

COUNTY OF SISKIYOU, CALIFORNIA



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
JUNE 30, 2011**

COUNTY OF SISKIYOU, CALIFORNIA

Annual Financial Report
For the Year Ended June 30, 2011
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INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

The Board of Supervisors and Grand Jury
County of Siskiyou
Yreka, 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 Siskiyou, California (County), as of June 30, 2011 and for the year then ended, which collectively comprise the County of Siskiyou'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

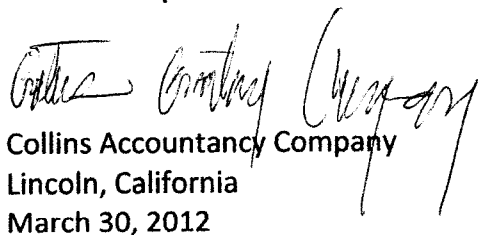
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the each major fund, and the aggregate remaining fund information of the County of Siskiyou as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).

The Board of Supervisors and Grand Jury
County of Siskiyou
Yreka, California

In accordance with Government Auditing Standards, we have issued our report dated March 30, 2012 on our consideration of the County of Siskiyou's internal control over financial reporting and 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.

The accompanying required supplementary information, such as management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements. The relevant supplementary information, such as the combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Collins Accountancy Company
Lincoln, California
March 30, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2011

As management of the County of Siskiyou, we offer readers of the County of Siskiyou's financial statements this narrative overview and analysis of the financial activities of the County of Siskiyou for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The assets of the County of Siskiyou exceeded its liabilities at the close of the most recent fiscal year by \$96,393,493 (net assets). Of this amount \$100,639,137 is invested in capital assets net of related debt, \$14,774,842 is restricted for specific purposes and a negative \$19,020,486 is unrestricted net assets. Significant activities have occurred in the last couple of years that have a significant impact on the County's financial statements. The implementation of GASB 45, GASB 51, and GASB 54.
- The government's total net assets increased by \$1,029,956. This increase is primarily attributable to an increase in cash, accounts receivable and the restriction of specific cash and investments that had not existed in previous years.
- As of the close of the current fiscal year, the County of Siskiyou's governmental funds reported combined ending fund balances of \$38,926,787 an increase of \$11,654,839 in comparison with the prior year. Approximately 59.58% of this total amount, \$23,191,882, is available for spending at the government's discretion (committed, assigned, and unassigned fund balance), which represents a 23% increase over last year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a \$1,355,900. The committed portion of fund balance is \$157,046, the restricted portion of fund balance is \$463,464, and the nonspendable portion of fund balance is \$92,242 for a total general fund balance of \$2,068,652.
- The County of Siskiyou's total long-term liabilities increased by \$14,335,571. Of that amount, the County recorded an additional \$9,060,390 of Net OPEB Obligation as required by GASB 45. The County's governmental activities debt consists of revenue bonds for Carrick Water in CSA#5, pension obligation bonds used for the advance pay of employee pension obligations, loans from California Infrastructure Bank for construction of a 40 bed juvenile hall facility, capitalized

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2011

leased equipment, Net OPEB Obligation, and the liability for compensated absences. Compensated absences will vary from year to year based on employee use of vacation and comp time and total number of employees. Business-type debt consists of California Integrated Waste Management and California Infrastructure loans to finance landfill closures and transfer station construction as well as the closure/post closure debt, Net OPEB Obligation, and the liability for compensated absences related to business type activities. Business-type debt consists of a total increase of \$41,194. The increase in debt was primarily due to the increase in the closure/post closure liability for the landfills.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of Siskiyou's basic financial statements. The County of Siskiyou's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County of Siskiyou's finances, in a manner similar to a private-sector business.

The ***statement of net assets*** presents information on all of the County of Siskiyou'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 Siskiyou 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., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County of Siskiyou 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).

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2011

The governmental activities of the County of Siskiyou 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 Siskiyou include Sanitation, Siskiyou Transit & General Express, and Aviation.

The government-wide financial statements include not only the County of Siskiyou itself (known as the primary government), but also legally separate component units that are blended into the reporting activities of the County. These component units are the California Children and Families First Commission, Flood Control and Water Conversation District, Air Pollution Control District, County Service Areas #3, #4, and #5, Local Transportation Administration, Regional Transportation Planning. These component unites are included in the County's financial reporting because of the significance of their financial or operational relationship and their mutual governing body.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Siskiyou, 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 Siskiyou can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the County's programs.

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

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2011

The County of Siskiyou maintains several individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road, Human Services, Public Health, and Behavioral Health Services and these funds are considered to be major funds. Data from the other governmental funds are combined into 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 County of Siskiyou adopts an annual appropriate budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund and major special revenue funds to demonstrate compliance with this budget.

Proprietary Funds. The County of Siskiyou maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County of Siskiyou uses enterprise funds to account for Aviation, Sanitation, and STAGE (Siskiyou Transportation and General Express) operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County of Siskiyou's various functions. The County of Siskiyou uses internal service funds to account for a variety of insurances, such as Risk Management-Unemployment, Risk Management-Liability, Risk Management-Worker's Compensation, Vision, and Dental. Other internal service funds include Fuel Services, Auto Services, and Communications. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Siskiyou Transit & Express (STAGE), Aviation, and Sanitation fund that are considered major funds of the County of Siskiyou. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2011

wide financial statement because the resources of those funds are not available to support the County of Siskiyou's own programs.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County of Siskiyou's progress in developing, executing and monitoring its budgeting processes.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Siskiyou, assets exceed liabilities by \$96,393,493 at the close of the most recent fiscal year.

By far the largest portion of the County of Siskiyou's net assets (104.40 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that are still outstanding. Net assets invested in capital assets, net of related debt decreased from \$102,930,485 at June 30, 2010, to \$100,639,137 at June 30, 2011. The County of Siskiyou uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the County of Siskiyou's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital asset cannot be used to liquidate those liabilities.

