

COUNTY OF AMADOR

AUDIT REPORT

JUNE 30, 2012

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**COUNTY OF AMADOR
AUDIT REPORT
JUNE 30, 2012**

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Amador
Jackson, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Amador, California, (the County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As stated in Note 8, an actuarial valuation is required at least biennially for other postemployment benefits (OPEB) plans with a total membership of 200 or more to properly report the annual OPEB cost and the actuarial accrued liability in accordance with accounting principles generally accepted in the United States of America. Because the County has not had an actuarial valuation in over two years, the County has not determined the cost of its OPEB for the year ended June 30, 2012. The effects of this departure on the financial statements are not reasonably determinable.

In our opinion, except for the effect of not providing updated OPEB data, as discussed in the previous paragraph, the financial statements referred to above present fairly, in all material respects, the 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated March 28, 2013, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Supervisors
County of Amador

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Funding Progress and the 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 evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Amador's basic financial statements. The accompanying information identified in the table of contents as combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual 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 financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Roseville, California
March 28, 2013

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2012

Management's Discussion and Analysis

This section of the Amador County's annual financial report presents our discussion and analysis of the County's activities of the County of Amador for fiscal year ended June 30, 2012. Please read it in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The assets of the County exceeded liabilities at the close of the 2011-2012 fiscal year by \$64,748,105 (net assets). Of this amount, \$13,902,490 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, \$10,571,201 is restricted for specific purpose (restricted net assets), and \$40,274,414 is invested in capital assets, net of related debt.
- The County of Amador's total net assets decreased by \$2,623,543.
- As of June 30, 2012 the County of Amador's governmental funds reported combined fund balances of \$31,812,562, a decrease of \$980,318. Approximately 39.5% of the combined fund balances, \$12,562,665 is available to meet the County's current and future needs (unassigned and assigned fund balance).
- At the end of the fiscal year, available fund balance for the general fund was \$11,456,867, or 35.7% of total general fund expenditures. All of the remaining available fund balance will be budgeted in the subsequent fiscal year.
- The County's total long-term debt decreased by \$492,617 from the prior year. The decrease is primarily due to retirement of Certificates of Participation debt of \$385,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of Amador's basic financial statements. The County of Amador'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 the County of Amador's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the County of Amador that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County of Amador include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation, and cultural services. The business-type activities of the County of Amador include the County Landfill, and Airport.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2012

The government-wide financial statements include the following blended component units: the Amador Fire Protection District, Amador County Public Facilities Financing Authority, Victory Lighting, CSA's 5, 6, and 8, and the Amador IHSS Public Authority. These seven blended component units have the same board as the County's.

The government-wide financial statements can be found on pages 11-13 of this report.

Fund Financial Statements are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County of Amador, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Amador can be divided into three categories: governmental funds, proprietary fund, and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statement focus on how cash and other financial assets can readily be converted to available resources and the balances left at year-end that is available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the County's 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 government 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 financial statements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The County of Amador maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Social Service Fund, Mental Health Fund, Road Fund, and Water Development Sinking Fund which are considered to be major funds. Data from other governmental funds are combined to a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental funds financial statements can be found on pages 16-22 of this report.

Proprietary funds are maintained two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The County of Amador uses enterprise funds to account for Landfill and Airport, both, which are considered major funds. Data from nonmajor enterprise funds are combined into a single, aggregate presentation. Internal service funds are an accounting device used to accumulate funds to account for self-insurance, fleet maintenance and replacement, purchasing, and communications. Because the 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. Proprietary fund financial statements provide separate information for Landfill and Airport. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

COUNTY OF AMADOR

Management's Discussion and Analysis
June 30, 2012

The proprietary funds financial statements can be found on pages 23-26 of 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 because the resources of those funds are not available to support the County of Amador's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on pages 27-28 of this report.

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

The notes can be found on pages 29-53 of this report.

Required supplementary information is presented concerning the County of Amador's progress funding its obligation to provide pension benefits to its employees. Required supplementary information also includes Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the General Fund, Social Service Fund, and Road Fund.

Required supplementary information can be found on pages 55-60 of this report.

The supplementary information is the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds.

Supplementary information can be found on pages 61-76 of this report.

Governmental-Wide Financial Analysis

The County has provided prior year's information for a comparative analysis of government-wide data.

COUNTY OF AMADOR

Management's Discussion and Analysis
June 30, 2012

Analysis of Net Assets

County of Amador's Net Assets
June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	\$ 40,856,346	\$ 43,323,947	\$ (1,304,442)	\$ (1,376,032)	\$ 39,551,904	\$ 41,947,915
Capital assets	44,530,399	46,171,347	3,920,774	4,036,941	48,451,173	50,208,288
Total assets	85,386,745	89,495,294	2,616,332	2,660,909	88,003,077	92,156,203
Liabilities:						
Current and other liabilities	5,795,017	6,800,592	275,065	306,455	6,070,082	7,107,047
Long-term liabilities	10,615,360	11,073,339	6,569,530	6,604,169	17,184,890	17,677,508
Total liabilities	16,410,377	17,873,931	6,844,595	6,910,624	23,254,972	24,784,555
Net Assets:						
Invested in capital net of related debt	36,424,675	37,849,447	3,849,739	3,952,145	40,274,414	41,801,592
Restricted net assets	10,571,201	9,612,995	--	--	10,571,201	9,612,995
Unrestricted net assets	21,980,492	24,158,921	(8,078,002)	(8,201,860)	13,902,490	15,957,061
Total net assets	\$ 68,976,368	\$ 71,621,363	\$ (4,228,263)	\$ (4,249,715)	\$ 64,748,105	\$ 67,371,648

Assets exceeded liabilities by \$64,748,105 at the close of the 2011-12 fiscal year. Increases or decreases in net assets may over time serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Of this amount \$13,902,490 (unrestricted net assets) may be used to meet the government's ongoing obligations to the citizens and creditors.

\$10,571,201 (restricted net assets) is restricted for a specific purpose. The remaining portion and largest \$40,272,414 is the County's investment in capital assets (e.g. land, building, machinery, and equipment), less any related debt. These assets are used to provide services to its citizens and are not available for future spending.

As stated earlier, net assets decreased by \$2,623,543. Governmental activities were responsible for \$2,644,995 of this decrease and business-type activities were responsible for increase of \$21,452.

COUNTY OF AMADOR

Management's Discussion and Analysis
June 30, 2012

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Fees, Fines & Charges for Services	\$ 7,406,227	\$ 6,530,335	\$ 926,630	\$ 975,464	\$ 8,332,857	\$ 7,505,799
Operating grants	27,914,202	27,442,287	67,412	627,018	27,981,614	28,069,305
General revenues:						
Property taxes	17,722,634	18,280,177	--	--	17,722,634	18,280,177
Sales and use taxes	1,907,281	1,898,957	--	--	1,907,281	1,898,957
Other taxes	1,252,918	1,272,095	--	--	1,252,918	1,272,095
Unrestricted interest and investment earnings	438,475	390,405	4,508	3,967	442,983	394,372
Other revenue	1,066,042	--	--	--	1,066,042	--
Total Revenues	<u>57,707,779</u>	<u>55,814,256</u>	<u>998,550</u>	<u>1,606,449</u>	<u>58,706,329</u>	<u>57,420,705</u>
Expenses:						
General government	5,936,449	6,876,282	--	--	5,936,449	6,876,282
Public protection	30,000,920	26,884,530	--	--	30,000,920	26,884,530
Public ways and facilities	4,997,302	5,817,526	--	--	4,997,302	5,817,526
Health and Sanitation	8,477,803	8,473,441	--	--	8,477,803	8,473,441
Public assistance	8,767,315	9,005,472	--	--	8,767,315	9,005,472
Education	1,554,527	1,042,917	--	--	1,554,527	1,042,917
Culture and recreation	227,934	258,042	--	--	227,934	258,042
Interest and fiscal charges	327,524	332,452	--	--	327,524	332,452
Waste Management	--	--	524,693	2,606,267	524,693	2,606,267
Airport	--	--	482,240	555,704	482,240	555,704
County Service Areas	--	--	33,165	36,718	33,165	36,718
Total Expenses	<u>60,289,774</u>	<u>58,690,662</u>	<u>1,040,098</u>	<u>3,198,689</u>	<u>61,329,872</u>	<u>61,889,351</u>
Change in net assets before transfers	(2,581,995)	(2,876,406)	(41,548)	(1,592,240)	(2,623,543)	(4,468,646)
Transfers	(63,000)	(150,000)	63,000	150,000	--	--
Change in net assets	(2,644,995)	(3,026,406)	21,452	(1,442,240)	(2,623,543)	(4,468,646)
Net assets, beginning	71,621,363	74,647,769	(4,249,715)	(2,807,475)	67,371,648	71,840,294
Net assets, ending	<u>\$ 68,976,368</u>	<u>\$ 71,621,363</u>	<u>\$ (4,228,263)</u>	<u>\$ (4,249,715)</u>	<u>\$ 64,748,105</u>	<u>\$ 67,371,648</u>

Governmental activities decreased the County's net assets by \$2,644,995. The decreases in net assets were due to the following:

- \$980,318 net decrease in governmental funds due to expenditures in excess of revenues,
- \$1,728,861 decrease due to expenditures for capital assets net of current year depreciation in governmental funds,
- \$114,121 decrease due to revenue which was unavailable on the fund statements, change in deferred revenue,
- \$437,242 increase due to repayment of debt principal which reduces long-term liabilities in the statement of net assets,
- \$22,302 increase due to decreases in liability from compensated absences and unamortized bond issuance costs, and
- \$281,239 decrease due to internal service funds activities reported as governmental activities.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2012

Business-type activities increased the County's net assets by \$21,452. The increases to net assets were due to the following:

- \$848 increase due to landfill closure/post closure activities,
- \$77,567 decrease due to airport activities,
- \$98,171 increase due to County Service Areas 5, 6, and 8 activities.

Financial analysis of the Governmental Funds

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

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

As of June 30, 2012 the County of Amador's governmental funds reported combined ending fund balances of \$31,812,562 a decrease of \$980,318 in comparison with the prior year. Approximately 39.5% of the combined fund balance, \$12,562,665, constitutes available fund balance (assigned and unassigned combined), which is available to meet the County's current and future needs.

The remainder of the funds, \$19,249,897 is not available for new spending because it has been committed, restricted or is not spendable as follows:

1. Nonspendable \$3,786,877
2. Restricted \$10,571,201
3. Committed \$4,891,819

The general fund is the chief operating fund of the County. At June 30, 2012, available fund balance of the general fund was \$11,456,867, while total fund balance reached \$15,205,922. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 35.7% of total general fund expenditures, while total fund balance represents 47.4% of total general fund expenditures. The fund balance for the County's general fund decreased by \$1,988,739 during the current fiscal year.

In addition to the General Fund, the County maintains four major government funds: the Social Services fund, Road fund, Mental Health fund, and the Water Development Sinking fund. The Social Service fund is used to administer the County's social services programs that promote job-readiness and self-sufficiency of individuals and families. The Social Service fund recorded \$8.7 million in revenues in 2012, compared to \$9.0 million last year. Expenditures decreased from \$9.0 million in 2011 to \$8.7 million in 2012.

The Road fund is used for planning, design, construction, maintenance and administration of the County's roads and infrastructure. The Road fund reported \$4.3 million in revenues 2012 compared to \$4.7 million last year. Expenditures were \$4.4 million in 2012 compare to \$5.2 million in 2011.

Mental Health fund provides services to County residents with serious mental disabilities and/or emotional disturbances. Revenues in 2012 were \$4.23 million compared to \$3.9 million in 2011. Expenditures in 2012 were \$4.4 million compared to \$4.3 million in 2011.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2012

The Water Development Sinking fund is used for the development of new or additional water for the County. Revenues in 2012 were \$77,386 compared to \$51,880 in 2011. Expenditures in 2012 were -0- compare to \$15,000 in 2011.

