, and the ratio of the UAAL to the covered payroll was 191.7 percent.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 12: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

D. Funded Status and Funding Progress (Continued)

The Safety CPO plan and the Safety sheriff plan had less than 100 active members in at least one valuation since June 30, 2003, therefore they are required to participate in a risk pool and do not present individual plan funded status.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The County of Plumas provides, under defined benefit plans, retiree healthcare benefits to qualifying employees retiring directly from the County. The benefit level is determined by date of hire, length of service and bargaining unit. The County has two insurance companies, determined by bargaining unit; it contracts for medical coverage to be provided through agency multiple-employer CalPERS Health and Operating Engineer's Health plans. Vision and dental coverage is contracted separately for the employees being covered by CalPERS Health; whereas Operating Engineer's include vision and dental coverage through their health plan.

The County pays a percentage, based on years of service and bargaining unit, of what it pays for its active employees under the several different options offered by the plan providers. The County's share differs per plan selected and by number insured - single, one plus one, and family. The County's share currently ranges from \$397 to \$1,336 and percentages paid range from 25 percent to 100 percent with the minimum required years of continued service of 15 years.

B. Funding Policy

As required by GASB 45, an actuary will determine the County's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over 28 years on a level-dollar basis.

PARS Public Agencies Post-Retirement Health Care Plan is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to pre-fund retiree healthcare benefits. On February 19, 2013, the Board of Supervisors authorized the County's participation in the PARS Public Agencies Post-Retirement Health Care Plan.

Although GASB 45 does not require pre-funding of OPEB benefits, the County's funding policy is to contribute 100 percent of the County's Annual Required Contribution (ARC). The Board of Supervisors reserves the authority to review and amend this funding policy from time to time, in order to endure that the funding policy continues to best suit the circumstances of the County. The County fulfills this policy by continuing to pay healthcare premiums for retirees as they fall due and depositing into the PARS Public Agencies Post-Retirement Health Care Plan the remaining amount needed to fully fund the ARC.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Funding Policy (Continued)

For the fiscal year ending June 30, 2014, the County's ARC was \$372,077, which was fully funded for GASB 45 purposes. The County paid \$160,641 in pay-as-you go costs and \$245,934 to the PARS Public Agencies Post-Retirement Health Care Plan.

C. Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess).

The following table shows the County's annual OPEB cost for the year, the amount actually contributed to the plan, and the resulting net OPEB obligation.

| | |
|------------------------------------------------|----------------------------|
| Annual required contribution | \$ 408,788 |
| Interest on prior year net OPEB obligation | 117,489 |
| Amortization of prior year net OPEB obligation | (156,002) |
| Annual OPEB Cost | 370,275 |
| Contributions Made: | |
| Contributions to OPEB trust | (245,934) |
| Pay as you go contribution | (160,641) |
| Decrease in Net OPEB Obligation | (36,300) |
| Net OPEB Obligation Beginning of Year | <u>1,988,533</u> |
| Net OPEB Obligation Ending of Year | <u><u>\$ 1,952,233</u></u> |

The County's annual OPEB cost, the actual contributions, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and prior two years are as follows:

| Fiscal Year Ended | Annual OPEB Cost | Actual Contribution | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------------|---------------------|------------------------|--------------------------------------------------|------------------------|
| June 30, 2012 | \$ 434,533 | \$ 196,690 | 45.26% | \$ 1,703,753 |
| June 30, 2013 | 455,054 | 170,274 | 37.42% | 1,988,533 |
| June 30, 2014 | 370,275 | 406,575 | 109.80% | 1,952,233 |

The quantifications of costs set forth above should not be interpreted in any way as vesting such benefits; rather the disclosures are made solely to comply with the County's reporting obligations under GASB 45 as the County understands these obligations.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 13: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

D. Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$3,601,712 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,601,712. The covered payroll (annual payroll of employees covered by the plan) was \$16,278,000, and the ratio to the UAAL to the covered payroll was 22.00 percent.

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

E. Actuarial Methods and Assumptions

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

The most recent actuarial valuation was performed as of July 1, 2013. The assumptions used for this valuation are in accordance with generally accepted actuarial principles and practices and in accordance with GASB Statements No. 43 and 45.

The annual rate of return on assets used to pay for benefits is assumed to be 6.00 percent (assuming the County pre-funds a portion through a GASB eligible trust). Salaries are assumed to increase annually at 3.00 percent.

These assumptions reflect an implicit 2.8 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized using the level dollar method on a closed basis over 30 years. The remaining amortization period as of July 1, 2013 was 24 years.

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 has Risk Management Funds (internal service funds) to account for and finance its uninsured risks of loss for general liability and worker's compensation. As of June 30, 2014, the County did not have landfill insurance.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 14: RISK MANAGEMENT (CONTINUED)

The County self-insures its general liability claims with a retention of \$100,000 per occurrence. It is the policy of the County to have the reserves evaluated by independent actuaries. The last actuarial evaluation was performed as of October 2012, for liability and workers' compensation.

The claims liability of the County is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability accrued on the financial statements for liability and workers' compensation is the ultimate cost of claims and expenses associated with all reported and unreported claims including allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE) reduced by a discount for anticipated investment income.

Actual claims liability at June 30, 2014 was as follows:

| | |
|----------------------|---------------------|
| Liability | \$ 236,997 |
| Workers Compensation | <u>2,559,193</u> |
| Total | <u>\$ 2,796,190</u> |

All funds of the County participate in the program and make payments to the Risk Management Funds based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. At June 30, 2014, the Workers' Compensation liability risk management fund had a funding surplus of \$2,625,518.

Changes in the County's claims liability amount for the fiscal years 2012, 2013, and 2014 were as follows:

| | Balance at Beginning of Fiscal Year | Current Year Claims | Claims Payments and Changes In Estimates | Balance at End of Fiscal Year |
|------|-------------------------------------------|------------------------|------------------------------------------------|-------------------------------------|
| 2012 | \$ 2,737,162 | \$ 2,364,605 | \$ 2,280,376 | \$ 2,821,391 |
| 2013 | 2,821,391 | 1,870,351 | 1,425,562 | 3,266,180 |
| 2014 | 3,266,180 | 1,081,940 | 1,551,930 | 2,796,190 |

NOTE 15: OTHER INFORMATION

A. Commitments and Contingencies

The County has active construction projects as of June 30, 2014. The estimated remaining costs to be incurred for these projects is \$1,335,016.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

COUNTY OF PLUMAS
Notes to Basic Financial Statements
For the Year Ended June 30, 2014

NOTE 15: OTHER INFORMATION (CONTINUED)

A. Commitments and Contingencies (Continued)

The County is a defendant in various lawsuits. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the County, the loss has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued. The County does not have landfill insurance, all other legal matters are covered by the County's liability program which, subject to a \$100,000 deductible per occurrence, provides complete coverage for County liability losses. Therefore, no provision has been made in the financial statements for a loss contingency.

B. Subsequent Events

On September 16, 2014, Plumas County reached a settlement with Collins Pine Company in a property tax appeal case that involved property taxes collected from 2007 through 2013. As a result of the settlement, in fiscal year 2014/2015 Plumas County will refund \$779,396.33, plus the PUSD Bond collections of \$19,548.97, plus interest accrued at 3 percent from the date that each tax payment was made to December 5, 2014 per R&T Code 5151. Total interest accrued from 2007 through 2013 was \$103,088.95, for a total of \$902,034.25 to be refunded to the taxpayer. The cost to the County General fund will be \$179,644.63. Collins Pine agreed to accept the refund in two installments, the first being paid after the December 2014 apportionment. The first installment payment to Collins Pine was paid January 16, 2015, and Collins Pine agreed to waive the interest that would have accrued between the first and second installments.

Management has evaluated events subsequent to June 30, 2014 through March 26, 2015, the date on which the financial statements were available for issuance. Management has determined no additional subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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COUNTY OF PLUMAS
Required Supplementary Information
For the Year Ended June 30, 2014

SCHEDULE OF FUNDING PROGRESS - PENSION

The Schedule of Funding Progress - Pension presents a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the pension plan. The closer the plan is to a 100 percent funded status, the better position it will be in to meet all of its future liabilities.

Miscellaneous Plan:

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the County Miscellaneous Plan.

| Valuation Date | Entry Age Normal Accrued Liability | Actuarial Value of Assets | Unfunded Liability (Excess Assets) | Funded Ratios | | Annual Covered Payroll | UAAL as a % of Payroll |
|----------------|------------------------------------|---------------------------|------------------------------------|-----------------|--------------|------------------------|------------------------|
| | | | | Actuarial Value | Market Value | | |
| June 30, 2011 | \$ 103,839,694 | \$ 88,626,572 | \$ 15,213,122 | 85.3% | 75.8% | \$ 15,838,313 | 96.1% |
| June 30, 2012 | 107,650,829 | 92,009,026 | 15,641,803 | 85.5% | 71.3% | 14,951,214 | 104.6% |
| June 30, 2013 | 111,726,658 | 84,398,068 | 27,328,590 | 75.5% | 75.5% | 14,258,055 | 191.7% |

Safety Plans:

The County's Safety Plans participate in a risk sharing pool with other safety plans. Participation was required as of June 30, 2003 (when CalPERS set up risk sharing pools) since the plan had less than 100 active members at that time. The County specific funding information is no longer available from the Safety Plans.

Funding information is available on a pooled-basis only and can be obtained upon request to the County or directly from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Schedule of Funding Progress- Other Postemployment Benefits provides a consolidated snapshot of the County's ability to meet current and future liabilities with the plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the OPEB plan. The closer the plan is to a 100 percent funded status, the better position it will be in to meet all of its future liabilities.

COUNTY OF PLUMAS
Required Supplementary Information
For the Year Ended June 30, 2014

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)
(CONTINUED)

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 for the County Other Postemployment Benefit Plan.