An additional portion of the County of Siskiyou's net assets (15.33 percent or \$14,774,842) represents resources that are subject to external restrictions on how they may be used. The remaining deficit is unrestricted net assets (\$19,020,486).

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2011

At the end of the current fiscal year, the County of Siskiyou is able to report positive balances in net assets for the government as a whole, but not for the Business Activities due to the number of loans outstanding and the closure/post closure liability in those funds.

Governmental Activities. Governmental activities increased the County's net assets by \$471,217. Of this amount, \$510,543 is the prior period adjustment and negative \$39,326 results from current year revenues and expenses.

Business-type activities. Business-type activities increased the County's net assets by \$558,739.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for budgeting purposes at the end of the fiscal year.

At June 30, 2011, the County's governmental funds reported combined ending fund balances of \$38,926,787 an increase of \$11,654,839 in comparison with the prior year.

The following major governmental funds reflected deficit fund balances at year end:

- The Public Health fund had a deficit fund balance of \$158,585, which is expected to be eliminated in the future through cost containment and future reimbursements.

The following non-major governmental funds reflected deficit fund balances at year-end:

- The Inmate Health Program fund had a deficit fund balance of \$196,124, which will need to be covered by the general fund.
- The Regional Transportation Planning had a deficit fund balance of \$4,550, which will need to be covered by the general fund.

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2011

- The EDEF grant funds had a deficit fund balance of \$27,260, which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements.
- The Lake Siskiyou Trail Project grant fund had a deficit fund balance of \$68,398, which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements. However, this does not seem to be possible from these grant sources.
- The Wagon Creek Bridge ARRA grant fund had a deficit fund balance of \$15, which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements. However, this does not seem to be possible from these grant sources.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The enterprise funds have deficit net assets of \$2,188,616. Of the enterprise funds, STAGE has shown a net increase of \$305,696 in net assets and a \$1,653,783 operating loss. Non-operating revenues of \$1,971,952 from a variety of sources help to cover this loss. The Aviation fund has reflected a \$732,149 operating loss and \$265,754 in non-operating revenues.

Sanitation has reflected a net operating income of \$704,968 for the fiscal year. The final net asset amount for the fund is (\$9,174,291). The closure of all landfills within the County has had a significant impact on this fund. This fund will be used to continue the closure/post closure liability costs, and to fund the closure process of the Yreka Landfill cells, and to create a transfer site. Once this site is officially closed, there will be another adjustment to reflect this change in use. The department continues to evaluate the operations for the means to recover from this deficit.

The net assets of the internal services funds' increased from \$645,749 to \$1,518,543. Most of the increase related to the following;

- The charges for services increased from \$1,296,783 to 3,724,256.

The following proprietary funds reflected deficit net assets at year-end:

- The Sanitation fund had a net asset deficit of \$9,174,291, which is expected to be eliminated in future years through increased user charges and retirement of closure/post closure liability and related debt payoff.

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2011

General Fund Budgetary Highlights

Differences between the recommended budget and the adopted budget can be briefly summarized as follows:

- \$592,047 in miscellaneous increases in general governmental activities
- \$1,126,599 in increases allocated to public protection
- \$269,639 in increases allocated to capital outlay

While these budgetary changes were the result of anticipating what changes would occur in state funding levels, the following reflects the actual amounts spent compared to adopted budget approval:

- \$855,145 under budget in miscellaneous general governmental activities
- \$1,889,836 under budget in public protection

The final revenues for the General Fund were lower in total than final budget estimates by \$300,239.

Capital Asset and Debt Administration

Capital Assets. The County's investment in capital assets for these governmental and business type activities as of June 30, 2011, amounts to \$102,577,736 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, bridges, and intangible assets. Currently, all land, buildings and general equipment fixed assets have been appropriately booked under GASB 34 requirements along with their accumulated depreciation.

Debt Administration. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$55,133,075. The County recorded its Net OPEB Obligation of \$9,060,390 as required by GASB 45.

Economic Factors and Next Year's Budget

The State of California's financial difficulty over the past few years has been very difficult on the County. For the 10/11 budget, the County continued to be impacted by the loss of the Williamson Act money. The State of California continues to struggle financially. In 11/12, the State of California proposed realignment dollars for Trial Court Security funding, Human Services, Behavioral Health Services, Sheriff, Public Defender,

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2011

District Attorney, and Probation/Juvenile Hall. This was achieved through AB109, AB117, and AB118. The State continues to work on how these monies will be handled next fiscal year, at this time it is still unknown.

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to Jennie Ebejer, Siskiyou County Auditor-Controller, 311 Fourth St, Room 101, Yreka, CA 96097.

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BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

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COUNTY OF SISKIYOU, CALIFORNIA

Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 37,134,392	\$ 5,083,023	\$ 42,217,415
Restricted cash	426,207	627,957	1,054,164
Interest receivable	156,437	22,218	178,655
Accounts receivable	50,798	58,824	109,622
Taxes receivable	545,294	-	545,294
Due from other governments	7,388,901	343,813	7,732,714
Deposits	540	-	540
Inventory	902,106	70,868	972,974
Internal balances	(1,677)	1,677	-
Loans receivable	3,541,068	-	3,541,068
Deferred bond issuance costs	55,403	-	55,403
Capital assets:			
Non depreciable	8,157,650	783,758	8,941,408
Depreciable, net	88,343,731	5,292,597	93,636,328
Total capital assets	<u>96,501,381</u>	<u>6,076,355</u>	<u>102,577,736</u>
Total assets	<u>\$ 146,700,850</u>	<u>\$ 12,284,735</u>	<u>\$ 158,985,585</u>
Liabilities			
Accounts payable	\$ 2,818,123	\$ 311,472	\$ 3,129,595
Accrued salaries and benefits	2,791,818	86,965	2,878,783
Accrued interest payable	107,776	23,611	131,387
Accrued claims liability	60,568	-	60,568
Deposits payable	442,495	-	442,495
Unearned revenue	816,189	-	816,189
Long-term liabilities:			
Due within one year	1,265,916	177,788	1,443,704
Due in more than on year	39,815,856	13,873,515	53,689,371
Total liabilities	<u>48,118,741</u>	<u>14,473,351</u>	<u>62,592,092</u>
Net Assets			
Invested in capital assets, net of related debt	94,562,782	6,076,355	100,639,137
Restricted for:			
General government	740,434	-	740,434
Public protection	3,192,272	-	3,192,272
Public assistance	4,157,142	-	4,157,142
Health and sanitation	4,851,245	-	4,851,245
Public ways and facilities	1,823,797	-	1,823,797
Recreation and culture	9,507	-	9,507
Education	445	-	445
Unrestricted	<u>(10,755,515)</u>	<u>(8,264,971)</u>	<u>(19,020,486)</u>
Total net assets	<u>\$ 98,582,109</u>	<u>\$ (2,188,616)</u>	<u>\$ 96,393,493</u>