Proprietary funds. The County of Amador's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net assets of the enterprise funds increased by \$21,452. The increase is primarily due to CSA 5,6, and 8 activities. The net assets of the internal services funds' decreased by \$281,239 to \$3,169,507.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- \$743,474 increase in general governmental budget
- \$1,394,543 increase in public protection budget
- \$10,000 increase in public assistance budget
- \$-0- change in education budget
- \$12,637 increase in recreation and cultural services budget
- \$121,964 decrease in contingency budget

Capital Asset and Debt Administration

Capital assets. The County of Amador's investment in capital assets for its governmental and business type activities as of June 30, 2012, amount to \$48,451,173 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Additional information on the County's capital assets can be found in Note 5 of the Notes to the Basic Financial Statements.

Debt Administration. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$17,184,890. The long-term obligations are as follows:

- \$2,168,210 compensated absences
- \$20,000 liability for self-insurance
- \$7,955,693 notes payable and certificates of participation
- \$6,482,921 landfill closure/post-closure
- \$221,066 capital leases
- \$337,000 liability for other post employment benefits

Additional information on the County's long-term obligations can be found in Note 7 of the Notes to the Basic Financial Statements.

Request for Information

This financial report is designed to provide a general overview of the County of Amador's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Amador County Auditor-Controller, 810 Court Street, Jackson, CA 95642.

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BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements

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COUNTY OF AMADOR

Statement of Net Assets
June 30, 2012

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Cash and investments:			
Held in County treasury, unrestricted	\$ 34,394,046	\$ 756,810	\$ 35,150,856
Held in County treasury, restricted	--	11,278	11,278
Imprest Cash	26,950	100	27,050
Accounts receivable	138,566	45,430	183,996
Taxes receivable	357,775	--	357,775
Interest receivable	64,134	1,340	65,474
Inventory	7,577	--	7,577
Due from other governments	1,271,668	--	1,271,668
Loans and notes receivable	2,214,498	--	2,214,498
Internal balances	2,119,400	(2,119,400)	--
Deferred charges	261,832	--	261,832
Capital assets:			
Nondepreciable	7,711,603	2,176,875	9,888,478
Depreciable, net	36,818,796	1,743,899	38,562,695
Total Assets	<u>\$ 85,386,845</u>	<u>\$ 2,616,332</u>	<u>\$ 88,003,177</u>
LIABILITIES			
Accounts payable	\$ 973,260	\$ 16,475	\$ 989,735
Due to other governments	91,824	--	91,824
Interest payable	75,805	--	75,805
Deposits held for others	--	258,590	258,590
Unearned revenues	4,654,228	--	4,654,228
Long-Term Liabilities:			
Portion due or payable within one year:	1,599,566	245,285	1,844,851
Portion due or payable after one year:	8,679,762	6,323,277	15,003,039
Liability for post employment benefits	336,032	968	337,000
Total Liabilities	<u>16,410,477</u>	<u>6,844,595</u>	<u>23,255,072</u>
NET ASSETS			
Invested in capital assets, net of related debt	36,424,675	3,849,739	40,274,414
Restricted for:			
Public safety	5,062,602	--	5,062,602
Health and public assistance	992,246	--	992,246
Community development and public facilities	3,603,816	--	3,603,816
Capital projects	514,394	--	514,394
Other	398,143	--	398,143
Unrestricted	21,980,492	(8,078,002)	13,902,490
Total Net Assets	<u>68,976,368</u>	<u>(4,228,263)</u>	<u>64,748,105</u>
Total Liabilities and Net Assets	<u>\$ 85,386,845</u>	<u>\$ 2,616,332</u>	<u>\$ 88,003,177</u>

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

COUNTY OF AMADOR

Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General government	\$ 5,936,449	\$ 873,132	\$ 2,322,319
Public protection	30,000,920	4,212,172	9,086,698
Public ways and facilities	4,997,302	500,366	3,404,290
Health and sanitation	8,477,803	329,875	5,457,347
Public assistance	8,767,315	1,084,199	7,643,548
Education	1,554,527	281,113	--
Culture and recreation	227,934	125,370	--
Debt Services:			
Interest	327,524	--	--
Total Governmental Activities	<u>60,289,774</u>	<u>7,406,227</u>	<u>27,914,202</u>
Business-Type Activities:			
Waste Management	524,693	409,345	53,030
Airport	482,240	389,971	14,382
County Service Areas	33,165	127,314	--
Total Business-type Activities	<u>1,040,098</u>	<u>926,630</u>	<u>67,412</u>
 Total Amador County	 <u>\$ 61,329,872</u>	 <u>\$ 8,332,857</u>	 <u>\$ 27,981,614</u>

General Revenues:

 Taxes:

 Property taxes

 Sales and use taxes

 In-lieu sales tax

 Transient occupancy tax

 Franchise Taxes

 Other

 Unrestricted interest and investment earnings

 Other revenues

Transfers

 Total General Revenues and Transfers

Change in Net Assets

Net Assets, beginning of year

Net Assets, end of year

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,740,998)		\$ (2,740,998)
(16,702,050)		(16,702,050)
(1,092,646)		(1,092,646)
(2,690,581)		(2,690,581)
(39,568)		(39,568)
(1,273,414)		(1,273,414)
(102,564)		(102,564)
(327,524)		(327,524)
(24,969,345)		(24,969,345)
--	\$ (62,318)	(62,318)
--	(77,887)	(77,887)
--	94,149	94,149
--	(46,056)	(46,056)
(24,969,345)	(46,056)	(25,015,401)
17,722,634	--	17,722,634
1,907,281	--	1,907,281
558,741	--	558,741
96,460	--	96,460
360,562	--	360,562
237,155	--	237,155
438,475	4,508	442,983
1,066,042	--	1,066,042
(63,000)	63,000	--
22,324,350	67,508	22,391,858
(2,644,995)	21,452	(2,623,543)
71,621,363	(4,249,715)	67,371,648
\$ 68,976,368	\$ (4,228,263)	\$ 64,748,105

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BASIC FINANCIAL STATEMENTS
Fund Financial Statements

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COUNTY OF AMADOR

Balance Sheet
Governmental Funds
June 30, 2012

	<u>General</u>	<u>Social Services</u>	<u>Mental Health</u>	<u>Road</u>
Assets				
Cash and investments	\$ 14,495,128	\$ 645,110	\$ 2,152,209	\$3,467,933
Imprest cash	24,300	--	--	200
Accounts receivable	125,328	47	--	--
Taxes receivable	357,775	--	--	--
Due from other governments	416,685	66,798	35,325	401,746
Interest receivable	21,655	--	--	6,874
Inventory	--	--	--	7,577
Loans and notes receivables	958,398	--	--	--
Advances to other funds	1,576,600	--	--	--
Total Assets	<u>\$ 17,975,869</u>	<u>\$ 711,955</u>	<u>\$ 2,187,534</u>	<u>\$3,884,330</u>
 Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 549,676	\$ 29,153	\$ 174,264	\$ 111,738
Due to other governments	--	--	--	--
Deferred revenue	2,220,271	66,738	2,050,920	369,368
Advances from other funds	--	200,000	--	--
Total Liabilities	<u>2,769,947</u>	<u>295,891</u>	<u>2,225,184</u>	<u>481,106</u>
 Fund Balances:				
Nonspendable	1,576,600	--	--	7,577
Restricted	1,540,227	416,064	--	3,395,647
Committed	632,228	--	--	--
Assigned	10,079,808	--	--	--
Unassigned	1,377,059	--	(37,650)	--
Total Fund Balances	<u>15,205,922</u>	<u>416,064</u>	<u>(37,650)</u>	<u>3,403,224</u>
 Total Liabilities and Fund Balances	<u>\$ 17,975,869</u>	<u>\$ 711,955</u>	<u>\$ 2,187,534</u>	<u>\$3,884,330</u>

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

Water Development Sinking	Other Governmental Funds	Total Governmental Funds	
			Assets
\$ 4,231,290	\$ 6,750,059	\$ 31,741,729	Cash and investments
--	200	24,700	Imprest cash
--	9,550	134,925	Accounts receivable
--	--	357,775	Taxes receivable
--	351,114	1,271,668	Due from other governments
28,301	5,299	62,129	Interest receivable
--	--	7,577	Inventory
1,256,100	--	2,214,498	Loans and notes receivables
--	946,600	2,523,200	Advances to other funds
<u>\$ 5,515,691</u>	<u>\$ 8,062,822</u>	<u>\$ 38,338,201</u>	Total Assets
			Liabilities and Fund Balance
			Liabilities:
\$ --	\$ 146,675	\$ 1,011,506	Accounts payable
--	203,800	203,800	Due to other governments
--	403,036	5,110,333	Deferred revenue
--	--	200,000	Advances from other funds
<u>--</u>	<u>753,511</u>	<u>6,525,639</u>	Total Liabilities
			Fund Balances:
1,256,100	946,600	3,786,877	Nonspendable
--	5,219,263	10,571,201	Restricted
4,259,591	--	4,891,819	Committed
--	1,143,448	11,223,256	Assigned
--	--	1,339,409	Unassigned
<u>5,515,691</u>	<u>7,309,311</u>	<u>31,812,562</u>	Total Fund Balances
<u>\$ 5,515,691</u>	<u>\$ 8,062,822</u>	<u>\$ 38,338,201</u>	Total Liabilities and Fund Balances

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

COUNTY OF AMADOR

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets - Governmental Activities
For the Year Ended June 30, 2012

Fund Balance - total governmental funds	\$ 31,812,562
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	43,633,553
Deferred revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	456,105
Internal service funds are used by the County to charge the cost of copying and fleet services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of assets. Internal service fund net assets are:	3,169,507
Deferred charges in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	261,832
Interest payable on long-term liabilities does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.	(75,805)
Long-term liabilities, including certificates of participation and bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Certificates of Participation	(7,310,000)
Bonds payable	(574,658)
Compensated absences	(2,065,838)
Liability for post employment benefits	<u>(330,890)</u>
Net assets of governmental activities	<u>\$ 68,976,368</u>

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

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COUNTY OF AMADOR

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	General	Social Services	Mental Health	Road
Revenues:				
Taxes	\$ 20,210,611	\$ --	\$ --	\$ 652,700
Licenses and permits	296,691	--	--	26,652
Intergovernmental	7,168,467	7,616,580	4,121,411	3,060,885
Fines, forfeitures and penalties	908,924	--	--	20,000
Use of money and property	283,979	3,824	1,276	21,854
Charges for services	3,243,154	1,084,199	97,049	453,714
Other	749,610	44,730	75,209	8,999
Total Revenues	32,861,436	8,749,333	4,294,945	4,244,804
Expenditures:				
Current:				
General government	5,024,537	--	--	--
Public protection	25,221,125	--	--	--
Public ways and facilities	--	--	--	4,436,164
Health and sanitation	--	--	4,377,553	--
Public assistance	70,821	8,666,412	--	--
Education	1,547,008	--	--	--
Recreation and culture	224,227	--	--	--
Capital outlay	--	--	--	--
Debt Service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total Expenditures	32,087,718	8,666,412	4,377,553	4,436,164
Excess (Deficiency) of Revenues Over (Under) Expenditures	773,718	82,921	(82,608)	(191,360)
Other Financing Sources (Uses):				
Transfers in	--	171,325	--	--
Transfers out	(2,762,457)	--	--	--
Total Other Financing Sources (Uses)	(2,762,457)	171,325	--	--
Changes in Fund Balances	(1,988,739)	254,246	(82,608)	(191,360)
Fund Balances, Beginning of Year	17,194,661	161,818	44,958	3,594,584
Fund Balances, End of Fiscal Year	\$ 15,205,922	\$ 416,064	\$ (37,650)	\$ 3,403,224