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage Of Covered Payroll |
|--------------------------------|---------------------------------|---------------------------------------------------------|---------------------------|-----------------|--------------------|--------------------------------------------------|
| July 1, 2009 | \$ - | \$ 4,634,768 | \$ 4,634,768 | - | \$ 17,666,000 | 26.00% |
| July 1, 2011 | - | 4,177,874 | 4,177,874 | - | 16,123,000 | 25.91% |
| July 1, 2013 | - | 3,601,712 | 3,601,712 | - | 16,278,000 | 22.00% |

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|----------------------------|-------------------------|-----------------------------------------------------|-------------------------------------------------------------------|
| REVENUES | | | | |
| Taxes and assessments | \$ 14,752,871 | \$ 14,752,871 | \$ 15,505,716 | \$ 752,845 |
| Licenses, permits, and franchises | 467,700 | 485,200 | 641,853 | 156,653 |
| Fines and forfeitures | 257,800 | 257,800 | 221,477 | (36,323) |
| Intergovernmental | 1,702,732 | 1,815,035 | 1,568,969 | (246,066) |
| Use of money and property | 60,415 | 60,415 | 60,636 | 221 |
| Charges for services | 2,689,681 | 2,694,110 | 2,948,593 | 254,483 |
| Other revenues | 343,657 | 402,808 | 403,914 | 1,106 |
| Total Revenues | 20,274,856 | 20,468,239 | 21,351,158 | 882,919 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 7,022,005 | 7,046,498 | 6,295,606 | 750,892 |
| Public protection | 11,531,484 | 11,637,184 | 10,962,791 | 674,393 |
| Health and welfare | 550,604 | 550,604 | 539,675 | 10,929 |
| Public assistance | 436,522 | 462,278 | 436,650 | 25,628 |
| Education | 595,999 | 632,344 | 617,619 | 14,725 |
| Culture and recreation | 337,390 | 346,049 | 316,811 | 29,238 |
| Public ways and facilities | 329,484 | 338,484 | 347,924 | (9,440) |
| Capital outlay | 93,967 | 89,067 | 36,185 | 52,882 |
| Total Expenditures | 20,897,455 | 21,102,508 | 19,553,261 | 1,549,247 |
| Excess of Revenues Over (Under) Expenditures | (622,599) | (634,269) | 1,797,897 | 2,432,166 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 7,593,466 | 7,594,466 | 7,235,879 | (358,587) |
| Transfers out | (7,050,239) | (7,160,745) | (7,097,282) | 63,463 |
| Total Other Financing Sources (Uses) | 543,227 | 433,721 | 138,597 | (295,124) |
| Net Change in Fund Balance | (79,372) | (200,548) | 1,936,494 | 2,137,042 |
| Fund Balance - Beginning | 6,095,501 | 6,095,501 | 6,095,501 | - |
| Fund Balance - Ending | \$ 6,016,129 | \$ 5,894,953 | \$ 8,031,995 | \$ 2,137,042 |

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

Reconciliation of Net Changes in Fund Balances - Budgetary to GAAP Basis:

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Total Revenues - Budgetary Basis | \$21,351,158 |
| OMB Circular A-87 charges are included as charges for services for budgetary purposes, but are a reduction of expenditures for financial reporting purposes. | <u>(1,560,763)</u> |
| Total Revenues - Statement of Revenues, Expenditures, and Changes in Fund Balances | <u>\$ 19,790,395</u> |
| | |
| Total Expenditures - Budgetary Basis | \$ 19,553,261 |
| OMB Circular A-87 charges are included as charges for services for budgetary purposes, but are a reduction of expenditures for financial reporting purposes. | |
| General government expenditures | <u>(1,560,763)</u> |
| Total Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balances | <u>\$ 17,992,498</u> |

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Road - Major Special Revenue Fund
For the Year Ended June 30, 2014

| | Original Budget | Final Budget | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|----------------------------|-------------------------|-----------------------------------------------------|-------------------------------------------------------------------|
| REVENUES | | | | |
| Taxes and assessments | \$ 500 | \$ 500 | \$ 953 | \$ 453 |
| Licenses, permits, and franchises | 63,000 | 63,000 | 71,461 | 8,461 |
| Fines and forfeitures | - | - | 4,933 | 4,933 |
| Intergovernmental | 9,016,066 | 9,016,066 | 7,045,251 | (1,970,815) |
| Use of money and property | 58,900 | 58,900 | 51,353 | (7,547) |
| Charges for services | 160,272 | 160,272 | 205,948 | 45,676 |
| Other revenues | 10 | 10 | 4,084 | 4,074 |
| Total Revenues | 9,298,748 | 9,298,748 | 7,383,983 | (1,914,765) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public ways and facilities | 14,373,090 | 14,368,940 | 5,974,746 | 8,394,194 |
| Capital outlay | 1,185,156 | 1,173,156 | 2,021,309 | (848,153) |
| Total Expenditures | 15,558,246 | 15,542,096 | 7,996,055 | 7,546,041 |
| Excess of Revenues Over (Under) Expenditures | (6,259,498) | (6,243,348) | (612,072) | 5,631,276 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 650,029 | 650,029 | 102,878 | (547,151) |
| Transfers out | (56,691) | (72,841) | (57,084) | 15,757 |
| Proceeds from sale of capital assets | 5,000 | 5,000 | 46,098 | 41,098 |
| Total Other Financing Sources (Uses) | 598,338 | 582,188 | 91,892 | (490,296) |
| Net Change in Fund Balance | (5,661,160) | (5,661,160) | (520,180) | 5,140,980 |
| Fund Balance - Beginning | 9,336,314 | 9,336,314 | 9,336,314 | - |
| Fund Balance - Ending | \$ 3,675,154 | \$ 3,675,154 | \$ 8,816,134 | \$ 5,140,980 |

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Social Services - Major Special Revenue Fund
For the Year Ended June 30, 2014

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------------------------|----------------------------|-------------------------|-----------------------------------------------------|-------------------------------------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 5,248,946 | \$ 5,304,915 | \$ 6,186,597 | \$ 881,682 |
| Use of money | - | - | 9,004 | 9,004 |
| Other revenues | 56,708 | 56,708 | 96,523 | 39,815 |
| Total Revenues | <u>5,305,654</u> | <u>5,361,623</u> | <u>6,292,124</u> | <u>930,501</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public assistance | 9,572,620 | 9,670,831 | 7,352,854 | 2,317,977 |
| Capital outlay | 70,000 | 70,000 | 26,752 | 43,248 |
| Total Expenditures | <u>9,642,620</u> | <u>9,740,831</u> | <u>7,379,606</u> | <u>2,361,225</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(4,336,966)</u> | <u>(4,379,208)</u> | <u>(1,087,482)</u> | <u>3,291,726</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 4,109,424 | 4,190,717 | 2,450,212 | (1,740,505) |
| Transfers out | (33,064) | (33,064) | (11,564) | 21,500 |
| Total Other Financing Sources (Uses) | <u>4,076,360</u> | <u>4,157,653</u> | <u>2,438,648</u> | <u>(1,719,005)</u> |
| Net Change in Fund Balance | <u>(260,606)</u> | <u>(221,555)</u> | <u>1,351,166</u> | <u>1,572,721</u> |
| Fund Balance - Beginning | <u>2,306,312</u> | <u>2,306,312</u> | <u>2,306,312</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 2,045,706</u> | <u>\$ 2,084,757</u> | <u>\$ 3,657,478</u> | <u>\$ 1,572,721</u> |

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Mental Health - Major Special Revenue Fund
For the Year Ended June 30, 2014

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------------------------|----------------------------|-------------------------|-----------------------------------------------------|-------------------------------------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 3,171,747 | \$ 3,171,747 | \$ 3,186,110 | \$ 14,363 |
| Use of money | 33,050 | 33,050 | 26,779 | (6,271) |
| Charges for services | 218,728 | 218,728 | 221,699 | 2,971 |
| Other revenues | 800 | 800 | 6,215 | 5,415 |
| Total Revenues | <u>3,424,325</u> | <u>3,424,325</u> | <u>3,440,803</u> | <u>16,478</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 4,800,446 | 4,800,444 | 3,314,228 | 1,486,216 |
| Capital outlay | 65,000 | 65,000 | 7,359 | 57,641 |
| Total Expenditures | <u>4,865,446</u> | <u>4,865,444</u> | <u>3,321,587</u> | <u>1,543,857</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,441,121)</u> | <u>(1,441,119)</u> | <u>119,216</u> | <u>1,560,335</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,660,928 | 1,660,928 | 1,701,796 | 40,868 |
| Transfers out | (755,891) | (755,891) | (514,364) | 241,527 |
| Total Other Financing Sources (Uses) | <u>905,037</u> | <u>905,037</u> | <u>1,187,432</u> | <u>282,395</u> |
| Net Change in Fund Balance | <u>(536,084)</u> | <u>(536,082)</u> | <u>1,306,648</u> | <u>1,842,730</u> |
| Fund Balance - Beginning | <u>15,257,682</u> | <u>15,257,682</u> | <u>15,257,682</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 14,721,598</u> | <u>\$ 14,721,600</u> | <u>\$ 16,564,330</u> | <u>\$ 1,842,730</u> |

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Public Health - Major Special Revenue Fund
For the Year Ended June 30, 2014

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------------------------|----------------------------|-------------------------|-----------------------------------------------------|-------------------------------------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 3,583,776 | \$ 3,629,236 | \$ 3,538,346 | \$ (90,890) |
| Use of money | 2,095 | 2,095 | 1,009 | (1,086) |
| Charges for services | 914,373 | 497,462 | 447,552 | (49,910) |
| Other revenues | - | - | 1,141 | 1,141 |
| Total Revenues | <u>4,500,244</u> | <u>4,128,793</u> | <u>3,988,048</u> | <u>(140,745)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Health and welfare | 4,168,598 | 4,350,467 | 3,615,082 | 735,385 |
| Capital outlay | 35,000 | 35,000 | 33,551 | 1,449 |
| Total Expenditures | <u>4,203,598</u> | <u>4,385,467</u> | <u>3,648,633</u> | <u>736,834</u> |
| Excess of Revenues Over (Under) Expenditures | <u>296,646</u> | <u>(256,674)</u> | <u>339,415</u> | <u>596,089</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 250,384 | 184,089 | 182,443 | (1,646) |
| Transfers out | (274,096) | (269,097) | (224,431) | 44,666 |
| Proceeds from sale of capital assets | - | - | 6,250 | 6,250 |
| Total Other Financing Sources (Uses) | <u>(23,712)</u> | <u>(85,008)</u> | <u>(35,738)</u> | <u>49,270</u> |
| Net Change in Fund Balance | 272,934 | (341,682) | 303,677 | 645,359 |
| Fund Balance - Beginning | <u>631,097</u> | <u>631,097</u> | <u>631,097</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 904,031</u> | <u>\$ 289,415</u> | <u>\$ 934,774</u> | <u>\$ 645,359</u> |

COUNTY OF PLUMAS
Required Supplementary Information
Budgetary Comparison Schedule
Public Safety - Major Special Revenue Fund
For the Year Ended June 30, 2014