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

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Activities
For the year ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 7,162,959	\$ 1,543,003	\$ 7,737,299	\$ -
Public protection	30,739,587	4,696,057	8,631,220	-
Health and welfare	18,981,339	774,536	18,445,091	-
Public assistance	20,262,803	48,591	17,743,634	-
Education	455,605	14,752	51,827	-
Culture and recreation	19,477	3,230	-	929,213
Public ways and facilities	14,719,809	740,901	7,703,469	1,676,993
Interest on long-term debt	1,068,883	-	-	-
Total Governmental Activities	93,410,462	7,821,070	60,312,540	2,606,206
Business-type activities:				
STAGE	2,101,677	207,674	1,964,888	-
Sanitation	1,470,421	2,116,546	36,596	-
Aviation	833,828	101,519	265,481	-
Total Business-Type Activities	4,405,926	2,425,739	2,266,965	-
Total	\$ 97,816,388	\$ 10,246,809	\$ 62,579,505	\$ 2,606,206

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

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Activities
For the year ended June 30, 2011

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ 2,117,343	\$ -	\$ 2,117,343
(17,412,310)	-	(17,412,310)
238,288	-	238,288
(2,470,578)	-	(2,470,578)
(389,026)	-	(389,026)
912,966	-	912,966
(4,598,446)	-	(4,598,446)
(1,068,883)	-	(1,068,883)
<u>(22,670,646)</u>	<u>-</u>	<u>(22,670,646)</u>
-	70,885	70,885
-	682,721	682,721
-	(466,828)	(466,828)
<u>-</u>	<u>286,778</u>	<u>286,778</u>
<u>\$ (22,670,646)</u>	<u>\$ 286,778</u>	<u>\$ (22,383,868)</u>
\$ 11,037,735	\$ -	11,037,735
4,781,578	-	4,781,578
438,456	-	438,456
136,498	-	136,498
176,700	-	176,700
1,377,215	-	1,377,215
-	-	-
3,552,424	30,572	3,582,996
473	(473)	-
1,130,241	241,862	1,372,103
<u>22,631,320</u>	<u>271,961</u>	<u>22,903,281</u>
(39,326)	558,739	519,413
98,110,892	(2,747,355)	95,363,537
510,543	-	510,543
<u>\$ 98,582,109</u>	<u>\$ (2,188,616)</u>	<u>\$ 96,393,493</u>

Functions/Programs

Governmental activities:

- General government
- Public protection
- Health and welfare
- Public assistance
- Education
- Culture and recreation
- Public ways and facilities
- Interest on long-term debt

Total Governmental Activities

Business-type activities:

- STAGE
- Sanitation
- Aviation

Total Business-Type Activities

Total

General revenues:

Taxes:

- Property taxes
- Sales and use taxes
- Transient occupancy taxes
- Property transfer taxes
- Timber yield taxes
- Unrestricted grants and contributions
- Tobacco settlement
- Interest and investment earnings
- Transfers
- Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets - Beginning

Prior period adjustments

Net Assets - Ending

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

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BASIC FINANCIAL STATEMENTS

Fund Financial Statements

COUNTY OF SISKIYOU, CALIFORNIA

Balance Sheet
Governmental Funds
June 30, 2011

	<u>General Fund</u>	<u>Road</u>	<u>Human Services</u>	<u>Public Health</u>
Assets				
Cash and investments	\$ 2,634,401	\$ 13,603,730	\$ 1,292,662	\$ -
Restricted cash	426,207	-	-	-
Due from other governments	1,955,303	1,357,379	802,384	337,246
Interest receivable	10,136	60,161	5,653	266
Taxes receivable	152,699	-	235,635	66,950
Deposits	540	-	-	-
Due from other funds	1,010,819	234,871	185,341	374,812
Loans receivable	-	-	-	-
Inventory	91,702	775,641	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 6,281,807</u></u>	<u><u>\$ 16,031,782</u></u>	<u><u>\$ 2,521,675</u></u>	<u><u>\$ 779,274</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 920,849	\$ 621,580	\$ 147,261	\$ 53,578
Accrued salaries and benefits	1,218,147	417,141	496,203	183,644
Interest payable	-	-	-	-
Deposits payable	426,207	-	16,288	-
Due to other funds	479,996	204,828	102,618	471,793
Unearned revenue	1,167,956	43,285	672,410	228,844
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>4,213,155</u>	<u>1,286,834</u>	<u>1,434,780</u>	<u>937,859</u>
Fund Balances				
Nonspendable	92,242	775,640	-	-
Restricted	463,464	1,823,797	27,824	294,260
Committed	157,046	5,225	1,550	232,391
Assigned	-	12,140,286	1,057,521	-
Unassigned	1,355,900	-	-	(685,236)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,068,652</u>	<u>14,744,948</u>	<u>1,086,895</u>	<u>(158,585)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u><u>\$ 6,281,807</u></u>	<u><u>\$ 16,031,782</u></u>	<u><u>\$ 2,521,675</u></u>	<u><u>\$ 779,274</u></u>