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

Water Development Sinking	Other Governmental Funds	Total Governmental Funds	
\$ --	\$ 19,522	\$ 20,882,833	Revenues:
--	93,056	416,399	Taxes
--	6,053,802	28,021,145	Licenses and permits
--	2,032	930,956	Intergovernmental
77,386	36,240	424,559	Fines, forfeitures and penalties
--	1,187,934	6,066,050	Use of money and property
--	187,494	1,066,042	Charges for services
<u>77,386</u>	<u>7,580,080</u>	<u>57,807,984</u>	Other
			Total Revenues
			Expenditures:
			Current:
--	158,230	5,182,767	General government
--	4,074,760	29,295,885	Public protection
--	--	4,436,164	Public ways and facilities
--	4,076,331	8,453,884	Health and sanitation
--	--	8,737,233	Public assistance
--	--	1,547,008	Education
--	--	224,227	Recreation and culture
--	98,222	98,222	Capital outlay
			Debt Service:
--	437,242	437,242	Principal payments
--	312,670	312,670	Interest and fiscal charges
<u>--</u>	<u>9,157,455</u>	<u>58,725,302</u>	Total Expenditures
<u>77,386</u>	<u>(1,577,375)</u>	<u>(917,318)</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
			Other Financing Sources (Uses):
--	2,567,986	2,739,311	Transfers in
<u>--</u>	<u>(39,854)</u>	<u>(2,802,311)</u>	Transfers out
<u>--</u>	<u>2,528,132</u>	<u>(63,000)</u>	Total Other Financing Sources (Uses)
77,386	950,757	(980,318)	Changes in Fund Balances
<u>5,438,305</u>	<u>6,358,554</u>	<u>32,792,880</u>	Fund Balances, Beginning of Year
<u>\$ 5,515,691</u>	<u>\$ 7,309,311</u>	<u>\$ 31,812,562</u>	Fund Balances, End of Fiscal Year

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

COUNTY OF AMADOR

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, 2012

Net change to fund balance - total governmental funds		\$ (980,318)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	241,058	
Less: current year depreciation	<u>(1,969,919)</u>	(1,728,861)
Revenues in the Statement of Activities do not provide current financial resources and, therefore, are not reported as revenue in the governmental funds.		
Change in deferred revenue		(114,121)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		
Principal payments		437,242
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		37,156
Change in accrued interest payable		3,848
Change in unamortized bond issuance cost		(18,702)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the the internal service funds is reported with governmental activities.		
		<u>(281,239)</u>
Change in net assets of governmental activities		<u>\$ (2,644,995)</u>

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

COUNTY OF AMADOR

Statement of Fund Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities
	Waste Management	Airport	Nonmajor Enterprise Funds		Internal Service Funds
ASSETS					
Current Assets:					
Cash and investments					
Held in County treasury, unrestricted	\$ 3,940	\$ 31,808	\$ 721,062	\$ 756,810	\$ 2,652,317
Held in County treasury, restricted	11,278	--	--	11,278	--
Imprest cash	--	100	--	100	2,250
Accounts receivable	45,329	101	--	45,430	3,641
Interest receivable	--	--	1,340	1,340	2,005
Total Current Assets	<u>60,547</u>	<u>32,009</u>	<u>722,402</u>	<u>814,958</u>	<u>2,660,213</u>
Capital assets:					
Non-depreciable	676,022	1,500,853	--	2,176,875	15,000
Depreciable, net	229,563	1,514,336	--	1,743,899	881,846
Total Noncurrent Assets	<u>905,585</u>	<u>3,015,189</u>	<u>--</u>	<u>3,920,774</u>	<u>896,846</u>
Total Assets	<u>\$ 966,132</u>	<u>\$ 3,047,198</u>	<u>\$ 722,402</u>	<u>\$ 4,735,732</u>	<u>\$ 3,557,059</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 11,596	\$ 4,879	\$ --	\$ 16,475	\$ 53,578
Deposits held for others	--	--	258,590	258,590	--
Current portion of long-term liabilities:					
Loans payable	--	14,433	--	14,433	--
Capital lease	--	--	--	--	50,522
Compensated absences	2,343	4,960	--	7,303	43,884
Claims liability	--	--	--	--	20,000
Liability for landfill post-closure costs	223,549	--	--	223,549	--
Total Current Liabilities	<u>237,488</u>	<u>24,272</u>	<u>258,590</u>	<u>520,350</u>	<u>167,984</u>
Long-term Liabilities:					
Loan payable	--	56,602	--	56,602	--
Capital lease	--	--	--	--	170,544
Compensated absences	2,343	4,960	--	7,303	43,882
Advances from other funds	2,119,400	--	--	2,119,400	--
Liability for landfill post-closure costs	6,259,372	--	--	6,259,372	--
Other post employment benefits	575	393	--	968	5,142
Total Long-term Liabilities	<u>8,381,690</u>	<u>61,955</u>	<u>--</u>	<u>8,443,645</u>	<u>219,568</u>
Total Liabilities	<u>8,619,178</u>	<u>86,227</u>	<u>258,590</u>	<u>8,963,995</u>	<u>387,552</u>
NET ASSETS					
Invested in capital assets, net of related debt	905,585	2,944,154	--	3,849,739	675,780
Unrestricted	(8,558,631)	16,817	463,812	(8,078,002)	2,493,727
Total Net Assets	<u>(7,653,046)</u>	<u>2,960,971</u>	<u>463,812</u>	<u>(4,228,263)</u>	<u>3,169,507</u>
Total Liabilities and Net Assets	<u>\$ 966,132</u>	<u>\$ 3,047,198</u>	<u>\$ 722,402</u>	<u>\$ 4,735,732</u>	<u>\$ 3,557,059</u>

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

COUNTY OF AMADOR

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
June 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			Total Enterprise Funds	Governmental
	Waste Management	Airport	Nonmajor Enterprise Funds		Internal Service Funds
Operating Revenues:					
Charges for services	\$ 409,345	\$ 154,517	\$ 113,668	\$ 677,530	\$ 3,104,791
Other	--	235,454	13,646	249,100	218,186
Total Operating Revenues	<u>409,345</u>	<u>389,971</u>	<u>127,314</u>	<u>926,630</u>	<u>3,322,977</u>
Operating Expenses:					
Salaries and benefits	121,024	112,781	--	233,805	699,954
Services and supplies	387,233	252,394	33,165	672,792	2,665,274
Closure/Postclosure care costs	(20,581)	--	--	(20,581)	--
Special projects	28,640	4,472	--	33,112	--
Depreciation	8,377	107,790	--	116,167	252,904
Total Operating Expenses	<u>524,693</u>	<u>477,437</u>	<u>33,165</u>	<u>1,035,295</u>	<u>3,618,132</u>
Operating Income (Loss)	<u>(115,348)</u>	<u>(87,466)</u>	<u>94,149</u>	<u>(108,665)</u>	<u>(295,155)</u>
Non-Operating Revenue (Expenses):					
Interest income	166	320	4,022	4,508	13,916
Intergovernmental revenues	53,030	14,382	--	67,412	--
Interest expense	--	(4,803)	--	(4,803)	--
Total Non-Operating Revenue (Expenses)	<u>53,196</u>	<u>9,899</u>	<u>4,022</u>	<u>67,117</u>	<u>13,916</u>
Net Income (Loss) before Transfers	(62,152)	(77,567)	98,171	(41,548)	(281,239)
Transfers in	<u>63,000</u>	<u>--</u>	<u>--</u>	<u>63,000</u>	<u>--</u>
Change in Net Assets	848	(77,567)	98,171	21,452	(281,239)
Net Assets, Beginning of Year	<u>(7,653,894)</u>	<u>3,038,538</u>	<u>365,641</u>	<u>(4,249,715)</u>	<u>3,450,746</u>
Net Assets, End of Year	<u><u>\$ (7,653,046)</u></u>	<u><u>\$ 2,960,971</u></u>	<u><u>\$ 463,812</u></u>	<u><u>\$ (4,228,263)</u></u>	<u><u>\$ 3,169,507</u></u>

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

COUNTY OF AMADOR

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Waste Management		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Waste Management	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 438,751	\$ 389,870	\$ 127,317	\$ 955,938	\$ 3,331,320
Receipts from interfund services provided	--	--	--	--	(696,739)
Payment to suppliers	(440,250)	(263,882)	(33,165)	(737,297)	(2,737,612)
Payments to employees	(121,232)	(112,870)	--	(234,102)	--
Net Cash Provided (Used) by Operating Activities	(122,731)	13,118	94,152	(15,461)	(103,031)
Cash Flows from Investing Activities:					
Interest received	266	403	3,523	4,192	16,089
Net Cash Provided (Used) by Capital Noncapital Financing Activities	266	403	3,523	4,192	16,089
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets	--	--	--	--	(207,173)
Interest payments on debt	--	(4,803)	--	(4,803)	--
Principal payments on debt	--	(13,761)	--	(13,761)	(40,440)
Net Cash Provided (Used) by Capital and Related Financing Activities	--	(18,564)	--	(18,564)	(247,613)
Cash Flows from Non-Capital Financing Activities:					
Aid from other governmental agencies	53,030	14,382	--	67,412	--
Transfers received from other funds	63,000	--	--	63,000	--
Net Cash Provided (Used) by Non-Capital Financing Activities	116,030	14,382	--	130,412	--
Net Increase (Decrease) in Cash and Cash Equivalents	(6,435)	9,339	97,675	100,579	(334,555)
Cash and Cash Equivalents, Beginning of Year	21,653	22,569	623,387	667,609	2,989,122
Cash and Cash Equivalents, End of Year	\$ 15,218	\$ 31,908	\$ 721,062	\$ 768,188	\$ 2,654,567

continued

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

COUNTY OF AMADOR

Statement of Cash Flows (continued)
Proprietary Funds
For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (115,348)	\$ (87,466)	\$ 94,149	\$(108,665)	\$ (295,155)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation	8,377	107,790	--	116,167	252,904
Changes in assets and liabilities:					
Accounts receivable	29,406	(101)	--	29,305	8,343
Accounts payable	(24,377)	(7,016)	--	(31,393)	7,662
Compensated absences payable	(208)	(89)	--	(297)	3,215
Claims liability	--	--	--	--	(80,000)
Deposit from others	--	--	3	3	--
Landfill closure liability	(20,581)	--	--	(20,581)	--
 Net Cash Provided (Used) Operating Activities	 <u>\$ (122,731)</u>	 <u>\$ 13,118</u>	 <u>\$ 94,152</u>	 <u>\$ (15,461)</u>	 <u>\$ (103,031)</u>
Noncash investing, capital and financing activities:					
Borrowing under capital lease	\$ --	\$ --	\$ 94,149	\$ 94,149	\$ 133,644
Recap of Cash and Cash Equivalents, as reported on the Statement of Net Assets					
Cash and investments in Pool, unrestricted	3,940	31,808	721,062	756,810	2,652,317
Cash and investments in Pool, restricted	11,278	--	--	11,278	--
Imprest cash	--	100	--	100	2,250
	<u>\$ 15,218</u>	<u>\$ 31,908</u>	<u>\$ 721,062</u>	<u>\$ 768,188</u>	<u>\$ 2,654,567</u>

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

COUNTY OF AMADOR

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Investment Trust Fund	Agency Funds
Assets		
Current Assets:		
Cash and investments	\$ 15,008,524	\$ 9,825,084
Taxes receivable	--	4,888,238
Total Assets	<u>\$ 15,008,524</u>	<u>\$ 14,713,322</u>
Liabilities and Net Assets		
Current Liabilities:		
Agency obligations	\$ --	\$ 14,713,322
Net assets:		
Held in trust for external participants	<u>15,008,524</u>	<u>--</u>
Total Liabilities and Net Assets	<u>\$ 15,008,524</u>	<u>\$ 14,713,322</u>

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

COUNTY OF AMADOR

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012

	Investment Trust Fund
ADDITIONS:	
Net investment earnings	\$ 112,409
Contributions to pooled investments	<u>46,105,477</u>
Total Additions	<u>46,217,886</u>
DEDUCTIONS	
Distributions from investment pool	<u>47,666,834</u>
CHANGE IN NET ASSETS	(1,448,948)
NET ASSETS, BEGINNING	<u>16,457,472</u>
NET ASSETS, ENDING	<u><u>\$ 15,008,524</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Reporting Entity

The County of Amador (County), the primary government, is a political subdivision of the State of California. It is governed by an elected board of five County Supervisors. The County provides various services on a county-wide basis including law enforcement, education, detention, social health, fire protection, road construction and maintenance, elections and records, planning, zoning, and tax collection. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board Statement No. 14.