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------------------------|----------------------------|-------------------------|-----------------------------------------------------|-------------------------------------------------------------------|
| REVENUES | | | | |
| Taxes and assessments | \$ 18,264 | \$ 18,264 | \$ 18,264 | \$ - |
| Fines and forfeitures | - | | 3,141 | 3,141 |
| Intergovernmental | 619,591 | 890,670 | 703,589 | (187,081) |
| Use of money | 400 | 400 | 228 | (172) |
| Charges for services | 7,700 | 7,700 | 19,563 | 11,863 |
| Other revenues | 30,000 | 30,409 | 38,555 | 8,146 |
| Total Revenues | <u>675,955</u> | <u>947,443</u> | <u>783,340</u> | <u>(164,103)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public protection | 1,908,030 | 2,184,881 | 1,495,619 | 689,262 |
| Capital outlay | 358,008 | 325,922 | 249,086 | 76,836 |
| Total Expenditures | <u>2,266,038</u> | <u>2,510,803</u> | <u>1,744,705</u> | <u>766,098</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,590,083)</u> | <u>(1,563,360)</u> | <u>(961,365)</u> | <u>601,995</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 406,925 | 1,201,719 | 1,104,484 | (97,235) |
| Transfers out | (7,000) | (920,775) | (625,086) | 295,689 |
| Proceeds from sale of capital assets | - | - | 1,103 | 1,103 |
| Total Other Financing Sources (Uses) | <u>399,925</u> | <u>280,944</u> | <u>480,501</u> | <u>199,557</u> |
| Net Change in Fund Balance | <u>(1,190,158)</u> | <u>(1,282,416)</u> | <u>(480,864)</u> | <u>801,552</u> |
| Fund Balance - Beginning | <u>1,284,017</u> | <u>1,284,017</u> | <u>1,284,017</u> | <u>-</u> |
| Fund Balance - Ending | <u>\$ 93,859</u> | <u>\$ 1,601</u> | <u>\$ 803,153</u> | <u>\$ 801,552</u> |

COUNTY OF PLUMAS
Required Supplementary Information
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2014

BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for the County's General and Major Special Revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The County did not legally adopt a budget for the Local Revenue 2011 major special revenue fund. Although this fund had revenues it had zero expenditures for the year ended June 30, 2014.

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 Resolution. This resolution 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.

The following procedures are performed by the County in establishing the budgetary data reflected in the financial statements:

- (1) The County Administrative Officer submits to the Board of Supervisors a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Supervisors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrative Officer may authorize transfers from one object or purpose to another within the same department.

The County does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Combining Nonmajor Fund Statements

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Nonmajor Governmental Funds

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COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Debt Service</u> | <u>Total</u> |
|--------------------------------------------------------------------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 7,234,387 | \$ 377,860 | \$ - | \$ 7,612,247 |
| Cash with fiscal agent | - | - | 1,399,553 | 1,399,553 |
| Receivables: | | | | |
| Accounts | 9,548 | 2,231 | - | 11,779 |
| Intergovernmental | 251,337 | - | - | 251,337 |
| Prepaid costs | 4,424 | - | - | 4,424 |
| Total Assets | <u>\$ 7,499,696</u> | <u>\$ 380,091</u> | <u>\$ 1,399,553</u> | <u>\$ 9,279,340</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 201,366 | \$ - | \$ - | \$ 201,366 |
| Salaries and benefits payable | 41,290 | - | - | 41,290 |
| Unearned revenue | 54,560 | - | - | 54,560 |
| Due to other funds | 1,168 | - | - | 1,168 |
| Advance from other funds | 15,530 | - | - | 15,530 |
| Total Liabilities | <u>313,914</u> | <u>-</u> | <u>-</u> | <u>313,914</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | 47,386 | - | - | 47,386 |
| Total Deferred Inflows of Resources | <u>47,386</u> | <u>-</u> | <u>-</u> | <u>47,386</u> |
| FUND BALANCES | | | | |
| Nonspendable | 4,424 | - | - | 4,424 |
| Restricted | 6,641,234 | 380,091 | 1,399,553 | 8,420,878 |
| Committed | 559,674 | - | - | 559,674 |
| Unassigned | (66,936) | - | - | (66,936) |
| Total Fund Balances | <u>7,138,396</u> | <u>380,091</u> | <u>1,399,553</u> | <u>8,918,040</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 7,499,696</u> | <u>\$ 380,091</u> | <u>\$ 1,399,553</u> | <u>\$ 9,279,340</u> |

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Debt Service</u> | <u>Total</u> |
|---------------------------------------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| REVENUES | | | | |
| Taxes and assessments | \$ 679,117 | \$ - | \$ - | \$ 679,117 |
| Licenses, permits, and franchises | 4,193 | - | - | 4,193 |
| Fines and forfeitures | 14,742 | 53,668 | - | 68,410 |
| Intergovernmental | 3,482,152 | - | 176,173 | 3,658,325 |
| Use of money and property | 220,520 | 611 | 324 | 221,455 |
| Charges for services | 316,751 | - | - | 316,751 |
| Other revenues | 78,849 | - | - | 78,849 |
| Total Revenues | <u>4,796,324</u> | <u>54,279</u> | <u>176,497</u> | <u>5,027,100</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 630,318 | - | 97 | 630,415 |
| Public protection | 954,193 | - | - | 954,193 |
| Health and welfare | 595,011 | - | - | 595,011 |
| Public ways and facilities | 1,973,040 | - | - | 1,973,040 |
| Debt service: | | | | |
| Principal | - | - | 470,000 | 470,000 |
| Interest and other charges | - | - | 751,525 | 751,525 |
| Capital outlay | 44,996 | - | - | 44,996 |
| Total Expenditures | <u>4,197,558</u> | <u>-</u> | <u>1,221,622</u> | <u>5,419,180</u> |
| Excess of Revenues Over (Under) Expenditures | <u>598,766</u> | <u>54,279</u> | <u>(1,045,125)</u> | <u>(392,080)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 892,848 | - | 1,021,425 | 1,914,273 |
| Transfers out | (1,008,656) | - | - | (1,008,656) |
| Total Other Financing Sources (Uses) | <u>(115,808)</u> | <u>-</u> | <u>1,021,425</u> | <u>905,617</u> |
| Net Change in Fund Balances | 482,958 | 54,279 | (23,700) | 513,537 |
| Fund Balances - Beginning | <u>6,655,438</u> | <u>325,812</u> | <u>1,423,253</u> | <u>8,404,503</u> |
| Fund Balances - Ending | <u><u>\$ 7,138,396</u></u> | <u><u>\$ 380,091</u></u> | <u><u>\$ 1,399,553</u></u> | <u><u>\$ 8,918,040</u></u> |

Nonmajor Governmental Funds

- **Special Revenue Funds**

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COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

| | <u>Fish and Game</u> | <u>Child Abuse Prevention</u> | <u>County Fair</u> | <u>Title III</u> | <u>Alcohol/ Drug</u> |
|--------------------------------------------------------------------------------|--------------------------|---------------------------------------|------------------------|---------------------|--------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 145,824 | \$ 62,321 | \$ 28,127 | \$ 1,025,032 | \$ 45,238 |
| Receivables: | | | | | |
| Accounts | 4 | 11 | - | - | 12 |
| Intergovernmental | - | - | - | - | 132,919 |
| Prepaid costs | - | - | 354 | - | - |
| Total Assets | <u>\$ 145,828</u> | <u>\$ 62,332</u> | <u>\$ 28,481</u> | <u>\$ 1,025,032</u> | <u>\$ 178,169</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 778 | \$ 2,313 | \$ 14,698 | \$ 25,193 | \$ 10,059 |
| Salaries and benefits payable | 148 | - | 6,629 | - | 12,450 |
| Unearned revenue | - | - | 54,560 | - | - |
| Due to other funds | - | - | - | - | - |
| Advance from other funds | - | - | - | - | - |
| Total Liabilities | <u>926</u> | <u>2,313</u> | <u>75,887</u> | <u>25,193</u> | <u>22,509</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | - | - | 18,055 | - | 29,331 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>18,055</u> | <u>-</u> | <u>29,331</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | 354 | - | - |
| Restricted | 144,902 | 60,019 | - | 999,839 | 126,329 |
| Committed | - | - | - | - | - |
| Unassigned | - | - | (65,815) | - | - |
| Total Fund Balances (Deficits) | <u>144,902</u> | <u>60,019</u> | <u>(65,461)</u> | <u>999,839</u> | <u>126,329</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 145,828</u> | <u>\$ 62,332</u> | <u>\$ 28,481</u> | <u>\$ 1,025,032</u> | <u>\$ 178,169</u> |

| County Local Revenue AB109 | Child Support | DNA Penalty Prop 69 | Probation Grant Dept | Tobacco Settlement | California Used Oil Recycle | Recorder | Animal Control Spay/Neuter |
|-----------------------------------------------|--------------------------|--------------------------------|---------------------------------|-------------------------------|--------------------------------------------|-------------------|-------------------------------------------|
| \$ 685,329 | \$ 398,371 | \$ 11,240 | \$ 864,299 | \$ 559,674 | \$ 25,980 | \$ 452,444 | \$ - |
| - | - | - | 9,219 | - | - | 232 | 47 |
| 48,090 | - | - | 67,258 | - | - | - | - |
| - | - | - | 4,070 | - | - | - | - |
| <u>\$ 733,419</u> | <u>\$ 398,371</u> | <u>\$ 11,240</u> | <u>\$ 944,846</u> | <u>\$ 559,674</u> | <u>\$ 25,980</u> | <u>\$ 452,676</u> | <u>\$ 47</u> |
| \$ - | \$ 2,263 | \$ - | \$ 13,542 | \$ - | \$ 302 | \$ - | \$ - |
| - | 18,609 | - | 1,757 | - | - | 1,041 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 1,168 |
| - | - | - | - | - | - | - | - |
| - | 20,872 | - | 15,299 | - | 302 | 1,041 | 1,168 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | 4,070 | - | - | - | - |
| 733,419 | 377,499 | 11,240 | 925,477 | - | 25,678 | 451,635 | - |
| - | - | - | - | 559,674 | - | - | - |
| - | - | - | - | - | - | - | (1,121) |
| <u>733,419</u> | <u>377,499</u> | <u>11,240</u> | <u>929,547</u> | <u>559,674</u> | <u>25,678</u> | <u>451,635</u> | <u>(1,121)</u> |
| <u>\$ 733,419</u> | <u>\$ 398,371</u> | <u>\$ 11,240</u> | <u>\$ 944,846</u> | <u>\$ 559,674</u> | <u>\$ 25,980</u> | <u>\$ 452,676</u> | <u>\$ 47</u> |

COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

| | <u>Domestic Violence</u> | <u>HAVA Elections</u> | <u>Air Pollution</u> | <u>Crescent Mills Lighting</u> | <u>Quincy Lighting</u> |
|--------------------------------------------------------------------------------|------------------------------|---------------------------|--------------------------|----------------------------------------|----------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 6,185 | \$ 61,452 | \$ 1,360 | \$ 543 | \$ 18,012 |
| Receivables: | | | | | |
| Accounts | 23 | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Prepaid costs | - | - | - | - | - |
| Total Assets | <u>\$ 6,208</u> | <u>\$ 61,452</u> | <u>\$ 1,360</u> | <u>\$ 543</u> | <u>\$ 18,012</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Salaries and benefits payable | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Advance from other funds | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | - | - | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 6,208 | 61,452 | 1,360 | 543 | 18,012 |
| Committed | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances (Deficits) | <u>6,208</u> | <u>61,452</u> | <u>1,360</u> | <u>543</u> | <u>18,012</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 6,208</u> | <u>\$ 61,452</u> | <u>\$ 1,360</u> | <u>\$ 543</u> | <u>\$ 18,012</u> |

| Beckwourth CSA Sewer | Flood Control | CSA #11 Ambulance | Monterey Forum | Walker Ranch CSD | Grizzly Ranch CSD | Total |
|---------------------------------|--------------------------|------------------------------|---------------------------|-----------------------------|------------------------------|---------------------|
| \$ 14,578 | \$ 51,460 | \$ 5,406 | \$ 19,218 | \$ 1,895,104 | \$ 857,190 | \$ 7,234,387 |
| - | - | - | - | - | - | 9,548 |
| - | 3,070 | - | - | - | - | 251,337 |
| - | - | - | - | - | - | 4,424 |
| <u>\$ 14,578</u> | <u>\$ 54,530</u> | <u>\$ 5,406</u> | <u>\$ 19,218</u> | <u>\$ 1,895,104</u> | <u>\$ 857,190</u> | <u>\$ 7,499,696</u> |
| \$ 242 | \$ 4,077 | \$ - | \$ - | \$ 13,310 | \$ 114,589 | \$ 201,366 |
| 656 | - | - | - | - | - | 41,290 |
| - | - | - | - | - | - | 54,560 |
| - | - | - | - | - | - | 1,168 |
| - | 15,530 | - | - | - | - | 15,530 |
| <u>898</u> | <u>19,607</u> | <u>-</u> | <u>-</u> | <u>13,310</u> | <u>114,589</u> | <u>313,914</u> |
| - | - | - | - | - | - | 47,386 |
| - | - | - | - | - | - | 47,386 |
| - | - | - | - | - | - | 4,424 |
| 13,680 | 34,923 | 5,406 | 19,218 | 1,881,794 | 742,601 | 6,641,234 |
| - | - | - | - | - | - | 559,674 |
| - | - | - | - | - | - | (66,936) |
| <u>13,680</u> | <u>34,923</u> | <u>5,406</u> | <u>19,218</u> | <u>1,881,794</u> | <u>742,601</u> | <u>7,138,396</u> |
| <u>\$ 14,578</u> | <u>\$ 54,530</u> | <u>\$ 5,406</u> | <u>\$ 19,218</u> | <u>\$ 1,895,104</u> | <u>\$ 857,190</u> | <u>\$ 7,499,696</u> |

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

| | <u>Fish and Game</u> | <u>Child Abuse Prevention</u> | <u>County Fair</u> | <u>Title III</u> | <u>Alcohol/ Drug</u> |
|---------------------------------------------------------|--------------------------|---------------------------------------|------------------------|-------------------|--------------------------|
| REVENUES | | | | | |
| Taxes and assessments | \$ - | \$ - | \$ 1,873 | \$ - | \$ - |
| Licenses, permits, and franchises | - | - | - | - | - |
| Fines and forfeitures | 698 | - | - | - | 3,650 |
| Intergovernmental | 180 | 28,190 | 36,000 | 245,483 | 525,216 |
| Use of money and property | 283 | 494 | 210,160 | 76 | 22 |
| Charges for services | - | 2,531 | 53,355 | - | 14,389 |
| Other revenues | 1,333 | 15,989 | 29,743 | - | 900 |
| Total Revenues | <u>2,494</u> | <u>47,204</u> | <u>331,131</u> | <u>245,559</u> | <u>544,177</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | - | 462,289 | 87,832 | - |
| Public protection | 24,303 | 35,464 | - | - | - |
| Health and welfare | - | - | - | - | 493,777 |
| Public ways and facilities | - | - | - | - | - |
| Capital outlay | - | - | - | - | 44,996 |
| Total Expenditures | <u>24,303</u> | <u>35,464</u> | <u>462,289</u> | <u>87,832</u> | <u>538,773</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(21,809)</u> | <u>11,740</u> | <u>(131,158)</u> | <u>157,727</u> | <u>5,404</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | 115,432 | - | 342,948 |
| Transfers out | - | - | (5,776) | (113,443) | (275,112) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>109,656</u> | <u>(113,443)</u> | <u>67,836</u> |
| Net Change in Fund Balances | <u>(21,809)</u> | <u>11,740</u> | <u>(21,502)</u> | <u>44,284</u> | <u>73,240</u> |
| Fund Balances (Deficits) - Beginning | <u>166,711</u> | <u>48,279</u> | <u>(43,959)</u> | <u>955,555</u> | <u>53,089</u> |
| Fund Balances (Deficits) - Ending | <u>\$ 144,902</u> | <u>\$ 60,019</u> | <u>\$ (65,461)</u> | <u>\$ 999,839</u> | <u>\$ 126,329</u> |

| County Local Revenue AB109 | Child Support | DNA Penalty Prop 69 | Probation Grant Dept | Tobacco Settlement | California Used Oil Recycle | Recorder | Animal Control Spay/Neuter |
|-----------------------------------------------|--------------------------|--------------------------------|---------------------------------|-------------------------------|--------------------------------------------|-------------------|-------------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | 7,958 | 1,326 | - | - | - | 1,110 |
| 534,342 | 716,830 | - | 341,503 | - | 10,000 | - | - |
| 17 | 771 | 17 | 1,678 | 917 | 47 | 858 | (3) |
| - | - | - | - | - | - | 49,920 | - |
| - | (125) | - | - | - | - | - | - |
| <u>534,359</u> | <u>717,476</u> | <u>7,975</u> | <u>344,507</u> | <u>917</u> | <u>10,047</u> | <u>50,778</u> | <u>1,107</u> |
| - | - | - | - | 80 | - | 80,005 | - |
| - | 675,696 | 64 | 206,698 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 8,323 | - | - |
| - | - | - | - | - | - | - | - |
| <u>-</u> | <u>675,696</u> | <u>64</u> | <u>206,698</u> | <u>80</u> | <u>8,323</u> | <u>80,005</u> | <u>-</u> |
| <u>534,359</u> | <u>41,780</u> | <u>7,911</u> | <u>137,809</u> | <u>837</u> | <u>1,724</u> | <u>(29,227)</u> | <u>1,107</u> |
| - | - | - | 196,910 | 200,000 | - | - | - |
| - | - | (9,053) | (366,202) | (200,000) | (6,431) | - | - |
| - | - | (9,053) | (169,292) | - | (6,431) | - | - |
| 534,359 | 41,780 | (1,142) | (31,483) | 837 | (4,707) | (29,227) | 1,107 |
| 199,060 | 335,719 | 12,382 | 961,030 | 558,837 | 30,385 | 480,862 | (2,228) |
| <u>\$ 733,419</u> | <u>\$ 377,499</u> | <u>\$ 11,240</u> | <u>\$ 929,547</u> | <u>\$ 559,674</u> | <u>\$ 25,678</u> | <u>\$ 451,635</u> | <u>\$ (1,121)</u> |

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2014

| | <u>Domestic Violence</u> | <u>HAVA Elections</u> | <u>Air Pollution</u> | <u>Crescent Mills Lighting</u> | <u>Quincy Lighting</u> |
|---------------------------------------------------------|------------------------------|---------------------------|--------------------------|----------------------------------------|----------------------------|
| REVENUES | | | | | |
| Taxes and assessments | \$ - | \$ - | \$ - | \$ 716 | \$ 31,244 |
| Licenses, permits, and franchises | 4,193 | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - |
| Intergovernmental | - | - | - | 7 | 305 |
| Use of money and property | 12 | 108 | 3 | 1 | 45 |
| Charges for services | - | - | - | - | 80 |
| Other revenues | - | - | - | - | - |
| Total Revenues | <u>4,205</u> | <u>108</u> | <u>3</u> | <u>724</u> | <u>31,674</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | - | 112 | - | - | - |
| Public protection | 1,788 | - | 9,670 | - | - |
| Health and welfare | - | - | - | - | - |
| Public ways and facilities | - | - | - | 3,107 | 48,013 |
| Capital outlay | - | - | - | - | - |
| Total Expenditures | <u>1,788</u> | <u>112</u> | <u>9,670</u> | <u>3,107</u> | <u>48,013</u> |
| Excess of Revenues Over (Under) Expenditures | <u>2,417</u> | <u>(4)</u> | <u>(9,667)</u> | <u>(2,383)</u> | <u>(16,339)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | 11,025 | 2,128 | - |
| Transfers out | (1,461) | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>(1,461)</u> | <u>-</u> | <u>11,025</u> | <u>2,128</u> | <u>-</u> |
| Net Change in Fund Balances | 956 | (4) | 1,358 | (255) | (16,339) |
| Fund Balances (Deficits) - Beginning | <u>5,252</u> | <u>61,456</u> | <u>2</u> | <u>798</u> | <u>34,351</u> |
| Fund Balances (Deficits) - Ending | <u>\$ 6,208</u> | <u>\$ 61,452</u> | <u>\$ 1,360</u> | <u>\$ 543</u> | <u>\$ 18,012</u> |

| Beckwourth CSA Sewer | Flood Control | CSA #11 Ambulance | Monterey Forum | Walker Ranch CSD | Grizzly Ranch CSD | Total |
|---------------------------------|--------------------------|------------------------------|---------------------------|-----------------------------|------------------------------|---------------------|
| \$ 7,541 | \$ 84,484 | \$ 105,624 | \$ - | \$ - | \$ 447,635 | \$ 679,117 |
| - | - | - | - | - | - | 4,193 |
| - | - | - | - | - | - | 14,742 |
| 96 | 1,042,993 | 1,007 | - | - | - | 3,482,152 |
| 39 | 169 | 9 | 28 | 3,404 | 1,365 | 220,520 |
| 4,808 | 92,228 | - | - | 93,995 | 5,445 | 316,751 |
| - | 31,009 | - | - | - | - | 78,849 |
| <u>12,484</u> | <u>1,250,883</u> | <u>106,640</u> | <u>28</u> | <u>97,399</u> | <u>454,445</u> | <u>4,796,324</u> |
| - | - | - | - | - | - | 630,318 |
| - | - | - | 510 | - | - | 954,193 |
| - | - | 101,234 | - | - | - | 595,011 |
| 30,221 | 1,263,932 | - | - | 160,762 | 458,682 | 1,973,040 |
| - | - | - | - | - | - | 44,996 |
| <u>30,221</u> | <u>1,263,932</u> | <u>101,234</u> | <u>510</u> | <u>160,762</u> | <u>458,682</u> | <u>4,197,558</u> |
| <u>(17,737)</u> | <u>(13,049)</u> | <u>5,406</u> | <u>(482)</u> | <u>(63,363)</u> | <u>(4,237)</u> | <u>598,766</u> |
| - | 20,530 | - | 3,875 | - | - | 892,848 |
| - | (1,686) | - | - | (9,915) | (19,577) | (1,008,656) |
| - | 18,844 | - | 3,875 | (9,915) | (19,577) | (115,808) |
| (17,737) | 5,795 | 5,406 | 3,393 | (73,278) | (23,814) | 482,958 |
| 31,417 | 29,128 | - | 15,825 | 1,955,072 | 766,415 | 6,655,438 |
| <u>\$ 13,680</u> | <u>\$ 34,923</u> | <u>\$ 5,406</u> | <u>\$ 19,218</u> | <u>\$ 1,881,794</u> | <u>\$ 742,601</u> | <u>\$ 7,138,396</u> |