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

COUNTY OF SISKIYOU, CALIFORNIA

Balance Sheet
Governmental Funds
June 30, 2011

	Behavioral Health Services	Other Governmental Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and investments	\$ 5,922,091	\$ 11,966,946	\$ 35,419,830
Restricted cash	-	-	426,207
Due from other governments	2,041,741	849,839	7,343,892
Interest receivable	20,561	52,976	149,753
Taxes receivable	90,010	-	545,294
Deposits	-	-	540
Due from other funds	154,842	288,668	2,249,353
Loans receivable	-	3,541,068	3,541,068
Inventory	-	-	867,343
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 8,229,245</u></u>	<u><u>\$ 16,699,497</u></u>	<u><u>\$ 50,543,280</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 631,361	\$ 337,434	\$ 2,712,063
Accrued salaries and benefits	324,457	135,907	2,775,499
Interest payable	-	-	-
Deposits payable	-	-	442,495
Due to other funds	172,474	698,741	2,130,450
Unearned revenue	1,443,491	-	3,555,986
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,571,783</u>	<u>1,172,082</u>	<u>11,616,493</u>
Fund Balances			
Nonspendable	-	-	867,882
Restricted	4,229,524	8,028,154	14,867,023
Committed	11,300	89,928	497,440
Assigned	1,416,638	7,749,418	22,363,863
Unassigned	-	(340,085)	330,579
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>5,657,462</u>	<u>15,527,415</u>	<u>38,926,787</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u><u>\$ 8,229,245</u></u>	<u><u>\$ 16,699,497</u></u>	<u><u>\$ 50,543,280</u></u>

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

COUNTY OF SISKIYOU, CALIFORNIA

Reconciliation of Governmental Fund Balances
to the Government-Wide Statement of Net Assets - Governmental Activities
June 30, 2011

Total Fund Balance - Total Governmental Funds	\$ 38,926,787
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 governmental funds balance sheets.	96,479,995
Receivables that are not realized within 45 days of the end of the fiscal year are not considered available in the governmental funds and are offset by deferred revenue. They are considered to have been earned for purposes of the government-wide financial statements.	2,739,797
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Bonds payable	(16,239,768)
Capital leases payable	(14,321)
Loans payable	(1,736,178)
Compensated absences	(2,943,533)
Net OPEB obligation	(8,748,774)
Behavioral Health repayment liability	(11,348,066)
Accrued interest payable	(107,776)
Bond issuance costs are reported as expenditures in governmental funds in the period incurred, but they are deferred and amortized over the life of the bonds in the Statement of Activities.	55,403
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets.	<u>1,518,543</u>
Net Assets of Governmental Activities	<u>\$ 98,582,109</u>

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

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COUNTY OF SISKIYOU, CALIFORNIA
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2011

	General Fund	Road	Human Services	Public Health
Revenues				
Taxes	\$ 12,038,349	\$ -	\$ 2,603,271	\$ 696,544
Licenses and permits	887,669	-	-	235,814
Fines and forfeitures	1,791,586	-	1,115	2,373
Use of money and property	605,781	80,582	9,410	513
Intergovernmental	14,283,963	11,705,720	16,986,180	1,904,972
Charges for services	2,907,173	730,925	46,392	211,777
Other revenues	545,054	28,164	48,822	1,386
Total Revenues	<u>33,059,575</u>	<u>12,545,391</u>	<u>19,695,190</u>	<u>3,053,379</u>
Expenditures				
Current:				
General government	5,298,647	-	-	-
Public protection	23,800,891	-	-	-
Health and sanitation	33,133	-	255,200	3,656,060
Public assistance	402,539	-	19,025,008	-
Education	448,777	-	-	-
Culture and recreation	19,698	-	-	-
Public ways and facilities	30,079	8,729,059	-	-
Debt service:				
Principal	55,495	-	-	2,762
Interest and other charges	3,454	-	-	-
Capital outlay	292,439	3,092,202	-	142,712
Total Expenditures	<u>30,385,152</u>	<u>11,821,261</u>	<u>19,280,208</u>	<u>3,801,534</u>
Excess of Revenues Over (Under) Expenditures	<u>2,674,423</u>	<u>724,130</u>	<u>414,982</u>	<u>(748,155)</u>
Other Financing Sources (Uses)				
Inception of capital lease	-	-	-	16,574
Transfers in	771,155	11,241	47,209	365,366
Transfers out	(1,295,942)	(99,782)	(97,185)	(290,627)
Total Other Financing Sources (Uses)	<u>(524,787)</u>	<u>(88,541)</u>	<u>(49,976)</u>	<u>91,313</u>
Net Change in Fund Balances	2,149,636	635,589	365,006	(656,842)
Fund Balances - Beginning - As Reported	(80,984)	14,109,359	(82,596)	498,257
Prior period adjustment	-	-	804,485	-
Fund Balances - Beginning - As Restated	<u>(80,984)</u>	<u>14,109,359</u>	<u>721,889</u>	<u>498,257</u>
Fund Balances - Ending	<u>\$ 2,068,652</u>	<u>\$ 14,744,948</u>	<u>\$ 1,086,895</u>	<u>\$ (158,585)</u>

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

COUNTY OF SISKIYOU, CALIFORNIA
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2011