The decision to include a component unit in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14. The basic criteria used in the determination of component units are financial accountability of the County for the component unit. Financial accountability generally is defined as the appointment of a voting majority of the component unit's board and the County's ability to impose its will on the organization.

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

The following entities have been classified as blended component units of the County:

Amador County Public Facilities	Amador Fire Protection District
Financing Authority	Amador IHSS Public Authority
Victory Lighting	CSA's 5, 6 and 8

The above component units are legally separate entities governed by the County's Board of Supervisors; as such, their financial data has been combined with the County's financial data and presented as blended component units.

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

B. Basis of Presentation

Government-Wide Financial Statements

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

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

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

Government-Wide Financial Statements (continued)

The statement of activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, restricted resources are used first before unrestricted resources are used.

Fund Financial Statements

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

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

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Social Service Fund* is used to administer social services that promote job-readiness and self-sufficiency of individuals and families.
- The *Mental Health Fund* is used to provide services to county residents with serious mental disabilities or emotional disturbances.
- The *Road Fund* is used to account for the planning, design, construction, maintenance and administration of the County's roads and infrastructure.
- The *Water Development Sinking Fund* is used to account for the development of new or additional water for Amador County.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Financial Statements (continued)

The County reports the following major enterprise funds:

- The *Waste Management Fund* is used to provide for operations and maintenance of the County's closed landfill, the collection and disposal of household hazardous wastes, the development and implementation of recycling and waste reduction and recycling programs countywide.
- The *Airport Fund* is used to operate the County's airport for business and recreational use of County residents and visitors.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, purchasing and copy services provided to other departments or other governments and the County's self-insurance programs. Activities include the County's self-insurance programs, providing services to County-governed districts, service areas and advisory councils and equipment financing of the County.
- The *Investment Trust Fund* accounts for the external portion of the County's Investment Pool which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities. These funds represent the assets, primarily cash and investments, and the related liabilities of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for the state and various local governments. These funds typically do not involve a formal trust agreement and are used to account for situations where the role is purely custodial such as the receipt, temporary investment or remittance of fiduciary resources.

C. **Basis of Accounting**

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (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 ("susceptible to accrual"). Property and sales taxes, interest, state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

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

D. Investments

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of the state or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund. The County Treasurer may also invest in certain open-ended mutual funds permitted by the Government Code.

In accordance with GASB Statement No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income. Fair values were obtained from custodial statements for all investments. Investments are marked to fair value annually and an adjustment is made to each fund accordingly. The fair value of each participant's position in the pool is the same as the value of the pool shares determined on a dollar-to-dollar basis, adjusted for investment income distributed at the end of each quarter. Only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

E. Cash and Cash Equivalents

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

F. Accounts Receivable and Deferred Revenues

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. **Accounts Receivable and Deferred Revenues** (continued)

The County reports unearned revenue on its financial statements. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability of unearned revenue is removed from the financial statements and revenue is recognized.

G. **Property Taxes**

The County levies property taxes July 1 on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the 1975-76 base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index not to exceed an increase of 2% per year.

Article XIII-A of the California Constitution (Proposition 13) requires the County Assessor to reappraise all property from the 1975-76 base year value to current full value upon either a change in ownership or new construction. Thereafter, it continues to be increased annually by the change in the California Consumer Price Index not to exceed 2%. The net asset value for the 2011-2012 fiscal year is \$4.4 billion.

The County is permitted by Division 1, Part 0.5, Chapter 5.5, of the California Revenue and Taxation Code, to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by voters prior to July 1, 1978. Taxes are allocated to local agencies and school districts as outlined in Chapter 6 of the California Revenue and Taxation Code.

Taxes are due in one installment (unsecured roll) when billed and are subject to late payment penalties if paid after August 31, or two installments (secured roll) due on November 1 and March 1, and subject to the late payment penalties if paid after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

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

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences

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

I. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, draining systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment and \$10,000 for buildings and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

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

The County has five networks of infrastructure assets – roads, water/sewer, lighting, drainage, and flood control.

J. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables 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 fund balance account in applicable governmental funds to indicate that they are no available for appropriation and are not in spending form.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

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

K. Net Assets / Fund Balances

Net Assets

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

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Assets – This category represents net assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents net assets of the County, not restricted for any project or other purpose.

When both restricted and unrestricted net assets are available, restricted resources are used first, then unrestricted resources as they are needed.

Fund Balance

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

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

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

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

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

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Net Assets / Fund Balances (continued)

Fund Balance (continued)

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

L. Use of Estimates

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

NOTE 2: CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed quarterly to the participating funds using a formula based on the average daily cash balance of each fund. The County has not provided or obtained any legally binding guarantees during the fiscal year ended June 30, 2012, to support the value of shares in the Treasurer's Investment Pool.

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

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 2: **CASH AND INVESTMENTS** (CONTINUED)

At June 30, 2012, total County cash and investments were as follows:

<i>Cash:</i>	
Cash on hand	\$ 28,940
Deposits	3,648,279
Outstanding warrants	<u>(4,005,122)</u>
Total cash and deposits	(327,903)
 <i>Investments:</i>	
In Treasurer's pool	<u>60,350,695</u>
Total cash and investments	<u><u>\$ 60,022,792</u></u>

Total cash and investments at June 30, 2012 were presented on the County's financial statements as follows:

Primary government	\$ 35,189,184
Investment trust fund	15,008,524
Agency funds	<u>9,825,084</u>
Total	<u><u>\$ 60,022,792</u></u>

Deposits – Custodial Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure the County's cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 Years	None	None
U.S. Treasury Bills	5 Years	None	None
U.S. Agency Securities (Excluding Discount Notes)	5 Years	75%	35%
U.S. Agency Discount Notes	1 Year	None	None
Banker's Acceptances	180 Days	25%	5%
Commercial Paper - Select Agencies	270 Days	25%	5%
Commercial Paper - Other Agencies	270 Days	25%	5%
Negotiable Certificates of Deposit	3 Years	25%	5%
Non-negotiable Certificates of Deposit	3 Years	25%	5%
Repurchase Agreements	180 Days	20%	None
Medium-Term Corporate Notes	3 years	25%	5%
Money Market Funds	N/A	10%	10%
Local Agency Investment Fund (LAIF)	N/A	None	\$40 Million
California Asset Management Program (CAMP)	N/A	None	\$15 Million
CalTRUST	N/A	None	\$5 Million
Passbook Savings/Demand Deposit/Checking Accounts	N/A	None	None

At June 30, 2012, the County had the following investments:

Investments in Investment Pool	Interest Rates	Maturities	Par	Fair Value	Carrying Value	Weighted Average Maturity (Years)
U.S. Treasury Notes	1.375%-4.000%	11/15/12-3/31/15	\$ 3,500,000	\$ 3,609,730	\$ 3,593,690	1.51
U.S. Government Agencies	0.500%-4.750%	9/21/12-6/7/17	19,000,000	19,167,546	19,128,073	3.45
Corporate Medium-Term Notes	0.875%-5.150%	8/13/12-2/11/15	4,000,000	4,081,390	4,099,243	1.08
California Asset Management Program (CAMP)	Variable	On Demand	4,433,496	4,433,496	4,433,496	0.00
Local Agency Investment Fund (LAIF)	Variable	On Demand	29,096,193	29,131,680	29,096,193	0.00
Total			<u>\$ 60,029,689</u>	<u>\$ 60,423,842</u>	<u>\$ 60,350,695</u>	<u>1.26</u>

Pooled investments are carried at cost or amortized cost. In accordance with Governmental Accounting Standards Board Statement No. 31, the County calculated the fair value of all investments included in the pooled investments based on quoted market prices. At June 30, 2012 the difference between the cost and fair value of cash and investments was not material (fair value was 100.001% of carrying value).

Interest Rate Risk

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Credit Risk

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

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2012.

	<u>S&P</u>	<u>Moody's</u>	Based on Fair Value % of Portfolio
U.S. Treasury Notes	AAA	Aaa	5.96%
U.S. Government Agencies	AA+	Aaa	31.69%
Corporate Medium-Term Note	AAA	Aaa	1.67%
Corporate Medium-Term Note	AA+	Aa2	1.74%
Corporate Medium-Term Note	AA+	A1	1.69%
Corporate Medium-Term Note	AA+	Aaa	0.83%
Corporate Medium-Term Note	AA	Aa2	0.86%
California Asset Management Program (CAMP)	AAAm	Unrated	7.35%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	48.21%
Total			<u>100.00%</u>

As of the year ended June 30, 2012, more than 5% of the County's pooled investments were invested in the following issuers:

<u>Issuer</u>	<u>Type of Investment</u>	<u>Amount</u>
Federal Farm Credit Bank	U.S. Government Agencies	5,002,576
Federal Home Loan Mortgage Corp	U.S. Government Agencies	5,088,786
Federal National Mortgage Association	U.S. Government Agencies	5,508,391

Custodial Credit Risk

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

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Local Agency Investment Fund (continued)

school districts for which there are legal provisions regarding their investments. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the County's investment in this pool is reported in the accompanying financial statements at amortized cost. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

At June 30, 2012, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$29,096,193 which approximates fair value. The total amount invested by all public agencies in LAIF on that day was approximately \$60.5 billion. Of that amount, 3.49% was invested in non-derivative financial products and 96.53% in structured notes and asset-backed securities. Fair value is based on information provided by the state for the Local Agency Investment Fund.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2012:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 59,995,742</u>
Equity of internal pool participants	\$ 44,987,218
Equity of external pool participants	15,008,524
Total net assets	<u>\$ 59,995,742</u>

Statement of Changes in Net Assets

Investment earnings	\$ 608,128
Investment expenses	(197,814)
Net withdrawals by pool participants	<u>(4,551,464)</u>
Change in Net Assets	(4,141,150)
Net Assets at July 1, 2011	<u>64,136,892</u>
Net Assets at June 30, 2012	<u>\$ 59,995,742</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 3: INTERFUND TRANSACTIONS

Advances to/from other funds:

<u>Receivable From</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Social Services	200,000	Initial deposit to establish department
	Health	203,800	Project financing
	Waste Management	<u>1,172,800</u>	Project financing
		1,576,600	
County Improvement	Waste Management	<u>946,600</u>	Project financing
		<u><u>2,523,200</u></u>	

Transfers:

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Social Services	\$ 171,325
	Health	279,000
	Solid Waste Enterprise	63,000
	Other Governmental Funds	<u>2,249,132</u>
		2,762,457
Other Governmental Funds	Other Governmental Funds	<u>39,854</u>
		<u><u>\$ 2,802,311</u></u>