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Nonmajor Governmental Funds

- **Capital Projects Fund**

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COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2014

| | <u>Criminal Justice Construction</u> | <u>Total</u> |
|-------------------------------------------|----------------------------------------------|-------------------|
| ASSETS | | |
| Cash and investments | \$ 377,860 | \$ 377,860 |
| Receivables: | | |
| Accounts | <u>2,231</u> | <u>2,231</u> |
| Total Assets | <u>\$ 380,091</u> | <u>\$ 380,091</u> |
| LIABILITIES | | |
| Accounts payable | <u>\$ -</u> | <u>\$ -</u> |
| Total Liabilities | <u>-</u> | <u>-</u> |
| FUND BALANCE | | |
| Restricted | <u>380,091</u> | <u>380,091</u> |
| Total Fund Balance | <u>380,091</u> | <u>380,091</u> |
| Total Liabilities and Fund Balance | <u>\$ 380,091</u> | <u>\$ 380,091</u> |

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Capital Projects Fund
For the Year Ended June 30, 2014

| | Criminal Justice Construction | Total |
|-----------------------------------|----------------------------------------------|--------------|
| REVENUES | | |
| Fines and forfeitures | \$ 53,668 | \$ 53,668 |
| Use of money and property | 611 | 611 |
| Total Revenues | 54,279 | 54,279 |
| EXPENDITURES | | |
| Current: | | |
| General government | - | - |
| Total Expenditures | - | - |
| Net Change in Fund Balance | 54,279 | 54,279 |
| Fund Balance - Beginning | 325,812 | 325,812 |
| Fund Balance - Ending | \$ 380,091 | \$ 380,091 |

Nonmajor Governmental Funds

- **Debt Service Fund**

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**COUNTY OF PLUMAS
Combining Balance Sheet
Nonmajor Debt Service Fund
June 30, 2014**

| | <u>Capital Improvement</u> | <u>Total</u> |
|-------------------------------------------|--------------------------------|---------------------|
| ASSETS | | |
| Cash with fiscal agent | \$ 1,399,553 | \$ 1,399,553 |
| Total Assets | <u>\$ 1,399,553</u> | <u>\$ 1,399,553</u> |
| LIABILITIES | | |
| Accounts payable | \$ - | \$ - |
| Total Liabilities | <u>-</u> | <u>-</u> |
| FUND BALANCE | | |
| Restricted | 1,399,553 | 1,399,553 |
| Total Fund Balance | <u>1,399,553</u> | <u>1,399,553</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,399,553</u> | <u>\$ 1,399,553</u> |

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Nonmajor Debt Service Fund
For the Year Ended June 30, 2014

| | Capital Improvement | Total |
|---------------------------------------------------------|--------------------------------|--------------|
| REVENUES | | |
| Intergovernmental | \$ 176,173 | \$ 176,173 |
| Use of money and property | 324 | 324 |
| Total Revenues | 176,497 | 176,497 |
| EXPENDITURES | | |
| Current: | | |
| General government | 97 | 97 |
| Debt service: | | |
| Principal | 470,000 | 470,000 |
| Interest and other charges | 751,525 | 751,525 |
| Total Expenditures | 1,221,622 | 1,221,622 |
| Excess of Revenues Over (Under) Expenditures | (1,045,125) | (1,045,125) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 1,021,425 | 1,021,425 |
| Total Other Financing Sources (Uses) | 1,021,425 | 1,021,425 |
| Net Change in Fund Balance | (23,700) | (23,700) |
| Fund Balance - Beginning | 1,423,253 | 1,423,253 |
| Fund Balance - Ending | \$ 1,399,553 | \$ 1,399,553 |

Nonmajor Proprietary Funds

- **Enterprise Funds**

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COUNTY OF PLUMAS
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2014

| | Senior Transit | CSA #12 Plumas County Transit | Total |
|-------------------------------------|---------------------------|--------------------------------------------------|-------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and investments | \$ 45,130 | \$ - | \$ 45,130 |
| Receivables: | | | |
| Accounts | 1,046 | - | 1,046 |
| Total Current Assets | 46,176 | - | 46,176 |
| Noncurrent Assets: | | | |
| Capital assets | | | |
| Depreciable, net | 2,221 | 216,137 | 218,358 |
| Total Noncurrent Assets | 2,221 | 216,137 | 218,358 |
| Total Assets | 48,397 | 216,137 | 264,534 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 3,049 | - | 3,049 |
| Salaries and benefits payable | 9,168 | - | 9,168 |
| Compensated absences | 17,932 | - | 17,932 |
| Total Current Liabilities | 30,149 | - | 30,149 |
| Noncurrent Liabilities: | | | |
| Compensated absences | - | - | - |
| Net OPEB obligation | 17,634 | - | 17,634 |
| Total Noncurrent Liabilities | 17,634 | - | 17,634 |
| Total Liabilities | 47,783 | - | 47,783 |
| NET POSITION | | | |
| Investment in capital assets | 2,221 | 216,137 | 218,358 |
| Unrestricted | (1,607) | - | (1,607) |
| Total Net Position | \$ 614 | \$ 216,137 | \$ 216,751 |

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

| | Senior Transit | CSA #12 Plumas County Transit | Total |
|--------------------------------------------------|---------------------------|--------------------------------------------------|-------------------|
| OPERATING REVENUES | | | |
| Passenger fares | \$ 23,950 | \$ - | \$ 23,950 |
| Total Operating Revenues | <u>23,950</u> | <u>-</u> | <u>23,950</u> |
| OPERATING EXPENSES | | | |
| Salaries and benefits | 203,980 | - | 203,980 |
| Services and supplies | 42,788 | 577,985 | 620,773 |
| Depreciation | 2,665 | 125,401 | 128,066 |
| Total Operating Expenses | <u>249,433</u> | <u>703,386</u> | <u>952,819</u> |
| Operating Income (Loss) | <u>(225,483)</u> | <u>(703,386)</u> | <u>(928,869)</u> |
| NON-OPERATING REVENUE (EXPENSES) | | | |
| Local transportation funds | 199,243 | 337,989 | 537,232 |
| State transit assistance funds | - | 102,564 | 102,564 |
| Intergovernmental revenues | 44,424 | 264,782 | 309,206 |
| Interest income | 1 | - | 1 |
| Total Non-Operating Revenues (Expenses) | <u>243,668</u> | <u>705,335</u> | <u>949,003</u> |
| Income (Loss) Before Transfers | 18,185 | 1,949 | 20,134 |
| Transfers out | (17,245) | - | (17,245) |
| Change in Net Position | 940 | 1,949 | 2,889 |
| Total Net Position (Deficits) - Beginning | <u>(326)</u> | <u>214,188</u> | <u>213,862</u> |
| Total Net Position - Ending | <u>\$ 614</u> | <u>\$ 216,137</u> | <u>\$ 216,751</u> |

COUNTY OF PLUMAS
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

| | Senior Transit | CSA #12 Plumas County Transit | Total |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 28,234 | \$ - | \$ 28,234 |
| Payments to suppliers | (41,660) | (577,985) | (619,645) |
| Payments to employees | (201,184) | - | (201,184) |
| | Net Cash Provided (Used) by Operating Activities | (577,985) | (792,595) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Local transportation funds | 199,243 | 337,989 | 537,232 |
| State transit assistance funds | - | 102,564 | 102,564 |
| Intergovernmental revenues | 44,424 | 264,782 | 309,206 |
| Transfers to other funds | (17,245) | - | (17,245) |
| | Net Cash Provided (Used) by Noncapital Financing Activities | 705,335 | 931,757 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition of capital assets | - | (127,350) | (127,350) |
| | Net Cash Provided (Used) by Capital and Related Financing Activities | (127,350) | (127,350) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest and dividends | 1 | - | 1 |
| | Net Cash Provided (Used) by Investing Activities | - | 1 |
| | Net Increase (Decrease) in Cash and Cash Equivalents | - | 11,813 |
| | Balances - Beginning | 33,317 | 33,317 |
| | Balances - Ending | \$ - | \$ 45,130 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ (225,483) | \$ (703,386) | \$ (928,869) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation | 2,665 | 125,401 | 128,066 |
| Decrease (increase) in: | | | |
| Accounts receivable | 4,284 | - | 4,284 |
| Increase (decrease) in: | | | |
| Accounts payable | 1,128 | - | 1,128 |
| Salaries and benefits payable | 3,602 | - | 3,602 |
| Compensated absences payable | (2,146) | - | (2,146) |
| Net OPEB obligation | 1,340 | - | 1,340 |
| | Net Cash Provided (Used) by Operating Activities | \$ (577,985) | \$ (792,595) |

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Internal Service Funds

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COUNTY OF PLUMAS
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

| | <u>Risk Management Workers' Compensation/ Liability</u> | <u>Unemployment Reserve</u> | <u>Totals</u> |
|-----------------------------|-------------------------------------------------------------------------|---------------------------------|---------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and investments | \$ 103,432 | \$ 80,060 | \$ 183,492 |
| Cash with fiscal agent | 5,314,906 | - | 5,314,906 |
| Prepaid costs | 3,370 | - | 3,370 |
| | <hr/> | <hr/> | <hr/> |
| Total Current Assets | 5,421,708 | 80,060 | 5,501,768 |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | 5,421,708 | 80,060 | 5,501,768 |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Claims payable | 2,796,190 | - | 2,796,190 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities | 2,796,190 | - | 2,796,190 |
| NET POSITION | | | |
| Unrestricted | 2,625,518 | 80,060 | 2,705,578 |
| | <hr/> | <hr/> | <hr/> |
| Total Net Position | <u>\$ 2,625,518</u> | <u>\$ 80,060</u> | <u>\$ 2,705,578</u> |