	Behavioral Health Services	Other Governmental Funds	Total
Revenues			
Taxes	\$ 887,466	\$ 345,337	\$ 16,570,967
Licenses and permits	-	104,509	1,227,992
Fines and forfeitures	21,498	310,012	2,126,584
Use of money and property	124,994	2,716,163	3,537,443
Intergovernmental	15,853,484	8,304,969	69,039,288
Charges for services	239,247	216,025	4,351,539
Other revenues	9,383	485,352	1,118,161
Total Revenues	<u>17,136,072</u>	<u>12,482,367</u>	<u>97,971,974</u>
Expenditures			
Current:			
General government	-	12,856	5,311,503
Public protection	-	5,412,593	29,213,484
Health and sanitation	13,600,261	1,685,041	19,229,695
Public assistance	-	458,357	19,885,904
Education	-	1,351	450,128
Culture and recreation	-	-	19,698
Public ways and facilities	-	311,696	9,070,834
Debt service:			
Principal	-	210,326	268,583
Interest and other charges	-	1,056,755	1,060,209
Capital outlay	-	2,088,330	5,615,683
Total Expenditures	<u>13,600,261</u>	<u>11,237,305</u>	<u>90,125,721</u>
Excess of Revenues Over (Under) Expenditures	<u>3,535,811</u>	<u>1,245,062</u>	<u>7,846,253</u>
Other Financing Sources (Uses)			
Inception of capital lease	-	-	16,574
Transfers in	8,924	2,356,059	3,559,954
Transfers out	(150,177)	(1,604,155)	(3,537,868)
Total Other Financing Sources (Uses)	<u>(141,253)</u>	<u>751,904</u>	<u>38,660</u>
Net Change in Fund Balances	3,394,558	1,996,966	7,884,913
Fund Balances - Beginning - As Reported	2,262,904	10,565,008	27,271,948
Prior period adjustment	-	2,965,441	3,769,926
Fund Balances - Beginning - As Restated	<u>2,262,904</u>	<u>13,530,449</u>	<u>31,041,874</u>
Fund Balances - Ending	<u>\$ 5,657,462</u>	<u>\$ 15,527,415</u>	<u>\$ 38,926,787</u>

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

COUNTY OF SISKIYOU, CALIFORNIA

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, 2011

Net Change in Fund Balances - Total Governmental Funds	\$	7,884,913
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital outlay		5,615,683
Capital assets transferred from governmental activities to business-type activities		(17,183)
Depreciation expense		(7,245,281)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the cost of the capital assets disposed. There were no significant proceeds.		
		(40,907)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Inception of capital lease		(16,574)
Principal retirements		268,583
Other adjustments		(1,704)
Amortization of bond issue costs		(2,131)
Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.		
		(4,810,256)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accounts payable		579,831
Change in compensated absences		111,610
Change in net OPEB obligation		(3,233,828)
Change in accrued interest payable		(4,876)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operation, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		
		<u>872,794</u>
Change in Net Assets of Governmental Activities	\$	<u><u>(39,326)</u></u>

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

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COUNTY OF SISKIYOU, CALIFORNIA

Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental Activities
	STAGE	Sanitation	Aviation	Totals	Internal Service Funds
Assets					
Current Assets:					
Cash and investments	\$1,472,109	\$ 3,493,762	\$ 117,152	\$ 5,083,023	\$ 1,714,562
Accounts receivable	-	58,824	-	58,824	50,798
Due from other governments	243,725	-	77,275	321,000	-
Interest receivable	5,912	15,819	487	22,218	6,684
Due from other funds	37,782	31,296	-	69,078	71,148
Inventory	70,868	-	-	70,868	34,763
Total Current Assets	1,830,396	3,599,701	194,914	5,625,011	1,877,955
Noncurrent Assets:					
Restricted cash	-	627,957	-	627,957	-
Capital assets:					
Non-depreciable	-	348,225	435,533	783,758	-
Depreciable, net	1,693,523	170,800	3,428,274	5,292,597	21,386
Total capital assets	1,693,523	519,025	3,863,807	6,076,355	21,386
Total Noncurrent Assets	1,693,523	1,146,982	3,863,807	6,704,312	21,386
Total Assets	\$3,523,919	\$ 4,746,683	\$ 4,058,721	\$12,329,323	\$ 1,899,341
Liabilities					
Current Liabilities:					
Accounts payable	\$ 265,440	\$ 41,105	\$ 4,927	\$ 311,472	\$ 106,060
Accrued salaries and benefits	59,734	27,231	-	86,965	16,319
Interest payable	-	23,611	-	23,611	-
Due to other funds	13,107	27,341	4,140	44,588	146,719
Unearned revenue	-	-	-	-	-
Compensated absences payable	20,295	10,657	-	30,952	7,078
Loan payable	-	87,178	-	87,178	-
Closure/postclosure liability	-	59,658	-	59,658	-
Estimated claims liability	-	-	-	-	60,568
Total Current Liabilities	358,576	276,781	9,067	644,424	336,744

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

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Net Assets
Proprietary Funds
June 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>STAGE</u>	<u>Sanitation</u>	<u>Aviation</u>	<u>Totals</u>	<u>Internal Service Funds</u>
Noncurrent Liabilities:					
Compensated absences payable	21,849	29,937	-	51,786	11,298
Loan payable	-	1,709,358	-	1,709,358	-
Closure/postclosure liability	-	11,833,511	-	11,833,511	-
Net OPEB obligation	207,473	71,387	-	278,860	32,756
Total Noncurrent Liabilities	<u>229,322</u>	<u>13,644,193</u>	<u>-</u>	<u>13,873,515</u>	<u>44,054</u>
Total Liabilities	<u>587,898</u>	<u>13,920,974</u>	<u>9,067</u>	<u>14,517,939</u>	<u>380,798</u>
Net Assets					
Invested in capital assets, net of related debt	1,693,523	519,025	3,863,807	6,076,355	21,386
Unrestricted	1,242,498	(9,693,316)	185,847	(8,264,971)	1,497,157
Total Net Assets	<u>\$2,936,021</u>	<u>\$ (9,174,291)</u>	<u>\$ 4,049,654</u>	<u>\$ (2,188,616)</u>	<u>\$ 1,518,543</u>