NOTE 4: DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenue considered unavailable to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of June 30, 2012, the various components of deferred revenue and unearned revenue in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Grant advances prior to meeting all eligibility requirements	\$ -	\$ 4,654,228	\$ 4,654,228
Receivables collected after the period of availability	456,105	-	456,105
Total	<u>\$ 456,105</u>	<u>\$ 4,654,228</u>	<u>\$ 5,110,333</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2012
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 6,505,007	\$ --	\$ --	\$ --	\$ 6,505,007
Construction in progress	1,056,882	149,714	--	--	1,206,596
Total capital assets, not being depreciated	<u>7,561,889</u>	<u>149,714</u>	<u>--</u>	<u>--</u>	<u>7,711,603</u>
Capital assets, being depreciated:					
Infrastructure	43,453,544	--	--	--	43,453,544
Structures and improvements	37,957,625	--	--	--	37,957,625
Equipment	14,530,277	435,862	(496,800)	--	14,469,339
Total capital assets, being depreciated	<u>95,941,446</u>	<u>435,862</u>	<u>(496,800)</u>	<u>--</u>	<u>95,880,508</u>
Less accumulated depreciation for:					
Infrastructure	(34,963,793)	(593,973)	--	--	(35,557,766)
Structures and improvements	(9,688,220)	(927,569)	--	--	(10,615,789)
Equipment	(12,679,975)	(701,281)	493,099	--	(12,888,157)
Total accumulated depreciation	<u>(57,331,988)</u>	<u>(2,222,823)</u>	<u>493,099</u>	<u>--</u>	<u>(59,061,712)</u>
Total capital assets, being depreciated, net	38,609,458	(1,786,961)	(3,701)	--	36,818,796
Governmental activities capital assets, net	<u>\$ 46,171,347</u>	<u>\$ (1,637,247)</u>	<u>\$ (3,701)</u>	<u>\$ --</u>	<u>\$ 44,530,399</u>
	Balance July 1, 2011	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2012
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,176,875	\$ --	\$ --	\$ --	\$ 2,176,875
Total capital assets, not being depreciated	<u>2,176,875</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,176,875</u>
Capital assets, being depreciated:					
Infrastructure	2,168,311	--	--	--	2,168,311
Structures and improvements	1,333,717	--	--	--	1,333,717
Equipment	76,719	--	(1,783)	--	74,936
Total capital assets, being depreciated	<u>3,578,747</u>	<u>--</u>	<u>(1,783)</u>	<u>--</u>	<u>3,576,964</u>
Less accumulated depreciation for:					
Infrastructure	(909,828)	(65,930)	--	--	(975,758)
Structures and improvements	(748,267)	(47,361)	--	--	(795,628)
Equipment	(60,586)	(2,876)	1,783	--	(61,679)
Total accumulated depreciation	<u>(1,718,681)</u>	<u>(116,167)</u>	<u>1,783</u>	<u>--</u>	<u>(1,833,065)</u>
Total capital assets, being depreciated, net	1,860,066	(116,167)	--	--	1,743,899
Governmental activities capital assets, net	<u>\$ 4,036,941</u>	<u>\$ (116,167)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,920,774</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental functions as follows:

	<u>Total</u>
General government	\$ 732,848
Public protection	543,529
Public ways	651,408
Health and sanitation	17,726
Public assistance	16,526
Education	4,158
Culture and recreation	3,724
Depreciation on capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets	<u>253,904</u>
Total	<u><u>\$ 2,223,823</u></u>

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

	<u>Total</u>
Waste Management	\$ 8,377
Airport	<u>107,790</u>
Total	<u><u>\$ 116,167</u></u>

NOTE 6: LEASE COMMITMENTS

Operating Leases

The County has commitments under long-term operating lease agreements for leased office space. Total rent expense under operating lease agreements during the year ended June 30, 2012 was approximately \$1,428,840.

The minimum rental payments required under the operating lease commitments at June 30, 2012, was as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2013	\$ 1,428,840
2014	1,428,840
2015	1,428,840
2016	1,428,840
2017	1,428,840
2018-2022	7,144,200
2023	<u>714,420</u>
	<u><u>\$ 15,002,820</u></u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 6: **LEASE COMMITMENTS** (CONTINUED)

Operating Leases (continued)

Capital Leases

The County entered into a capital lease agreement under which the related equipment will become the property of the County when all terms of the lease agreement are met. The following is a summary of property leased under capital lease agreements by the County as of June 30, 2012:

	<u>Governmental Activities</u> Present Value of Remaining Payments as of June 30, 2012
Equipment	\$ <u>221,066</u>

The cost of equipment under capital leases are as follows:

	<u>Governmental Activities</u>
Equipment:	
Cost	\$ 265,450
Accumulated amortization	<u>(50,770)</u>
Net	<u>\$ 214,680</u>

As of June 30, 2012, future minimum lease payments under capital leases was as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2013	\$ 59,248
2014	59,248
2015	59,248
2016	54,345
2017	<u>9,943</u>
Total future minimum lease payments	242,032
Less: Interest	<u>(20,966)</u>
Present value of minimum lease payments	<u>\$ 221,066</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 7: LONG-TERM DEBT

Long-term liabilities at June 30, 2012 consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2012</u>
<u>Governmental Activities</u>						
Clean Renewable Energy Bond <i>Add solar panels to County Administration Building</i>	11/5/2008	11/25/2022	0.00%	\$52,242	\$ 783,625	\$ 574,658
2005 Certificates of Participation <i>Construct County Administration Building</i>	8/1/2005	10/1/2025	4.00%	\$355,000 - \$670,000	<u>9,090,000</u>	<u>7,310,000</u>
Total Governmental Activities					<u>\$ 9,873,625</u>	<u>\$ 7,884,658</u>
<u>Business-Type Activities</u>						
Notes payable	2001	2018	5.66%	\$12,419 - \$16,446	\$ 194,000	\$ 71,035
Total Business-Type Activities					<u>\$ 194,000</u>	<u>\$ 71,035</u>

The following is a summary of long-term liability transactions for the year ended June 30, 2012:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2012</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Certificates of participation	\$ 7,695,000	\$ --	\$ 385,000	\$ 7,310,000	\$ 400,000
Clean Renewable Energy Bond	626,900		52,242	574,658	52,242
Capital leases	127,862	133,644	40,440	221,066	50,522
Compensated absences	2,187,546	1,422,784	1,456,726	2,153,604	1,076,802
Liability for self-insurance	100,000	--	80,000	20,000	20,000
Total Governmental Activities Long-term liabilities	<u>\$ 10,737,308</u>	<u>\$ 1,556,428</u>	<u>\$ 2,014,408</u>	<u>\$ 10,279,328</u>	<u>\$ 1,599,566</u>
<u>Business-type Activities</u>					
Notes Payable - Airport	\$ 84,796	\$ --	\$ 13,761	\$ 71,035	\$ 14,433
Compensated absences	14,903	8,902	9,199	14,606	7,303
Post-closure liability	6,503,502	--	20,581	6,482,921	223,549
Total Business-type Activities Long-term liabilities	<u>\$ 6,603,201</u>	<u>\$ 8,902</u>	<u>\$ 43,541</u>	<u>\$ 6,568,562</u>	<u>\$ 245,285</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 7: LONG-TERM DEBT (CONTINUED)

As of June 30, 2012, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30:	Certificates of Participation		Bonds Payable	
	Principal	Interest	Principal	Interest
2013	400,000	295,219	52,242	--
2014	415,000	278,919	52,242	--
2015	430,000	262,019	52,242	--
2016	450,000	244,419	52,242	--
2017	465,000	226,119	52,242	--
2018-2022	2,630,000	827,759	261,208	--
2023-2026	2,520,000	226,038	52,240	--
	<u>\$ 7,310,000</u>	<u>\$ 2,360,492</u>	<u>\$ 574,658</u>	<u>\$ --</u>

As of June 30, 2012, annual debt service requirements of business activities to maturity are as follows:

Year Ending June 30:	Business Activities	
	Loans Payable	
	Principal	Interest
2013	\$ 14,433	\$ 4,023
2014	15,104	3,206
2015	15,775	2,350
2016	16,446	1,457
2017	9,277	525
	<u>\$ 71,035</u>	<u>\$ 11,561</u>

Claims and judgments will be paid from the County's Insurance Fund. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, five special revenue funds, three internal service funds, and one enterprise fund. Historically, 96 percent of these costs have been paid from the County's governmental funds, with the remaining 4 percent paid from its proprietary funds.

Special Assessment Debt: The total matured and unmatured bonds outstanding related to special assessment debt is \$279,849 at June 30, 2012. The County acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The County is not liable for repayment of the special assessment debt, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit of \$199,008 and corresponding amounts payable are reported in the Agency Fund.

NOTE 8: LANDFILL CLOSURE AND POSTCLOSURE MAINTENANCE COSTS

The Buena Vista Landfill, located in Amador County, is used as the County's landfill site. State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. During fiscal year ended June 30, 2005, the landfill was closed and no longer accepts waste. As of June 30, 2011, construction to close the landfill was complete and the County was awaiting certification by the state.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 8: **LANDFILL CLOSURE AND POSTCLOSURE MAINTENANCE COSTS**

The recognition of the estimated liability for closure and post closure maintenance costs is based on the estimated remaining life of the landfill. The estimated liability of the County's landfill site for closure and postclosure maintenance costs was \$6,482,921 for fiscal year 2012, and was based on 100% usage (filled) of the landfill. It is estimated that no additional liability will be recognized as closure and postclosure maintenance costs because the landfill has been closed. The estimated total current cost of the landfill closure and postclosure maintenance cost of \$6,482,921 is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of the balance sheet date. However, the costs for landfill closure and post closure maintenance are based on yearly estimates, reviewed by the California Integrated Waste Management Board, as prepared by the County. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has filed a Pledge of Revenue with the California Integrated Waste Management Board that waives the requirement to make contributions to a special fund to finance postclosure costs. Future landfill revenues have been pledged to fulfill financial assurance requirements. Also, the County's general fund has guaranteed to cover the remainder of the costs not covered by pledged revenues.

NOTE 9: **PUBLIC EMPLOYEE RETIREMENT SYSTEM**

Plan Description

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

Funding Policy

County employees are required by state statute to contribute 7% for miscellaneous employees, 9% for safety employees and 7% for new Tier II (adopted June 2011) of their annual covered salary. The County makes the contributions required of County employees on their behalf and for their account. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rates for fiscal year 2011-2012 were 14.829% for miscellaneous employees, 29.754% for public safety employees, 20.818% for its safety local prosecutor employees and 14.829% for new Tier II employees. The contributions requirements of the plan members are established by states statute and the employer contribution rate is established and may be amended by PERS.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 9: PUBLIC EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Annual Pension Cost

For fiscal year 2011-2012, the County's annual pension cost of \$4,186,719 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2008 actuarial assumptions included 7.75% investment rate of return (net of administrative expenses) and projected annual salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members and include an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and losses.

PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/10	\$ 3,254,288	100%	\$ --
06/30/11	3,174,771	100%	--
06/30/12	4,186,719	100%	--

Funded Status and Funding Progress

The following is the funded status information for the County's miscellaneous plan as of June 30, 2011, the most recent actuarial valuation date:

Entry age normal accrued liability	\$	101,032,039
Actuarial value of assets		86,465,470
Unfunded (overfunded) liability (UAAL)		14,566,569
Funded ratio		85.6%
Annual covered payroll		17,339,635
UAAL as a % of payroll		84.0%

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

NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The County of Amador Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the County. The Plan provides healthcare insurance benefits to eligible retirees. Benefit provisions are established and may be amended by the County.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Plan Description (continued)

The County provides retiree medical benefits through the California Public Employees' Retirement System healthcare program. The County contributes the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum required employer contribution towards the retiree monthly premium for eligible retirees participating in PEMHCA.

Funding Policy

The contribution requirements of the plan members and the County are established and may be amended by the County. Because of budgetary constraints, the County did not continue prefunding the plan by contributing at least 100% of the annual required contribution to an irrevocable trust.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension*. The County's ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan (as described in the funding policy above), and the net OPEB obligation is as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	\$ 245,000	100%	\$ -
6/30/11	390,000	14%	337,000

Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of June 30, 2008, the plan's most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 1,212,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,212,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0
Covered payroll (active plan members)	\$ 23,603,000
UAAL as a percentage of covered payroll	5.13%

GASB Statement No. 45 requires the County to obtain an updated actuarial valuation of its OPEB plan at least biennially. The County's last actuarial valuation was dated as of June 30, 2008. The existing valuation as of June 30, 2008 was used as the basis of reporting the County's cost and liability as June 30, 2012. However, the OPEB cost and the actuarial accrued liability should have been revised to reflect a more recent actuarial valuation dated at least as of June 30, 2011. It was undeterminable the effect an updated valuation would have on the County's OPEB cost and liability as reflected in these financial statements.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 10: OTHER POST EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Actuarial Methods and Assumptions

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

In the June 30, 2008 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 7.75% investment rate of return (net of administrative expenses), which is the expected long-term investment return on CERBT investments, and an annual healthcare minimum cost trend rate of 4.5% after 3 years (actual healthcare minimum costs were used for the first 3 years). This rate includes a 3% inflation assumption. The actuarial value of assets is equal to the market value. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis. The remaining amortization period at June 30, 2012 was 17 years.