COUNTY OF PLUMAS
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2014

| | <u>Risk Management Workers' Compensation/ Liability</u> | <u>Unemployment Reserve</u> | <u>Totals</u> |
|-----------------------------------------------|-------------------------------------------------------------------------|---------------------------------|---------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 1,654,400 | \$ 84,842 | \$ 1,739,242 |
| Total Operating Revenues | <u>1,654,400</u> | <u>84,842</u> | <u>1,739,242</u> |
| OPERATING EXPENSES | | | |
| Claims paid/liability adjustment | (43,472) | 133,559 | 90,087 |
| Total Operating Expenses | <u>(43,472)</u> | <u>133,559</u> | <u>90,087</u> |
| Operating Income (Loss) | <u>1,697,872</u> | <u>(48,717)</u> | <u>1,649,155</u> |
| NON-OPERATING REVENUE (EXPENSES) | | | |
| Interest income | 397 | 173 | 570 |
| Total Non-Operating Revenue (Expenses) | <u>397</u> | <u>173</u> | <u>570</u> |
| Income (Loss) Before Transfers | 1,698,269 | (48,544) | 1,649,725 |
| Transfers out | (59,151) | - | (59,151) |
| Change in Net Position | 1,639,118 | (48,544) | 1,590,574 |
| Total Net Position - Beginning | <u>986,400</u> | <u>128,604</u> | <u>1,115,004</u> |
| Total Net Position - Ending | <u>\$ 2,625,518</u> | <u>\$ 80,060</u> | <u>\$ 2,705,578</u> |

COUNTY OF PLUMAS
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

| | Risk Management Workers' Compensation/ Liability | Unemployment Reserve | Totals |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 1,680,879 | \$ 84,842 | \$ 1,765,721 |
| Payments to suppliers | (457,367) | (133,559) | (590,926) |
| Net Cash Provided (Used) by Operating Activities | <u>1,223,512</u> | <u>(48,717)</u> | <u>1,174,795</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers to other funds | (59,151) | - | (59,151) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>(59,151)</u> | <u>-</u> | <u>(59,151)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on investments | 397 | 173 | 570 |
| Net Cash Provided (Used) by Investing Activities | <u>397</u> | <u>173</u> | <u>570</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,164,758 | (48,544) | 1,116,214 |
| Balances - Beginning | <u>4,253,580</u> | <u>128,604</u> | <u>4,382,184</u> |
| Balances - Ending | <u>\$ 5,418,338</u> | <u>\$ 80,060</u> | <u>\$ 5,498,398</u> |
| ADJUSTMENT TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 1,697,872 | \$ (48,717) | \$ 1,649,155 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Decrease (increase) in: | | | |
| Accounts receivable | 26,479 | - | 26,479 |
| Prepaid costs | (3,370) | - | (3,370) |
| Increase (decrease) in: | | | |
| Accounts payable | (27,479) | - | (27,479) |
| Claims payable | (469,990) | - | (469,990) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,223,512</u> | <u>\$ (48,717)</u> | <u>\$ 1,174,795</u> |

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Fiduciary Funds

- **Trust and Agency Funds**

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COUNTY OF PLUMAS
Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2014

| | Special Districts Governed by Local Boards | School Districts | School Districts Debt Service | Trial Court | Total Investment Trust Funds |
|---------------------------------------------------|---------------------------------------------------------------|-----------------------------|----------------------------------------------|--------------------|---------------------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 8,740,861 | \$ 28,376,048 | \$ 1,011,778 | \$ 3,847 | \$ 38,132,534 |
| Total Assets | <u>8,740,861</u> | <u>28,376,048</u> | <u>1,011,778</u> | <u>3,847</u> | <u>38,132,534</u> |
| LIABILITIES | | | | | |
| Loans from other agencies | 135,296 | - | - | - | 135,296 |
| Total Liabilities | <u>135,296</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>135,296</u> |
| NET POSITION | | | | | |
| Held in trust for investment pool participants | <u>\$ 8,605,565</u> | <u>\$ 28,376,048</u> | <u>\$ 1,011,778</u> | <u>\$ 3,847</u> | <u>\$ 37,997,238</u> |

COUNTY OF PLUMAS
Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ending June 30, 2014

| | Special Districts Governed by Local Boards | School Districts | School Districts Debt Service | Trial Court | Total Investment Trust Funds |
|-------------------------------------|---------------------------------------------------------------|-----------------------------|----------------------------------------------|--------------------|---------------------------------------------|
| ADDITIONS | | | | | |
| Contributions to investment pool | \$ 534,781 | \$ 2,800,872 | \$ 17,898 | \$ - | \$ 3,353,551 |
| Total Additions | <u>534,781</u> | <u>2,800,872</u> | <u>17,898</u> | <u>-</u> | <u>3,353,551</u> |
| DEDUCTIONS | | | | | |
| Distributions from investment pool | 901,755 | 438,830 | - | 1,524 | 1,342,109 |
| Total Deductions | <u>901,755</u> | <u>438,830</u> | <u>-</u> | <u>1,524</u> | <u>1,342,109</u> |
| Total Change in Net Position | (366,974) | 2,362,042 | 17,898 | (1,524) | 2,011,442 |
| Net Position - Beginning | <u>8,972,539</u> | <u>26,014,006</u> | <u>993,880</u> | <u>5,371</u> | <u>35,985,796</u> |
| Net Position - Ending | <u>\$ 8,605,565</u> | <u>\$ 28,376,048</u> | <u>\$ 1,011,778</u> | <u>\$ 3,847</u> | <u>\$ 37,997,238</u> |

COUNTY OF PLUMAS
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2014

| | Accrued Trust | County Departmental Agency | Total Agency Funds |
|------------------------------|--------------------------|-------------------------------------------|-----------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 450,383 | \$ 1,232,493 | \$ 1,682,876 |
| Taxes receivable | - | 3,729,329 | 3,729,329 |
| Total Assets | \$ 450,383 | \$ 4,961,822 | \$ 5,412,205 |
| LIABILITIES | | | |
| Agency funds held for others | \$ 450,383 | \$ 4,961,822 | \$ 5,412,205 |
| Total Liabilities | \$ 450,383 | \$ 4,961,822 | \$ 5,412,205 |

COUNTY OF PLUMAS
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

| | <u>Balance June 30, 2012</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2013</u> |
|-----------------------------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| ACCRUED TRUST FUNDS | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 396,314 | \$ 54,069 | \$ - | \$ 450,383 |
| Total Assets | <u>\$ 396,314</u> | <u>\$ 54,069</u> | <u>\$ -</u> | <u>\$ 450,383</u> |
| LIABILITIES | | | | |
| Agency funds held for others | \$ 396,314 | \$ 54,069 | \$ - | \$ 450,383 |
| Total Liabilities | <u>\$ 396,314</u> | <u>\$ 54,069</u> | <u>\$ -</u> | <u>\$ 450,383</u> |
| COUNTY DEPARTMENTAL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 1,363,824 | \$ 756,135 | \$ 887,466 | \$ 1,232,493 |
| Taxes receivable | 3,560,384 | 3,729,329 | 3,560,384 | 3,729,329 |
| Total Assets | <u>\$ 4,924,208</u> | <u>\$ 4,485,464</u> | <u>\$ 4,447,850</u> | <u>\$ 4,961,822</u> |
| LIABILITIES | | | | |
| Agency funds held for others | \$ 4,924,208 | \$ 4,485,464 | \$ 4,447,850 | \$ 4,961,822 |
| Total Liabilities | <u>\$ 4,924,208</u> | <u>\$ 4,485,464</u> | <u>\$ 4,447,850</u> | <u>\$ 4,961,822</u> |
| TOTAL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash and investments | \$ 1,760,138 | \$ 810,204 | \$ 887,466 | \$ 1,682,876 |
| Taxes receivable | 3,560,384 | 3,729,329 | 3,560,384 | 3,729,329 |
| Total Assets | <u>\$ 5,320,522</u> | <u>\$ 4,539,533</u> | <u>\$ 4,447,850</u> | <u>\$ 5,412,205</u> |
| LIABILITIES | | | | |
| Agency funds held for others | \$ 5,320,522 | \$ 4,539,533 | \$ 4,447,850 | \$ 5,412,205 |
| Total Liabilities | <u>\$ 5,320,522</u> | <u>\$ 4,539,533</u> | <u>\$ 4,447,850</u> | <u>\$ 5,412,205</u> |

**COUNTY OF PLUMAS,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2014**

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COUNTY OF PLUMAS
Single Audit Act
For the Year Ended June 30, 2014

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Plumas, California, (County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2014-001 through 2014-006)

Compliance and Other Matters

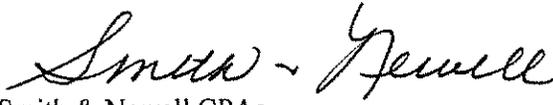
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Smith & Newell CPAs
Yuba City, California
March 26, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Report on Compliance for Each Major Federal Program

We have audited the County of Plumas, California's (County) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

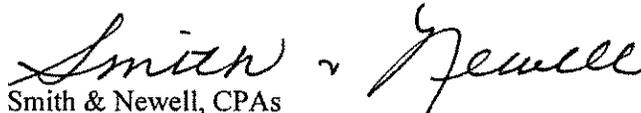
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Plumas, California, (County) as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 26, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Smith & Newell, CPAs
Yuba City, California
March 26, 2015