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

COUNTY OF SISKIYOU, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental Activities
	STAGE	Sanitation	Aviation	Totals	Internal Service Funds
Operating Revenues					
Charges for services	\$ 207,674	\$ 2,116,546	\$ 17,386	\$ 2,341,606	\$ 3,724,256
Rental income	-	-	84,133	84,133	-
Other revenues	240,220	758	160	241,138	770,776
Total Operating Revenues	<u>447,894</u>	<u>2,117,304</u>	<u>101,679</u>	<u>2,666,877</u>	<u>4,495,032</u>
Operating Expenses					
Salaries and benefits	1,101,638	416,352	-	1,517,990	301,185
Services and supplies	702,750	962,949	107,834	1,773,533	4,091,176
Depreciation	297,289	33,035	725,994	1,056,318	4,313
Total Operating Expenses	<u>2,101,677</u>	<u>1,412,336</u>	<u>833,828</u>	<u>4,347,841</u>	<u>4,396,674</u>
Operating Income (Loss)	<u>(1,653,783)</u>	<u>704,968</u>	<u>(732,149)</u>	<u>(1,680,964)</u>	<u>98,358</u>
Non-Operating Revenue (Expenses)					
Interest income	6,340	23,959	273	30,572	11,325
Intergovernmental	1,964,888	36,596	265,481	2,266,965	767,541
Sale of fixed assets	724	-	-	724	-
Interest expense	-	(58,085)	-	(58,085)	-
Total Non-Operating Revenue (Expenses)	<u>1,971,952</u>	<u>2,470</u>	<u>265,754</u>	<u>2,240,176</u>	<u>778,866</u>
Income (Loss) Before Contributions and Transfers	318,169	707,438	(466,395)	559,212	877,224
Capital contributions	-	17,183	-	17,183	-
Transfers in	-	-	-	-	15,000
Transfers out	(12,473)	(5,183)	-	(17,656)	(19,430)
Change in Net Assets	<u>305,696</u>	<u>719,438</u>	<u>(466,395)</u>	<u>558,739</u>	<u>872,794</u>
Total Net Assets - Beginning	<u>2,630,325</u>	<u>(9,893,729)</u>	<u>4,516,049</u>	<u>(2,747,355)</u>	<u>645,749</u>
Total Net Assets - Ending	<u>\$ 2,936,021</u>	<u>\$ (9,174,291)</u>	<u>\$ 4,049,654</u>	<u>\$ (2,188,616)</u>	<u>\$ 1,518,543</u>

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

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COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2011

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>STAGE</u>	<u>Sanitation</u>	<u>Aviation</u>	<u>Totals</u>
Cash Flows from Operating Activities				
Receipts from customers	\$ 447,894	\$ 2,142,733	\$ 24,629	\$ 2,615,256
Payments to suppliers	(782,160)	(962,405)	(122,609)	(1,867,174)
Payments to employees	(1,021,319)	(394,042)	-	(1,415,361)
Net Cash Provided (Used) by Operating Activities	<u>(1,355,585)</u>	<u>786,286</u>	<u>(97,980)</u>	<u>(667,279)</u>
Cash Flows from Noncapital Financing Activities				
Intergovernmental revenue received	1,846,737	36,596	265,481	2,148,814
Transfers from other funds	-	-	-	-
Transfers to other funds	(12,473)	(5,183)	-	(17,656)
Interfund loans received	92,790	27,341	4,140	124,271
Interfund loans made	(37,782)	(31,296)	(36,955)	(106,033)
Interest expense	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,889,272</u>	<u>27,458</u>	<u>232,666</u>	<u>2,149,396</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(235,268)	(91,311)	(114,000)	(440,579)
Sale of capital assets	724	-	-	724
Principal paid on capital debt	-	(85,358)	-	(85,358)
Interest paid on capital debt	-	(58,866)	-	(58,866)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(234,544)</u>	<u>(235,535)</u>	<u>(114,000)</u>	<u>(584,079)</u>
Cash Flows from Investing Activities				
Interest and dividends	<u>1,735</u>	<u>18,540</u>	<u>54</u>	<u>20,329</u>
Net Cash Provided (Used) by Investing Activities	<u>1,735</u>	<u>18,540</u>	<u>54</u>	<u>20,329</u>
Net Increase (Decrease) in Cash in Cash Equivalents	300,878	596,749	20,740	918,367
Balances - Beginning of year	<u>1,171,231</u>	<u>3,524,970</u>	<u>96,412</u>	<u>4,792,613</u>
Balances - End of year	<u>\$ 1,472,109</u>	<u>\$ 4,121,719</u>	<u>\$ 117,152</u>	<u>\$ 5,710,980</u>

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

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			
	STAGE	Sanitation	Aviation	Totals
Reconciliation of Operating Income (Loss) to Net Cash				
Provided (Used) by Operating Activities				
Operating income (loss)	\$ (1,653,783)	\$ 704,968	\$ (732,149)	\$ (1,680,964)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	297,289	33,035	725,994	1,056,318
Decrease (increase) in:				-
Accounts receivable	-	3,875,429	(77,050)	3,798,379
Inventory	(17,106)	-	-	(17,106)
Net OPEB Asset	-	-	-	-
Increase (decrease) in:				
Accounts payable	(62,304)	(39,218)	(14,775)	(116,297)
Accrued salaries and benefits	8,260	7,579	-	15,839
Unearned revenue	-	(3,850,000)	-	(3,850,000)
Closure/Postclosure liability	-	39,762	-	39,762
Compensate absences payable	6,141	(7,599)	-	(1,458)
Estimated claims liability	-	-	-	-
Net OPEB obligation	65,918	22,330	-	88,248
	<u>\$ (1,355,585)</u>	<u>\$ 786,286</u>	<u>\$ (97,980)</u>	<u>\$ (667,279)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,355,585)</u>	<u>\$ 786,286</u>	<u>\$ (97,980)</u>	<u>\$ (667,279)</u>

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

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2011

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Cash Flows from Operating Activities	
Receipts from customers	\$ 4,560,322
Payments to suppliers	(4,069,397)
Payments to employees	(297,855)
	<hr/>
Net Cash Provided (Used) by Operating Activities	193,070
	<hr/>
Cash Flows from Noncapital Financing Activities	
Intergovernmental revenue received	767,541
Transfers from other funds	(56,148)
Transfers to other funds	(776,859)
Interfund loans received	-
Interfund loans made	-
Interest expense	(12,320)
	<hr/>
Net Cash Provided (Used) by Noncapital Financing Activities	(77,786)
	<hr/>
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(6,654)
Sale of capital assets	-
Principal paid on capital debt	-
Interest paid on capital debt	-
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,654)
	<hr/>
Cash Flows from Investing Activities	
Interest and dividends	18,539
	<hr/>
Net Cash Provided (Used) by Investing Activities	18,539
	<hr/>
Net Increase (Decrease) in Cash in Cash Equivalents	127,169
Balances - Beginning of year	1,587,393
	<hr/>
Balances - End of year	\$ 1,714,562
	<hr/> <hr/>