NOTE 11: RISK MANAGEMENT

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

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

The County maintains a risk management internal service fund (Self-Insurance Fund) to consolidate the County's fully insured Worker's Compensation program and the general liability, medical malpractice and property insurance programs that are partially self-insured. Fund revenues are primarily premium charges to other funds and are planned to equal workers' compensation premiums, estimated payments resulting from self-insurance programs, liability insurance coverage in excess of the self-insured amount and operating expenses. The County maintains a self-insured retention (SIR) of \$100,000 for its general liability program, \$10,000 per occurrence for its medical malpractice program and \$5,000 for its property program. A commercial insurance policy has been purchased, that covers all SIR related losses except for the first \$10,000. Losses which exceed the SIR are covered by the excess insurance policy described above.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 11: RISK MANAGEMENT (CONTINUED)

The total claims liability of \$20,000 at June 30, 2012, is based on the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, as amended by GASB Statement No. 30. These statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

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

Changes in the County's claims liabilities amount for the fiscal years ended June 30, 2012 and 2011, were as follows:

	2012	2011
Unpaid claims, beginning of year	\$ 100,000	\$ 70,000
Estimated claims incurred and adjustments	--	35,973
Claims payments	(80,000)	(5,973)
Unpaid claims, end of year	\$ 20,000	\$ 100,000

NOTE 12: FUND BALANCES

Details of the fund balance classifications of the governmental funds as of June 30, 2012, are as follows:

	General Fund	Social Services	Mental Health	Road	Water Development Sinking	Other Governmental Funds	Total
Nonspendable:							
Advances receivable	\$ 1,576,600	\$ --	\$ --	\$ --	\$ --	\$ 946,600	\$ 2,523,200
Notes receivable	--	--	--	--	1,256,100	--	1,256,100
Inventory	--	--	--	7,577	--	--	7,577
Total Nonspendable	1,576,600	-	-	7,577	1,256,100	946,600	3,786,877
Restricted for:							
Public safety	947,121	--	--	--	--	4,115,481	5,062,602
Health and public assistance	194,963	416,064	--	--	--	381,219	992,246
Community development and public facilities	--	--	--	3,395,647	--	208,169	3,603,816
Capital projects	--	--	--	--	--	514,394	514,394
Other	398,143	--	--	--	--	--	398,143
Total Restricted	1,540,227	416,064	-	3,395,647	-	5,219,263	10,571,201
Committed for:							
Survey monument	200,331	--	--	--	--	--	200,331
Tobacco settlement	376,732	--	--	--	--	--	376,732
Water improvement projects	-	--	--	--	4,259,591	--	4,259,591
Other	55,165	--	--	--	--	--	55,165
Total Committed	632,228	-	-	-	4,259,591	-	4,891,819
Assigned to:							
Appropriation in subsequent year	2,529,035	--	--	--	--	--	2,529,035
General reserve	7,550,773	--	--	--	--	--	7,550,773
Debt repayment	--	--	--	--	--	306,011	306,011
Capital projects	--	--	--	--	--	837,437	837,437
Total Assigned	10,079,808	-	-	-	-	1,143,448	11,223,256
Unassigned	1,377,059	--	(37,650)	--	--	--	1,339,409
Total Fund Balance	\$ 15,205,922	\$ 416,064	\$ (37,650)	\$ 3,403,224	\$ 5,515,691	\$ 7,309,311	\$ 31,812,562

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2012

NOTE 13: DEFICIT FUND BALANCE/NET ASSETS

The following funds had deficit fund balance or net assets at June 30, 2012:

Mental Health	\$ 37,650
Waste Management	7,653,046

The Mental Health deficit is expected to be eliminated in the future through increased revenues or decreased expenditures.

The Waste Management deficit is expected to be eliminated in the future through user charges and retirement of closure/post closure liability.

NOTE 14: JOINT VENTURE

Central Sierra Child Support Agency

The Central Sierra Child Support Agency (the Agency) acts as the local child support agency for Amador, Alpine, Calaveras and Tuolumne counties. The Agency operates under a Joint Powers Agreement between Amador, Alpine, Calaveras and Tuolumne counties and in compliance with the applicable standards and regulations set forth by the State of California. Central Sierra Child Support Agency has an independent governing board including members from the Board of Supervisors of Amador, Alpine, Calaveras and Tuolumne counties. The Agency is a public agency, which is separate and apart from its constituent county. Financial statements for the Authority can be obtained by contacting the Authority at 639 New York Ranch Road, Jackson CA 95642.

NOTE 15: CONTINGENT LIABILITIES

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

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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COUNTY OF AMADOR

Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

SCHEDULE OF FUNDING PROGRESS

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

SAFETY PLAN – Employee Retirement

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

MISCELLANEOUS PLAN – Employee Retirement

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
06/30/08	\$ 86,237,358	79,006,257	7,231,101	91.6 %	17,958,492	40.3%
06/30/09	96,063,906	82,802,462	13,261,444	86.2%	17,251,136	76.9%
06/30/10	101,032,039	86,465,470	14,566,569	85.6%	17,339,635	84.0%

Retiree Health Care Plan

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
06/30/08	\$ 1,212,000	\$ --	\$ 1,212,000	0.0%	23,603,000	5.1%

COUNTY OF AMADOR

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 19,155,000	\$ 19,155,000	\$ 20,210,611	\$ 1,055,611
Licenses and permits	321,800	321,800	296,691	(25,109)
Intergovernmental	6,878,388	7,261,661	7,168,467	(93,194)
Fines, forfeits and penalties	1,290,925	1,290,925	908,924	(382,001)
Use of money and property	271,895	271,895	283,979	12,084
Charges for services	3,220,206	3,232,621	3,243,154	10,533
Other	372,507	382,507	749,610	367,103
Total Revenues	31,510,721	31,916,409	32,861,436	945,027
Expenditures:				
General government	9,120,418	9,863,892	5,024,537	4,839,355
Public protection	25,384,125	26,778,668	25,221,125	1,557,543
Public assistance	152,196	162,196	70,821	91,375
Education	1,099,701	1,099,701	1,547,008	(447,307)
Recreation and culture	232,788	245,425	224,227	21,198
Contingency	295,718	173,754	--	173,754
Total Expenditures	36,284,946	38,323,636	32,087,718	6,235,918
Excess (deficiency) of revenue over (under) expenditures	<u>(4,774,225)</u>	<u>(6,407,227)</u>	<u>773,718</u>	<u>7,180,945</u>
Other Financing Sources (Uses):				
Transfers out	--	--	<u>(2,762,457)</u>	<u>(2,762,457)</u>
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(2,762,457)</u>	<u>(2,762,457)</u>
Net change in fund balance	(4,774,225)	(6,407,227)	(1,988,739)	4,418,488
Fund balance, beginning of fiscal year	<u>17,194,661</u>	<u>17,194,661</u>	<u>17,194,661</u>	<u>--</u>
Fund balance, end of fiscal year	<u>\$ 12,420,436</u>	<u>\$ 10,787,434</u>	<u>\$ 15,205,922</u>	<u>\$ 4,418,488</u>

COUNTY OF AMADOR

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Social Services
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	9,762,946	9,762,946	7,616,580	(2,146,366)
Use of money and property	--	--	3,824	3,824
Charges for services	52,800	52,800	1,084,199	1,031,399
Other	--	--	44,730	44,730
Total Revenues	<u>9,815,746</u>	<u>9,815,746</u>	<u>8,749,333</u>	<u>(1,066,413)</u>
Expenditures:				
Current:				
Public assistance	<u>9,761,859</u>	<u>9,761,859</u>	<u>8,666,412</u>	<u>1,095,447</u>
Total Expenditures	<u>9,761,859</u>	<u>9,761,859</u>	<u>8,666,412</u>	<u>1,095,447</u>
Excess (deficiency) of revenue over (under) expenditures	<u>53,887</u>	<u>53,887</u>	<u>82,921</u>	<u>29,034</u>
Other Financing Sources (Uses):				
Transfers in	<u>--</u>	<u>--</u>	<u>171,325</u>	<u>171,325</u>
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>171,325</u>	<u>171,325</u>
Net change in Fund Balance	53,887	53,887	254,246	200,359
Fund Balance, Beginning of Fiscal Year	<u>161,818</u>	<u>161,818</u>	<u>161,818</u>	<u>--</u>
Fund Balance, End of Fiscal Year	<u>\$ 215,705</u>	<u>\$ 215,705</u>	<u>\$ 416,064</u>	<u>\$ 200,359</u>

COUNTY OF AMADOR

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Mental Health
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	5,732,485	5,732,485	4,121,411	(1,611,074)
Use of money and property	2,500	2,500	1,276	(1,224)
Charges for services	11,000	11,000	97,049	86,049
Other	70,200	70,200	75,209	5,009
Total Revenues	<u>5,816,185</u>	<u>5,816,185</u>	<u>4,294,945</u>	<u>(1,521,240)</u>
Expenditures:				
Current:				
Health and sanitation	<u>5,759,240</u>	<u>5,759,240</u>	<u>4,377,553</u>	<u>1,381,687</u>
Total Expenditures	<u>5,759,240</u>	<u>5,759,240</u>	<u>4,377,553</u>	<u>1,381,687</u>
Net change in Fund Balance	56,945	56,945	(82,608)	(2,902,927)
Fund Balance, Beginning of Fiscal Year	<u>257,228</u>	<u>256,143</u>	<u>44,958</u>	<u>(211,185)</u>
Fund Balance, End of Fiscal Year	<u>\$ 314,173</u>	<u>\$ 313,088</u>	<u>\$ (37,650)</u>	<u>\$ (3,114,112)</u>

COUNTY OF AMADOR

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Road Fund
 For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 812,000	\$ 812,000	\$ 652,700	\$ (159,300)
Licenses and permits	32,500	32,500	26,652	(5,848)
Intergovernmental	5,310,361	5,361,131	3,060,885	(2,300,246)
Fines, forfeits and penalties	20,000	20,000	20,000	--
Use of money and property	22,000	22,000	21,854	(146)
Charges for services	856,166	856,166	453,714	(402,452)
Other	--	--	8,999	8,999
Total Revenues	<u>7,053,027</u>	<u>7,103,797</u>	<u>4,244,804</u>	<u>(2,858,993)</u>
Expenditures:				
Public ways and facilities	8,954,585	9,215,703	4,436,164	4,779,539
Total Expenditures	<u>8,954,585</u>	<u>9,215,703</u>	<u>4,436,164</u>	<u>4,779,539</u>
Net change in fund balance	<u>(1,901,558)</u>	<u>(2,111,906)</u>	<u>(191,360)</u>	<u>1,920,546</u>
Fund balance, beginning of fiscal year	<u>3,594,584</u>	<u>3,594,584</u>	<u>3,594,584</u>	<u>--</u>
Fund balance, end of fiscal year	<u>\$ 1,693,026</u>	<u>\$ 1,482,678</u>	<u>\$ 3,403,224</u>	<u>\$ 1,920,546</u>