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COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

| <u>Federal Program/Pass Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Grantor Number</u> | <u>Federal Expenditures</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------|---------------------------------|
| U.S. Department of Agriculture | | | |
| Passed through State Department of Food and Agriculture: Forest Health Protection | 10.680 | 10-DG-11052021-037 | \$ 520 |
| Passed through State Department of Public Health: Supplemental Nutrition Assistance Program | 10.551 | 13-20097 | 101,635 |
| Passed through State Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | CEC-32-2014 | 248,647 |
| Passed through National Forest Service: Cooperative Forestry Assistance | 10.664 | 11-LE-11051360-206 | 54,334 |
| Passed through State Controller's Office: Schools and Roads - Grants to States | 10.665 | 1100235A | <u>1,735,914</u> |
| Total U.S. Department of Agriculture | | | <u>2,141,050</u> |
| U.S. Department of Housing and Urban Development | | | |
| Passed through State Department of Health Services: Housing Opportunities for Persons with AIDS | 14.241 | 13-20428 | <u>26,847</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>26,847</u> |
| U.S. Department of the Interior | | | |
| Direct Program: Payments in Lieu of Taxes | 15.226 | - | <u>422,425</u> |
| Total U.S. Department of the Interior | | | <u>422,425</u> |
| U.S. Department of Justice | | | |
| Direct Program: Drug Court Discretionary Grant Program | 16.585 | - | 36,513 |
| Drug Court Discretionary Grant Program | 16.585 | - | <u>2,171</u> |
| Subtotal 16.585 | | | <u>38,684</u> |
| State Criminal Alien Assistance Program | 16.606 | - | 3,710 |
| Passed through Board of State and Community Corrections: Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | BSCC 600-12 | 2,888 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | BSCC 600-13 | <u>51,259</u> |
| Subtotal 16.738 | | | <u>54,147</u> |
| Passed through State Emergency Management Agency: Crime Victim Assistance | 16.575 | VW 1321 0320 | <u>44,198</u> |
| Total U.S. Department of Justice | | | <u>140,739</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

| <u>Federal Program/Pass Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Grantor Number</u> | <u>Federal Expenditures</u> |
|--------------------------------------------------------------------------------------|----------------------------|------------------------------------|-----------------------------|
| U.S. Department of Transportation | | | |
| Passed through Federal Aviation Administration: | | | |
| Airport Improvement Program | 20.106 | AIP 3-06-0020-010 | \$ 4,500 |
| Airport Improvement Program | 20.106 | AIP 3-06-0040-015 | 402,461 |
| Airport Improvement Program | 20.106 | AIP 3-06-0040-016 | 4,500 |
| Airport Improvement Program | 20.106 | AIP 3-06-0191-010 | 3,949 |
| Airport Improvement Program | 20.106 | AIP 3-06-0191-011 | 747 |
| Airport Improvement Program | 20.106 | AIP 3-06-0191-012 | 4,500 |
| Subtotal 20.106 | | | <u>420,657</u> |
| Passed through State Department of Transportation: | | | |
| Highway Planning and Construction | 20.205 | BRLO-5909(029) | 40,166 |
| Highway Planning and Construction | 20.205 | BRLO-5909(079) | 142,648 |
| Highway Planning and Construction | 20.205 | BRLO-5909(080) | 90,494 |
| Highway Planning and Construction | 20.205 | BRLO-5909(081) | 221,794 |
| Highway Planning and Construction | 20.205 | BRLO-5909(082) | 308,891 |
| Highway Planning and Construction | 20.205 | BRLO-5909(083) | 2,236 |
| Highway Planning and Construction | 20.205 | BRLO-5909(092) | 9,460 |
| Highway Planning and Construction | 20.205 | BRLO-5909(093) | 2,586 |
| Highway Planning and Construction | 20.205 | BRLO-5909(094) | 3,026 |
| Highway Planning and Construction | 20.205 | BRLO-5909(095) | 3,424 |
| Highway Planning and Construction | 20.205 | BRLO-5909(096) | 2,840 |
| Highway Planning and Construction | 20.205 | BRLO-5909(097) | 1,957 |
| Highway Planning and Construction | 20.205 | BRLO-5909(100) | 2,540 |
| Highway Planning and Construction | 20.205 | BRLO-5909(101) | 839 |
| Highway Planning and Construction | 20.205 | HRRRL-5909(084) | 626 |
| Subtotal 20.205 | | | <u>833,527</u> |
| Total U.S. Department of Transportation | | | <u>1,254,184</u> |
| U.S. Department of Health and Human Services | | | |
| Direct Program: | | | |
| Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease | 93.918 | - | 277,737 |
| Passed through State Department of Social Services: | | | |
| Guardianship Assistance | 93.090 | CEC-32-2014 | 2,088 |
| Promoting Safe and Stable Families | 93.556 | CEC-32-2014 | 10,253 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | CEC-32-2014 | 22,930 |
| Social Services Block Grant | 93.667 | CEC-32-2014 | 90,645 |
| Chafee Foster Care Independence Program | 93.674 | CEC-32-2014 | 20,394 |
| Temporary Assistance for Needy Families | 93.558 | CEC-32-2014 | 716,126 |
| Temporary Assistance for Needy Families | 93.558 | 800-32-2014 | 320,854 |
| Subtotal 93.558 | | | <u>1,036,980</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

| <u>Federal Program/Pass Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Grantor Number</u> | <u>Federal Expenditures</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------|---------------------------------|
| U.S. Department of Health and Human Services (Continued) | | | |
| Passed through State Department of Social Services (Continued): | | | |
| Foster Care - Title IV-E | 93.658 | CEC-32-2014 | \$ 453,872 |
| Foster Care - Title IV-E | 93.658 | 800-32-2014 | <u>322,145</u> |
| Subtotal 93.658 | | | <u>776,017</u> |
| Adoption Assistance | 93.659 | CEC-32-2014 | 80,123 |
| Adoption Assistance | 93.659 | 800-32-2014 | <u>292,534</u> |
| Subtotal 93.659 | | | <u>372,657</u> |
| Passed through State Department of Child Support Services: | | | |
| Child Support Enforcement | 93.563 | Plumas | 446,779 |
| Passed through State Department of Aging: | | | |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | IIIB-0412-14 | 44,424 |
| Special Programs for the Aging - Title III, Part C - Nutrition Services | 93.045 | IIIC-045-14 | 144,943 |
| Nutrition Services Incentive Program | 93.053 | IIIC-045-14 | 27,218 |
| Passed through State Department of Health Services: | | | |
| Medical Assistance Program | 93.778 | 12-89319 | 286,312 |
| Medical Assistance Program | 93.778 | CCS | 50,759 |
| Medical Assistance Program | 93.778 | HCPCFC | 24,398 |
| Medical Assistance Program | 93.778 | CHDP | 110,127 |
| Medical Assistance Program | 93.778 | CEC-32-2014 | <u>1,017,105</u> |
| Subtotal 93.778 | | | <u>1,488,701</u> |
| Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children | | | |
| | 93.197 | 11-10404 | 17,918 |
| Children's Health Insurance Program | 93.767 | CSS | 7,879 |
| HIV Care Formula Grants | 93.917 | 13-20065 | 170,075 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | MCH | 137,969 |
| Passed through State Office of Emergency Services: | | | |
| PPHF - Community Transformation Grants and National Dissemination and Support for Community Transformation Grants | 93.531 | 1U58DP003677-03 | 3,229 |
| Passed through State Department of Emergency Services: | | | |
| Public Health Emergency Preparedness | 93.069 | EPO 13-35 | 113,376 |
| National Bioterrorism Hospital Preparedness Program | 93.889 | EPO 13-35 | 126,874 |
| Passed through State Department of Mental Health: | | | |
| Block Grants for Community Mental Health Services | 93.958 | 32 | 150,209 |
| Passed through State Department of Alcohol and Drug Abuse Programs: | | | |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | 10-NNA32 | <u>375,405</u> |
| Total U.S. Department of Health & Human Services | | | <u>5,864,700</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

| <u>Federal Program/Pass Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-Through Grantor Number</u> | <u>Federal Expenditures</u> |
|----------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------|---------------------------------|
| Department of Homeland Security | | | |
| Passed through State Emergency Management Agency: Emergency Management Performance Grants | 97.042 | 2013-0047 | \$ 128,998 |
| Homeland Security Grant Program | 97.067 | 2011-0077 | 83,065 |
| Homeland Security Grant Program | 97.067 | 2012-0123 | <u>41,128</u> |
| Subtotal 97.067 | | | <u>124,193</u> |
| Total Department of Homeland Security | | | <u>253,191</u> |
| Total | | | <u>\$ 10,103,136</u> |

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Plumas. The County of Plumas reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

5. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

6. PROGRAM CLUSTERS

Federal programs, which must be audited together as a program cluster, include the following:

| | | |
|--------------------------|--------------------------------------------------------------------------------------------------------|-------------------|
| <u>SNAP Cluster</u> | | |
| 10.551 | Supplemental Nutrition Assistance Program | \$ 101,635 |
| 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 248,647 |
| | Total | <u>\$ 350,282</u> |
| <u>Aging Cluster</u> | | |
| 93.044 | Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | \$ 44,424 |
| 93.045 | Special Programs for the Aging - Title III, Part C - Nutrition Services | 144,943 |
| 93.053 | Nutrition Services Incentive Program | 27,218 |
| | Total | <u>\$ 216,585</u> |

COUNTY OF PLUMAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

7. CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT EXPENDITURES

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2014. This information is included in the County's single audit report at the request of CalEMA.

| Program | Expenditures Claimed | | | Share of Expenditures Current Year | | |
|--------------------------------------------|---------------------------|-------------------------|---------------------|---------------------------------------|------------------|-----------------|
| | For the Period Through | For the Year Through | Cumulative As of | Federal Share | State Share | County Share |
| | June 30, 2013 | June 30, 2014 | June 30, 2014 | | | |
| VW13210320 - Violence Against Women | | | | | | |
| Personal services | \$ - | \$ 48,659 | \$ 48,659 | \$ 43,348 | \$ 5,311 | \$ - |
| Operating expenses | - | 15,670 | 15,670 | 850 | 14,820 | - |
| Equipment | - | - | - | - | - | - |
| Totals | <u>\$ -</u> | <u>\$ 64,329</u> | <u>\$ 64,329</u> | <u>\$ 44,198</u> | <u>\$ 20,131</u> | <u>\$ -</u> |

8. CALIFORNIA DEPARTMENT OF AGING (CDA) REPORTING REQUIREMENTS

The terms and conditions of contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. For the fiscal year ended June 30, 2014, the County did not receive any CDA state funded grants. The following schedule is presented to comply with these requirements.

| Program | Federal CFDA Number | Total Expenditures | Accrual Adjustments | Confirmed Amount |
|--------------------------------------------------------------|---------------------------|-----------------------|------------------------|---------------------|
| IIIB Transportation | 93.044 | \$ 36,424 | \$ 1,321 | \$ 37,745 |
| IIIB Transportation One Time Only | 93.044 | 8,000 | (1,290) | 6,710 |
| IIIC-1 Congregate | 93.045 | 79,850 | (948) | 78,902 |
| IIIC-1 Congregate One Time Only | 93.045 | 6,148 | - | 6,148 |
| IIIC-1 Congregate Nutrition Services Incentive Program | 93.053 | 16,761 | - | 16,761 |
| IIIC-2 Home Delivered Meals | 92.045 | 53,154 | (948) | 52,206 |
| IIIC-2 Home Delivered Meals One Time Only | 93.045 | 5,791 | - | 5,791 |
| IIIC-2 Home Delivered Meals, Nutrition Services Incentive | 93.053 | <u>10,457</u> | <u>-</u> | <u>10,457</u> |
| Total Expenditures of CDA Federal Awards | | <u>\$ 216,585</u> | <u>(\$ 1,865)</u> | <u>\$ 214,720</u> |

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

| Financial Statements | <u>Status</u> |
|------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1. Type of auditor's report issued | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 3. Noncompliance material to financial statements noted? | No |
| Federal Awards | |
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)? | No |
| 4. Identification of major programs: | |
| 10.551 Supplemental Nutrition Assistance Program | |
| 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | |
| 10.665 Schools and Road - Grants to States | |
| 15.226 Payments in Lieu of Taxes | |
| 20.106 Airport Improvement Program | |
| 20.205 Highway Planning and Construction | |
| 93.563 Child Support Enforcement | |
| 93.658 Foster Care - Title IV-E | |
| 93.659 Adoption Assistance | |
| 5. Dollar threshold used to distinguish between Type A and Type B programs? | \$303,094 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No |

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

| | |
|----------------------------------------|----------|
| Year-End Closing Process | 2014-001 |
| Pooled Cash Reconciliation | 2014-002 |
| Accounts Payable | 2014-003 |
| Accounts Receivable | 2014-004 |
| EFT Deposits Lack of Timely Processing | 2014-005 |
| Plumas County Transit Activity | 2014-006 |

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-001 Year-End Closing Process (Significant Deficiency)

Condition

At the time of our audit we noted the financial statements presented to us contained misstatements that required adjustments. Many of these adjustments were noted as a part of the audit process and certain adjustments regarding accounts payable were not available until February 2015. This is a repeat of a prior year finding.