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

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2011

	<u>Governmental Activities</u>
	<u>Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	\$ 98,358
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	4,313
Decrease (increase) in:	
Accounts receivable	65,290
Inventory	121
Net OPEB Asset	(1,233)
Increase (decrease) in:	
Accounts payable	21,658
Accrued salaries and benefits	1,896
Unearned revenue	-
Closure/Postclosure liability	-
Compensate absences payable	2,601
Estimated claims liability	(15,430)
Net OPEB obligation	<u>15,496</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 193,070</u></u>

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

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Changes in Fiduciary Net Assets Fiduciary Funds June 30, 2011

	Investment Trust Funds
Additions	
Contributions:	
Contributions to investment pool	\$ 188,125,280
Total Additions	<u>188,125,280</u>
Deductions	
Distributions from investment pool	<u>183,339,301</u>
Total Deductions	<u>183,339,301</u>
Change in Net Assets	4,785,979
Net Assets - Beginning	<u>34,586,547</u>
Net Assets - Ending	<u><u>\$ 39,372,526</u></u>

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

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***NOTES TO THE BASIC FINANCIAL
STATEMENTS***

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides various services on a countywide basis including law and justice, education, detention, social, health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, 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 (GASB) Statement No. 14.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board of Supervisors is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County. Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

For financial purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board of Supervisors. The financial statements of the individual component units may be obtained by writing to the County of Siskiyou Auditor-Controller's Office, 311 4th Street, Room 101, Yreka, CA 96097.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Reporting Entity (continued)

Component units that are blended into the reporting activity types of the County's report are presented below:

California Children and Families First

The California Children and Families First Commission were established by California Health and Safety Code 130100 and funding is delineated under Revenue and Taxation Code 301312 which is surtax placed on cigarettes. The Board of Supervisors appoints the Board of Commissioners, and also occupied a majority of commissioner positions. Therefore, the activities of the Commission are blended with the primary government.

Flood Control and Water Conservation District

The Flood Control and Water Conservation District was established to provide for flood control and water conservation in the County. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the District are blended with the primary government.

Air Pollution Control District

The Air Pollution Control District was established to provide better air quality to residents. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the District are blended with the primary government.

Local Transportation Administration

The Local Transportation Administration was established to provide local transportation services to County residents. The Board of Supervisors appoints the Administration's Board and also occupied two positions. Therefore, the activities of the Administration are blended with the primary government.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Reporting Entity (continued)

Regional Transportation Planning

The Regional Transportation Planning was established to provide regional transportation planning to County residents. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the entity are blended with the primary government.

County Service Areas #3, #4 and #5

These County Service Areas were established to provide County services. The District's Board of Directors is composed of the same members as the County's Board of Supervisors. Therefore, the activities of the Districts are blended with the primary government.

Siskiyou Power Authority

The Siskiyou Power Authority is a joint powers authority formed by the County of Siskiyou and the Siskiyou County Flood Control and Water Conservation District (discussed above) and was established to operate the Box Canyon Dam. As the County's Board of Supervisors also sits as the Board of Directors of the Siskiyou Power Authority, the activities of the Authority are blended with the primary government.

Basis of Presentation

Government-Wide Financial Statements

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the County's business-type activities and each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Indirect costs are not allocated in the statement of activities and instead are included in the general government function. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements (continued)

The County reports the following major governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and welfare, public assistance, education, and recreation services.
- The Road Fund is a special revenue fund used to account for revenues and expenditures for streets and road maintenance and expansion.
- The Human Services Fund is a special revenue fund used to account for revenues and expenditures for social welfare.
- The Public Health Fund is a special revenue fund used to account for revenues and expenditures for public health services.
- Behavioral Health Services Fund is a special revenue fund used to account for revenues and expenditures for behavioral health programs.

The County reports the following major proprietary funds:

- The STAGE Fund is an enterprise fund used to account for activity related to providing county residents with public transportation services.
- The Sanitation Fund is an enterprise fund used to account for activity related to providing customers with sanitation facilities and services.
- The Aviation Fund is an enterprise fund used to account for activity related to providing customers with airport facilities and services.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements (continued)

The County reports the following additional fund types:

- Internal Service Funds account for the County's fleet maintenance, communications, self lease, and self insurance programs which provide services to other departments on a cost reimbursement basis.
- The Investment Trust Funds account for the assets of legally separate entities that deposit cash with the County Treasurer. The assets of these funds are held in trust for other agencies and are part of the County's external pool. Agencies with funds in the County's external pool include entities such as schools and community colleges, special districts governed by local boards, regional boards and authorities, and pass through funds for tax collections for cities. The County is obligated to disburse monies from the funds on demand.
- Agency funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the County, acting in the capacity of an agent for distribution to other governmental units or other organizations.

Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales 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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (continued)

donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Private sector standards of accounting and financial reporting issued on or before November 30, 1989 are generally followed in both the government-wide financial statements for the business-type activities and the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following private-sector accounting standards issued after November 30, 1989 for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow private-sector accounting standards issued after November 30, 1989.

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. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues reported in the governmental funds to be available if they are collected within forty-five days after the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. Governmental capital assets acquisitions are reported as capital outlay expenditures in the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (continued)

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

Cash and Cash Equivalents

For purposes of the accompanying statements of cash flows, the County considers 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.

Cash and Investments

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. State statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Interest income earned in agency funds where there are no interest earnings requirements are assigned to the General Fund per County Policy. Income from non-pooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

Investment transactions are recorded on the trade date. Investments are reported at fair value (or cost if it approximates fair value). The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate notes are valued by the safekeeping institution based on quoted market prices. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (continued)

Each participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every quarter. This method differs from the fair value method used to value investments in these financial statements, as unrealized gains or losses are not apportioned to pool participants. During the fiscal year ended June 30, 2011, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

Receivables

In the government-wide and proprietary fund financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes, grants, interest, and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interfund Transactions

Interfund transactions are reflected as loans; services provided or used, reimbursements, or transfers.