COUNTY OF AMADOR

Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

SUPPLEMENTARY INFORMATION

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COUNTY OF AMADOR

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals</u>
Assets				
Cash and investments	\$ 4,782,234	\$ 1,662,318	\$ 305,507	\$ 6,750,059
Imprest Cash	200	--	--	200
Accounts receivable	8,663	887	--	9,550
Due from other governments	351,114	--	--	351,114
Advances to other funds	--	946,600	--	946,600
Interest receivable	2,493	2,302	504	5,299
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 5,144,704</u>	<u>\$ 2,612,107</u>	<u>\$ 306,011</u>	<u>\$ 8,062,822</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 146,675	\$ --	\$ --	\$ 146,675
Due to other governments	203,800	--	--	203,800
Deferred revenues	89,360	313,676	--	403,036
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>439,835</u>	<u>313,676</u>	<u>--</u>	<u>753,511</u>
Fund Balance:				
Nonspendable	--	946,600	--	946,600
Restricted	4,704,869	514,394	--	5,219,263
Assigned	--	837,437	306,011	1,143,448
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>4,704,869</u>	<u>2,298,431</u>	<u>306,011</u>	<u>7,309,311</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 5,144,704</u>	<u>\$ 2,612,107</u>	<u>\$ 306,011</u>	<u>\$ 8,062,822</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2012

	Special Revenue	Capital Projects	Debt Service	Totals
Revenues:				
Taxes	\$ 19,522	\$ --	\$ --	\$ 19,522
Licenses and permits	--	93,056	--	93,056
Intergovernmental	6,048,492	5,310	--	6,053,802
Fines and forfeitures	2,032	--	--	2,032
Use of money and property	23,488	10,512	2,240	36,240
Charges for services	1,132,166	55,768	--	1,187,934
Other	158,978	28,516	--	187,494
Total Revenues	<u>7,384,678</u>	<u>193,162</u>	<u>2,240</u>	<u>7,580,080</u>
Expenditures:				
Current:				
General government	--	158,230	--	158,230
Public protection	4,074,760	--	--	4,074,760
Health & Sanitation	4,076,331	--	--	4,076,331
Capital outlay	--	98,222	--	98,222
Debt Service:				
Principal payments	--	--	437,242	437,242
Interest and fiscal charges	--	--	312,670	312,670
Total Expenditures	<u>8,151,091</u>	<u>256,452</u>	<u>749,912</u>	<u>9,157,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(766,413)</u>	<u>(63,290)</u>	<u>(747,672)</u>	<u>(1,577,375)</u>
Other Financing Sources (Uses):				
Transfers in	1,775,890	--	792,096	2,567,986
Transfers out	(39,854)	--	--	(39,854)
Total Other Financing Sources (Uses)	<u>1,736,036</u>	<u>--</u>	<u>792,096</u>	<u>2,528,132</u>
Change in Fund Balances	969,623	(63,290)	44,424	950,757
Fund Balances, Beginning of Year	<u>3,735,246</u>	<u>2,361,721</u>	<u>261,587</u>	<u>6,358,554</u>
Fund Balances, End of Fiscal Year	<u>\$ 4,704,869</u>	<u>\$ 2,298,431</u>	<u>\$ 306,011</u>	<u>\$ 7,309,311</u>

Nonmajor Special Revenue Funds

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

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COUNTY OF AMADOR

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2012

	Memorial Hall	Health	Fish & Game	AB 118 County Local Revenue
Assets				
Cash and investments	\$ 207,782	\$ 444,261	\$ 31,079	\$ 811,600
Imprest Cash	--	--	--	--
Accounts receivable	387	3,389	--	--
Due from other governments	--	184,821	607	65,586
Interest receivable	--	--	--	2,424
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 208,169</u>	<u>\$ 632,471</u>	<u>\$ 31,686</u>	<u>\$ 879,610</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ --	\$ 15,002	\$ --	\$ --
Due to other governments	--	203,800	--	--
Deferred revenues	--	89,360	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<hr/> --	<hr/> 308,162	<hr/> --	<hr/> --
Fund Balance:				
Restricted	<hr/> 208,169	<hr/> 324,309	<hr/> 31,686	<hr/> 879,610
Total Fund Balances	<hr/> 208,169	<hr/> 324,309	<hr/> 31,686	<hr/> 879,610
Total Liabilities and Fund Balances	<u>\$ 208,169</u>	<u>\$ 632,471</u>	<u>\$ 31,686</u>	<u>\$ 879,610</u>

continued

COUNTY OF AMADOR

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2012

	Miscellaneous Special Revenue Funds	Special Districts Governed By County Board of Supervisors			Totals
		Victory Lighting	IHSS Public Authority	Amador Fire Protection	
Assets					
Cash and investments	\$ 683,787	\$ 37,361	\$ 56,710	\$ 2,509,654	\$ 4,782,234
Imprest Cash	--	--	100	100	200
Accounts receivable	--	--	--	4,887	8,663
Due from other governments	--	--	100	100,000	351,114
Interest receivable	--	69	--	--	2,493
Total Assets	<u>\$ 683,787</u>	<u>\$ 37,430</u>	<u>\$ 56,910</u>	<u>\$ 2,614,641</u>	<u>\$ 5,144,704</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 91,924	\$ --	\$ --	\$ 39,749	\$ 146,675
Due to other governments	--	--	--	--	203,800
Deferred revenues	--	--	--	--	89,360
Total Liabilities	<u>91,924</u>	<u>--</u>	<u>--</u>	<u>39,749</u>	<u>439,835</u>
Fund Balance:					
Restricted	<u>591,863</u>	<u>37,430</u>	<u>56,910</u>	<u>2,574,892</u>	<u>4,704,869</u>
Total Fund Balances	<u>591,863</u>	<u>37,430</u>	<u>56,910</u>	<u>2,574,892</u>	<u>4,704,869</u>
Total Liabilities and Fund Balances	<u>\$ 683,787</u>	<u>\$ 37,430</u>	<u>\$ 56,910</u>	<u>\$ 2,614,641</u>	<u>\$ 5,144,704</u>

continued

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2012

	Memorial Hall	Health	Fish & Game	AB 118 County Local Revenue
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	1,430,373	--	2,821,206
Fines and forfeitures	--	--	2,032	--
Use of money and property	1,248	3,168	188	4,208
Charges for services	--	272,532	--	--
Other	--	74,108	--	--
Total Revenues	<u>1,248</u>	<u>1,780,181</u>	<u>2,220</u>	<u>2,825,414</u>
Expenditures:				
Current:				
Public protection	--	--	1,033	1,945,804
Health & Sanitation	--	3,918,309	--	--
Total Expenditures	<u>--</u>	<u>3,918,309</u>	<u>1,033</u>	<u>1,945,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,248</u>	<u>(2,138,128)</u>	<u>1,187</u>	<u>879,610</u>
Other Financing Sources (Uses):				
Transfers in	--	1,775,890	--	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>1,775,890</u>	<u>--</u>	<u>--</u>
Change in Fund Balances	1,248	(362,238)	1,187	879,610
Fund Balances				
Beginning of Year	<u>206,921</u>	<u>686,547</u>	<u>30,499</u>	<u>--</u>
Fund Balances, End of Fiscal Year	<u>\$ 208,169</u>	<u>\$ 324,309</u>	<u>\$ 31,686</u>	<u>\$ 879,610</u>

continued

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2012

	Miscellaneous Special Revenue Funds	Special Districts Governed By County Board of Supervisors			Totals
		Victory Lighting	IHSS Public Authority	Amador Fire Protection	
Revenues:					
Taxes	\$ --	\$ 2,329	\$ --	\$ 17,193	\$ 19,522
Intergovernmental	--	33	132,877	1,664,003	6,048,492
Fines and forfeitures	--	--	--	--	2,032
Use of money and property	--	218	432	14,026	23,488
Charges for services	91,544	--	--	768,090	1,132,166
Other	--	--	1,152	83,718	158,978
Total Revenues	<u>91,544</u>	<u>2,580</u>	<u>134,461</u>	<u>2,547,030</u>	<u>7,384,678</u>
Expenditures:					
Current:					
Public protection	--	814	--	2,127,109	4,074,760
Health and sanitation	--	--	158,022	--	4,076,331
Total Expenditures	<u>--</u>	<u>814</u>	<u>158,022</u>	<u>2,127,109</u>	<u>8,151,091</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91,544</u>	<u>1,766</u>	<u>(23,561)</u>	<u>419,921</u>	<u>(766,413)</u>
Other Financing Sources (Uses):					
Transfers in	--	--	--	--	1,775,890
Transfers out	(39,854)	--	--	--	(39,854)
Total Other Financing Sources (Uses)	<u>(39,854)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,736,036</u>
Change in Fund Balances	51,690	1,766	(23,561)	419,921	969,623
Fund Balances					
Beginning of Year	<u>540,173</u>	<u>35,664</u>	<u>80,471</u>	<u>2,154,971</u>	<u>3,735,246</u>
Fund Balances, End of Fiscal Year	<u>\$ 591,863</u>	<u>\$ 37,430</u>	<u>\$ 56,910</u>	<u>\$ 2,574,892</u>	<u>\$ 4,704,869</u>

continued

Nonmajor Capital Project Funds

Capital projects funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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COUNTY OF AMADOR

Combining Balance Sheet
 Nonmajor Capital Project Funds
 June 30, 2012

	<u>County Improvement</u>	<u>Parks & Rec Impact Fee</u>	<u>Amador Community Facility</u>	<u>Totals</u>
Assets				
Cash and investments	\$ 1,148,877	\$ 476,103	\$ 37,338	\$ 1,662,318
Interest receivable	2,236	--	66	2,302
Accounts receivable	--	887	--	887
Advances to other funds	946,600	--	--	946,600
	<u>946,600</u>	<u>--</u>	<u>--</u>	<u>946,600</u>
Total Assets	<u><u>\$ 2,097,713</u></u>	<u><u>\$ 476,990</u></u>	<u><u>\$ 37,404</u></u>	<u><u>\$ 2,612,107</u></u>
Liabilities and Fund Balances:				
Liabilities				
Deferred revenue	<u>\$ 313,676</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 313,676</u>
Total Liabilities	<u>313,676</u>	<u>--</u>	<u>--</u>	<u>313,676</u>
Fund Balance:				
Nonspendable	946,600	--	--	946,600
Restricted	--	476,990	37,404	514,394
Assigned	837,437	--	--	837,437
Total Fund Balances	<u>1,784,037</u>	<u>476,990</u>	<u>37,404</u>	<u>2,298,431</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,097,713</u></u>	<u><u>\$ 476,990</u></u>	<u><u>\$ 37,404</u></u>	<u><u>\$ 2,612,107</u></u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2012

	County Improvement	Parks & Rec Impact Fee	Amador Community Facility	Totals
Revenues:				
Licenses and permits	\$ 57,394	\$ 35,662	\$ --	\$ 93,056
Intergovernmental	5,310	--	--	5,310
Use of money and property	7,532	2,792	188	10,512
Charges for services	17,680	--	38,088	55,768
Other	28,516	--	--	28,516
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	116,432	38,454	38,276	193,162
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
General government	112,856	--	45,374	158,230
Capital outlay	98,222	--	--	98,222
Total Expenditures	211,078	--	45,374	256,452
	<hr/>	<hr/>	<hr/>	<hr/>
Change in Fund Balances	(94,646)	38,454	(7,098)	(63,290)
Fund Balances, Beginning of Year	1,878,683	438,536	44,502	2,361,721
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances, End of Fiscal Year	\$ 1,784,037	\$ 476,990	\$ 37,404	\$ 2,298,431
	<hr/>	<hr/>	<hr/>	<hr/>