Cause

The process to close the County's accounting records and produce the annual financial report is labor intensive and the reports produced by the accounting system can required additional analysis and reconciliation.

Criteria

Government auditing standards require independent auditors to evaluate all unadjusted misstatement of financial statements. Also producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

Effect of Condition

The financial statements as presented to us for audit contained misstatements and required adjustments.

Recommendation

We recommend that the County strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

Corrective Action Plan

The Auditor agrees that there is a need for expediting the year-end closing and is working with her staff to streamline the process so that the work may be done more timely and efficiently. The current Auditor has been in charge of year-end closing for only two fiscal years, 2012/2013 and 2013/2014. In addition to learning the operations of the office, there were turnovers in two key positions during 2013/2014 that caused her to focus attention on training new staff members. One of the staff members that resigned processed all of the property tax transactions for the County. The Auditor has attended numerous trainings with her staff to gain knowledge of the property tax rules and regulations in order to oversee the property tax functions and train the staff member that was hired to perform the property tax duties. In the future, as the Auditor gains experience with the expectations of the outside auditors and with improved office procedures going forward, the closing process will be finished in a more timely manner.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-002 Pooled Cash Reconciliation (Significant Deficiency)

Condition

At the time of fieldwork, we noted that the pooled cash reconciliation prepared by the County Auditor-Controller's office for June 30, 2014 had not been reconciled to cash recorded in the general ledger as of June 30, 2014.

Cause

Subsequent to the County completing their pooled cash reconciliation for June 30, 2014 adjustments to pooled cash had been made that were not included in the pooled cash reconciliation provided to us at the time of fieldwork.

Criteria

Good internal control requires that all accounts be reconciled on a regular basis and any subsequent adjustments be included in the reconciliation.

Effect of Condition

There was an unreconciled difference at the start of fieldwork which required additional work by the County to identify the difference.

Recommendation

We recommend that reconciliations be reviewed for accuracy.

Corrective Action Plan

The purpose of the reconciliation is to prove the cash on record with the Treasurer (Treasurer's cash) to the cash in the general ledger (Auditor's cash). The total Treasurer's cash is a combination of cash on hand (as counted on 7/1/14), investments, and cash in the bank. Auditor's cash is the balance in the general ledger minus outstanding warrants. The discrepancy in the reconciliation occurred because the report for outstanding warrants was run later in the day after warrants had been cleared. The balance sheet reports only show activity through the requested date (June 30, 2014), but the outstanding warrant report included the July 1, 2014 activity. The general ledger program does not allow back-dated reports to be run. The Auditor's office was able to demonstrate that the reconciled difference was due to outstanding warrants cleared on July 1, 2014. Staff has been instructed to run the reports immediately on the first of each month, and to identify any discrepancies.

2014-003 Accounts Payable (Significant Deficiency)

Condition

At the time of our audit we noted that accounts payable balances had not been reconciled to supporting schedules and required adjustments to correct the year-end balances.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-003 Accounts Payable (Significant Deficiency) (Continued)

Cause

The County did not adequately review payable balances to ensure that they were properly recorded and approximately \$111,970 in adjustments were required to correct year-end balances.

Criteria

Good internal control over accounts payable requires that they be reviewed for accuracy and properly adjusted to reflect accurate year-end balances.

Effect of Condition

Accounts payable balances were misstated and required adjustment.

Recommendation

We recommend that the County improve its internal control system and its policies and procedures in reviewing detail general ledger accounts for accuracy.

Corrective Action Plan

The Accounts Payable discrepancy was caused by a software glitch in the general ledger program. The Auditor's office uses a separate fund (Fund 5033) to process Calcard payments and collections from departments for charges made on the county credit cards by county employees and paid for through the trust account. The trust account is used so that credit card payments can be made immediately when the statement arrives, and then reimbursed by the departments as claims from each department are posted. The claims have historically been processed using the accounts payable function of the software, which uses both warrants payable and claims payable as the credit card payments and department reimbursements flow through the system. However, for some undetermined reason, the program failed to clear the accounts payable and cash account entries. The result was a large negative (debit) in accounts payable for Fund 5033, and a large negative cash balance (credit) in Fund 5033. When the error was discovered in August of 2014, staff from the auditor's office and IT contacted Pentamation, the software provider. After much time and effort, the problem was corrected within the system. The adjustment referred to in this finding records the adjustment as of June 30, 2014, and then is reversed in 2014/2015 because the error was fixed within the system in 2014/2015. The expenditures were properly recorded in the applicable departments for 2013/2014, the effect of the software problem only impacted balance sheet accounts for fiscal year 2013/2014.

As of February of 2015 the Auditor changed the way the Calcard is processed, using a journal entry to record the expenditures in the departments and reimburse the credit card fund (5033). This method is much easier and leaves a better audit trail than the previous method.

2014-004 Accounts Receivable (Significant Deficiency)

Condition

During our audit we noted \$700,549 of revenues that should have been accrued at June 30, 2014, but were not.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-004 Accounts Receivable (Significant Deficiency) (Continued)

Cause

The County did not adequately review receivable balances to ensure that they were properly recorded.

Criteria

Good internal control over accounts receivable requires that they be accurately stated.

Effect of Condition

Accounts receivable balances were misstated and required adjustment.

Recommendation

We recommend that the County continue to improve its internal control system and its policies and procedures in reviewing detail general ledger accounts for accuracy.

Corrective Action Plan

The revenue accrual referred to in this finding is for two departments, Public Works (Roads), and Social Services.

The deposit in question for the Public Works department is in the amount of \$312,723. This deposit was received in August, 2014. On the remittance advice it is indicated that it is for 2013/2014, however in the two prior fiscal years, the August deposit was not accrued back. The Auditor did not accrue the deposit to 2013/2014 because doing so will result in an extra payment for the 2013/2014 fiscal year and will create a difference in the revenue as compared to prior years (the revenue would reflect thirteen monthly deposits). After discussions with Smith and Newell this adjustment was recorded.

The accruals of revenue for Social Services are the result of a correction that has not been done in past years to the best of this Auditor's knowledge. The remittance advices for these deposits clearly state that they were for 2014/2015, but in detailed pages (not provided to the County Auditor) there were some amounts that were corrections to prior years. While the County Auditor does not question that these are prior year revenue, the detailed information was not provided when the accruals were done. The Auditor will discuss this with all departments and ask that they review their deposits in the future and forward the detailed information so that the accruals can be properly made.

2014-005 EFT Deposits Lack of Timely Processing (Significant Deficiency)

Condition

During our audit we noted that EFT deposits to the County's bank account were not being processed in the County's general ledger on a timely basis. This is a repeat of a prior year finding.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-005 EFT Deposits Lack of Timely Processing (Significant Deficiency) (Continued)

Cause

When the County receives EFT deposits, the deposit to the County's general ledger is not processed until the department or agency prepares a deposit and takes it to the auditor's office. Therefore, EFT deposits recorded in the County's bank account may not be recorded on the general ledger for days.

Criteria

Good internal control requires that deposits to the County bank account be processed in the County's general ledger on a timely basis.

Effect of Condition

There are monies received before fiscal year-end that were not recorded in the general ledger for up to four days, resulting in the monies being recorded in the general ledger after fiscal year-end.

Recommendation

We recommend that the County record all deposits to the County's bank account in a timely manner.

Corrective Action Plan

The Auditor's office and Treasurer's office will continue to work to record the EFT's in a more timely manner.

2014-006 Plumas County Transit Activity (Significant Deficiency)

Condition

During our audit we noted that current year activity, receipt of LTF, STA, FTA 5311 and other monies from the Local Transportation Commission and the expenditure of funds for payments to the transit provider had not been recorded in the Plumas County Transit fund.

Cause

The Plumas County Transportation Commission issued checks directly to the transit provider, Plumas Rural Services.

Criteria

Generally accepted accounting principles require the activity be properly recorded in each fund.

Effect of Condition

Revenues and expenses were misstated and required adjustment.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-006 Plumas County Transit Activity (Significant Deficiency) (Continued)

Recommendation

We recommend that the Plumas County Transit Fund properly record the receipt of monies from the Local Transportation Commission and record payments to the transit provider.

Corrective Action Plan

All funds have been adjusted through journal entries and all funds from the Transportation Commission will be paid to CSA #12, Plumas County Transit, and then to Plumas Rural Services for operation of the transit system.

COUNTY OF PLUMAS
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2014

| <u>Audit Reference</u> | <u>Status of Prior Year Audit Recommendations</u> |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13-FS-01 | <p>Capital Assets Prior Period Adjustment</p> <p>Recommendation</p> <p>We recommend that the County review the capital assets schedules to ensure that all acquisitions and dispositions are included.</p> <p>Status</p> <p>Implemented</p> |
| 13-FS-02 | <p>Capital Asset Disposals</p> <p>Recommendation</p> <p>We recommend that the Transit fund complete the necessary paperwork and submit it to the Board of Supervisors for approval to remove the disposed assets from the depreciation schedule. We further recommend that future capital assets disposals be documented properly and submitted to the Auditor-Controller in a timely manner.</p> <p>Status</p> <p>Implemented</p> |

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