Nonmajor Enterprise Funds

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

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COUNTY OF AMADOR

Combining Statement of Net Assets
All Nonmajor Enterprise Funds
June 30, 2012

	<u>CSA #4</u>	<u>CSA #5</u>	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
ASSETS					
Current Assets:					
Cash and investments in Pool	\$ 43,642	\$ 577,429	\$ 1,189	\$ 98,802	\$ 721,062
Interest receivable	81	1,054	24	181	1,340
	<u>81</u>	<u>1,054</u>	<u>24</u>	<u>181</u>	<u>1,340</u>
Total Assets	<u>\$ 43,723</u>	<u>\$ 578,483</u>	<u>\$ 1,213</u>	<u>\$ 98,983</u>	<u>\$ 722,402</u>
LIABILITIES					
Current Liabilities:					
Deposits held for others	\$ --	\$ 258,590	\$ --	\$ --	\$ 258,590
	<u>--</u>	<u>258,590</u>	<u>--</u>	<u>--</u>	<u>258,590</u>
Total Liabilities	<u>--</u>	<u>258,590</u>	<u>--</u>	<u>--</u>	<u>258,590</u>
NET ASSETS					
Unrestricted	<u>43,723</u>	<u>319,893</u>	<u>1,213</u>	<u>98,983</u>	<u>463,812</u>
Total Net Assets	<u>43,723</u>	<u>319,893</u>	<u>1,213</u>	<u>98,983</u>	<u>463,812</u>
Total Liabilities and Net Assets	<u>\$ 43,723</u>	<u>\$ 578,483</u>	<u>\$ 1,213</u>	<u>\$ 98,983</u>	<u>\$ 722,402</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
All Nonmajor Enterprise Funds
For the Year Ended June 30, 2012

	<u>CSA #4</u>	<u>CSA #5</u>	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
Operating Revenues:					
Charges for services	\$ --	\$ 88,889	\$ 24,779	\$ --	\$ 113,668
Other	<u>--</u>	<u>--</u>	<u>--</u>	<u>13,646</u>	<u>13,646</u>
 Total Operating Revenues	 <u>--</u>	 <u>88,889</u>	 <u>24,779</u>	 <u>13,646</u>	 <u>127,314</u>
Operating Expenses:					
Services and supplies	<u>--</u>	<u>8,752</u>	<u>24,401</u>	<u>12</u>	<u>33,165</u>
 Total Operating Expenses	 <u>--</u>	 <u>8,752</u>	 <u>24,401</u>	 <u>12</u>	 <u>33,165</u>
Operating Income (Loss)	<u>--</u>	<u>80,137</u>	<u>378</u>	<u>13,634</u>	<u>94,149</u>
 Non-Operating Revenues (Expenses):					
Interest income	<u>262</u>	<u>3,162</u>	<u>43</u>	<u>555</u>	<u>4,022</u>
 Total Non-Operating Revenues (Expenses)	 <u>262</u>	 <u>3,162</u>	 <u>43</u>	 <u>555</u>	 <u>4,022</u>
Change in Net Assets	262	83,299	421	14,189	98,171
 Net Assets, Beginning of Year	<u>43,461</u>	<u>236,594</u>	<u>792</u>	<u>84,794</u>	<u>365,641</u>
 Net Assets, End of Year	 <u><u>\$ 43,723</u></u>	 <u><u>\$ 319,893</u></u>	 <u><u>\$ 1,213</u></u>	 <u><u>\$ 98,983</u></u>	 <u><u>\$ 463,812</u></u>

COUNTY OF AMADOR

Combining Statement of Cash Flows
All Nonmajor Enterprise Funds
For the Year Ended June 30, 2012

	<u>CSA #4</u>	<u>CSA #5</u>	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ --	\$ 88,892	\$ 24,779	\$ 13,646	\$ 127,317
Payments to suppliers	--	(8,752)	(24,401)	(12)	(33,165)
Net Cash Provided (Used) by Operating Activities	<u>--</u>	<u>80,140</u>	<u>378</u>	<u>13,634</u>	<u>94,152</u>
Cash Flows from Investing Activities:					
Interest received (paid)	<u>249</u>	<u>2,743</u>	<u>26</u>	<u>505</u>	<u>3,523</u>
Net Cash Provided (Used) by Investing Activities	<u>249</u>	<u>2,743</u>	<u>26</u>	<u>505</u>	<u>3,523</u>
Net Increase (Decrease) in Cash and Cash Equivalents	249	82,883	404	14,139	97,675
Cash and Cash Equivalents Beginning of Year	<u>43,393</u>	<u>494,546</u>	<u>785</u>	<u>84,663</u>	<u>623,387</u>
Cash and Cash Equivalents, End of Year	<u><u>\$43,642</u></u>	<u><u>\$577,429</u></u>	<u><u>\$ 1,189</u></u>	<u><u>\$98,802</u></u>	<u><u>\$721,062</u></u>
Reconciliation of Operating Income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ --	\$ 80,137	\$ 378	\$ 13,634	94,149
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Deposits from others	<u>--</u>	<u>3</u>	<u>--</u>	<u>--</u>	<u>3</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ --</u></u>	<u><u>\$ 80,140</u></u>	<u><u>\$ 378</u></u>	<u><u>\$ 13,634</u></u>	<u><u>\$ 94,152</u></u>

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Internal Service Funds

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

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COUNTY OF AMADOR

Combining Statement of Net Assets
All Internal Service Funds
June 30, 2012

	General Services Support	General Services Motor Pool	Commu- nications	Self Insurance	Total
ASSETS					
Current Assets:					
Cash and investments in Pool	\$ 112,832	\$ 887,118	\$ 91,695	\$1,560,672	\$2,652,317
Imprest cash	2,150	--	--	100	2,250
Accounts receivable	--	--	973	2,668	3,641
Interest receivable	478	1,527	--	--	2,005
Total Current Assets	<u>115,460</u>	<u>888,645</u>	<u>92,668</u>	<u>1,563,440</u>	<u>2,660,213</u>
Noncurrent Assets:					
Capital assets:					
Nondepreciable	15,000	--	--	--	15,000
Depreciable, net	259,145	622,701	--	--	881,846
Total Noncurrent Assets	<u>274,145</u>	<u>622,701</u>	<u>--</u>	<u>--</u>	<u>896,846</u>
Total Assets	<u>\$ 389,605</u>	<u>\$1,511,346</u>	<u>\$ 92,668</u>	<u>\$1,563,440</u>	<u>\$3,557,059</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 16,867	\$ 2,866	\$ 2,808	\$ 31,037	\$ 53,578
Current portion of long-term liabilities:					
Capital lease	50,522	--	--	--	50,522
Compensated absences	16,301	23,995	--	3,588	43,884
Claims liability	--	--	--	20,000	20,000
Total current Liabilities	<u>\$ 83,690</u>	<u>\$ 26,861</u>	<u>\$ 2,808</u>	<u>\$ 54,625</u>	<u>\$ 167,984</u>
Long-term Liabilities:					
Capital lease	170,544	--	--	--	170,544
Compensated absences	16,300	23,995	--	3,587	43,882
Liability for post employment benefits	4,537	--	--	605	5,142
Total Long-term Liabilities	<u>191,381</u>	<u>23,995</u>	<u>--</u>	<u>4,192</u>	<u>219,568</u>
Total Liabilities	<u>275,071</u>	<u>50,856</u>	<u>2,808</u>	<u>58,817</u>	<u>387,552</u>
NET ASSETS					
Invested in capital assets, net of related debt	53,079	622,701	--	--	675,780
Unrestricted	61,455	837,789	89,860	1,504,623	2,493,727
Total Net Assets	<u>114,534</u>	<u>1,460,490</u>	<u>89,860</u>	<u>1,504,623</u>	<u>3,169,507</u>
Total Liabilities and Net Assets	<u>\$ 389,605</u>	<u>\$1,511,346</u>	<u>\$ 92,668</u>	<u>\$1,563,440</u>	<u>\$3,557,059</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
All Internal Service Funds
For the Year Ended June 30, 2012

	General Services Support	General Services Motor Pool	Communi- cations	Self Insurance	Total
Operating Revenues:					
Charges for services	\$1,025,374	\$1,415,716	\$141,452	\$ 522,249	\$3,104,791
Other income	758	--	--	217,428	218,186
	<u>1,026,132</u>	<u>1,415,716</u>	<u>141,452</u>	<u>739,677</u>	<u>3,322,977</u>
Operating Expenses:					
Salaries and benefits	458,146	201,263	--	40,545	699,954
Services and supplies	515,611	999,278	135,900	1,014,485	2,665,274
Depreciation	27,330	225,574	--	--	252,904
Total Operating Expenses	<u>1,001,087</u>	<u>1,426,115</u>	<u>135,900</u>	<u>1,055,030</u>	<u>3,618,132</u>
Operating Income (Loss)	<u>25,045</u>	<u>(10,399)</u>	<u>5,552</u>	<u>(315,353)</u>	<u>(295,155)</u>
Non-Operating Revenues (Expenses):					
Interest income	1,146	5,117	(429)	8,082	13,916
Total Non-Operating Revenues (Expenses)	<u>1,146</u>	<u>5,117</u>	<u>(429)</u>	<u>8,082</u>	<u>13,916</u>
Change in Net Assets	26,191	(5,282)	5,123	(307,271)	(281,239)
Net Asset, Beginning of Year	<u>88,343</u>	<u>1,465,772</u>	<u>84,737</u>	<u>1,811,894</u>	<u>3,450,746</u>
Net Assets, End of Year	<u>\$ 114,534</u>	<u>\$1,460,490</u>	<u>\$ 89,860</u>	<u>\$1,504,623</u>	<u>\$3,169,507</u>

COUNTY OF AMADOR

Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2012

	General Services Support	General Services Motor Pool	Commu- nications	Self Insurance	Total
Cash Flows from Operating Activities:					
Receipts from interfund services provided	\$ 1,030,862	\$ 1,422,540	\$ 140,909	\$ 737,009	\$ 3,331,320
Payments to employees	(458,351)	(197,599)	--	(40,789)	\$ (696,739)
Payments to suppliers	(508,277)	(1,025,676)	(140,191)	(1,063,468)	(2,737,612)
Net Cash Provided (Used) by Operating Activities	<u>64,234</u>	<u>199,265</u>	<u>718</u>	<u>(367,248)</u>	<u>(103,031)</u>
Cash Flows Investing Activities:					
Interest received	<u>920</u>	<u>5,025</u>	<u>(429)</u>	<u>10,573</u>	<u>16,089</u>
Net Cash Provided (Used) by Investing Activities	<u>920</u>	<u>5,025</u>	<u>(429)</u>	<u>10,573</u>	<u>16,089</u>
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets	--	(207,173)	--	--	(207,173)
Principal repayments on capital-related debt	<u>(40,440)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(40,440)</u>
Net cash Provided (Used) by Capital and Related Financing Activities	<u>(40,440)</u>	<u>(207,173)</u>	<u>--</u>	<u>--</u>	<u>(247,613)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	24,714	(2,883)	289	(356,675)	(334,555)
Cash and Cash Equivalents, Beginning of Year	<u>90,268</u>	<u>890,001</u>	<u>91,406</u>	<u>1,917,447</u>	<u>2,989,122</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 114,982</u></u>	<u><u>\$ 887,118</u></u>	<u><u>\$ 91,695</u></u>	<u><u>\$ 1,560,772</u></u>	<u><u>\$ 2,654,567</u></u>

continued

COUNTY OF AMADOR

Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2012

	<u>General Services Support</u>	<u>General Services Motor Pool</u>	<u>Commu- nications</u>	<u>Self Insurance</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by Operating income (loss)					
Operating income (loss)	\$ 25,045	\$ (10,399)	\$ 5,552	\$ (315,353)	\$ (295,155)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:					
Depreciation	27,330	225,574	--	--	252,904
Changes in assets and liabilities:					
Accounts receivable	4,730	6,824	(543)	(2,668)	8,343
Accounts payable	7,334	(26,398)	(4,291)	31,017	7,662
Claims liability	--	--	--	(80,000)	(80,000)
Compensated absences payable	(205)	3,664	--	(244)	3,215
	<u>64,234</u>	<u>199,265</u>	<u>718</u>	<u>(367,248)</u>	<u>(103,031)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 64,234</u>	<u>\$ 199,265</u>	<u>\$ 718</u>	<u>\$ (367,248)</u>	<u>\$ (103,031)</u>
Noncash investing, capital and financing activities:					
Borrowing under capital lease	\$ 133,644	\$ --	\$ --	\$ --	\$ 133,644