Interfund loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions (continued)

subject to elimination upon consolidation in the government-wide Statement of Net Assets. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities. However, internal service funds strive to provide their services at cost, and their revenues and expenditures are eliminated in the government-wide Statement of Activities to prevent grossing up of these items.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.

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

See Note 3 for details of interfund transactions, including receivables and payables at year end.

Inventory and Prepaid Costs

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory and Prepaid Costs (continued)

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid costs.

Loans Receivable

For the purpose of the fund financial statements, special revenue fund expenditures relating to long-term loans receivable arising from mortgage subsidy programs are charged to operations upon funding and the loans receivable balances are recorded offset by deferred revenue. The balance of the long-term loans receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

Capital Assets

The accounting treatment over property, plant, equipment, and infrastructure (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, property, plant, equipment, and infrastructure are accounted for as capital assets in the Governmental or Business-type activities column. Capital assets which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks and similar items) are defined by the County as an asset with a cost greater than \$2,500 and a useful life of more than five years. Such assets are recorded at historical or estimated historical cost. Contributed capital assets are recorded at estimated fair market value at the date of donation.

Infrastructure assets, including bridges and roads, have been stated at estimated historical cost. Estimated historical cost for bridges was arrived at by developing a listing of all bridges within the County. Using the year constructed, width, and length of the bridges, the estimated historical cost was calculated. Estimated historical cost for roads was arrived at by developing a list of all roads located within the County. Each road was identified by type, paved/flat, paved/hillside, and graveled. The current cost assigned to

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

each road was factored back to the year of construction using the federal-aid highway construction factors to arrive at an estimated historical cost for each road. Contributed capital assets are recorded at estimated fair market value at the date of donation.

Land, construction in progress, and software that is maintained by annual maintenance costs are not depreciated. Because the annual maintenance costs for software allows it to remain current, its useful life is considered indefinite.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3-25 years
Structures and improvements	5-50 years
Infrastructure	20-75 years

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

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide financial statements.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenue/Deferred Revenue

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets are offset by a corresponding liability for unearned revenue. In addition, loans receivable for which repayment is deferred or for which the balance may be forgiven if certain terms and conditions of the loans are met have also been offset by unearned revenue.

Deferred revenue is recorded under the modified accrual basis of accounting when revenue which has been earned during the current period has met the measurable criteria but has not met the available criteria.

See Note 3 for details of unearned/deferred revenues at year end.

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. The long-term debt consists primarily of loans, capital leases, closure/post-closure liability, accrued compensated absences, bonds, and OPEB obligation.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. Long-term debt associated with proprietary fund operations is accounted for in the same manner as in the government-wide statements.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation leave. In the government-wide financial statements, accrued compensated absences are recorded as an expense and related liability, with the current portion estimated based

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (continued)

on historical trends. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds accrued compensated absences are recorded as an expense and related liability in the year earned. The County includes its share of social security and Medicare taxes payable on behalf of the employees in the accrual for compensated absences.

Other Postemployment Benefits (OPEB)

The County of Siskiyou sponsors, under a defined benefit plan, a retiree healthcare plan to qualifying employees retiring directly from the County. The benefit level is determined by date of hire, length of service and bargaining unit. The County has contracted for medical coverage to be provided through an agent multiple-employer CalPERS Healthcare (PEMHCA) plan.

Net Assets

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

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net assets – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (continued)

- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2011, fund balances for governmental funds are made up of the following:

- Nonspendable fund balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted fund balance - includes amounts that can be spent for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed fund balance - includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, the County’s Board of Supervisors. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- Assigned fund balance - comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the County’s Board of Supervisors or (b) a body (for example: a budget or finance committee) or official to which the County’s Board of Supervisors has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned fund balance - is the residual classification for the General Fund and

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (continued)

includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, that fund would report a negative unassigned fund balance.

The fund balances for all major and nonmajor governmental funds as of June 30, 2011, were distributed as follows:

	General Fund	Road Fund	Human Services	Public Health	Behavioral Health Services	Nonmajor Funds	Total
Nonspendable							
Inventory	\$ 92,242	\$ 775,640	\$ -	\$ -	\$ -	\$ -	\$ 867,882
Subtotal	92,242	775,640	-	-	-	-	867,882
Restricted for:							
General government	2,273					735,319	737,592
Recreation & culture						9,507	9,507
Public protection	461,191					2,733,923	3,195,114
Health & sanitation				294,260	4,229,524	419,642	4,943,426
Public assistance			27,824			4,129,318	4,157,142
Education						445	445
Public ways & facilities		1,823,797					1,823,797
Subtotal	463,464	1,823,797	27,824	294,260	4,229,524	8,028,154	14,867,023
Committed to:							
General government	68,267						68,267
Public protection	88,779					37,487	126,266
Health & sanitation				232,391	11,300	151	243,842
Public assistance			1,550				1,550
Education						52,290	52,290
Public ways & facilities		5,225					5,225
Subtotal	157,046	5,225	1,550	232,391	11,300	89,928	497,440
Assigned to:							
General government						922,352	922,352
Debt service						793,298	793,298
Public protection						5,479,767	5,479,767
Health & sanitation					1,416,638	512,960	1,929,598
Public assistance			1,057,521			-	1,057,521
Public ways & facilities		12,140,286				41,041	12,181,327
Subtotal	-	12,140,286	1,057,521	-	1,416,638	7,749,418	22,363,863
Unassigned	1,355,900	-	-	(685,236)	-	(340,085)	330,579
Total	\$ 2,068,652	\$ 14,744,948	1,086,895	\$ (158,585)	\$ 5,657,462	\$ 15,527,415	\$ 38,926,787

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (continued)

The Board of Supervisors establishes fund balance commitments by passage of an ordinance or resolution or through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

The County considers restricted fund balance to be spent before unrestricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed, assigned, and then unassigned amounts, in that order, will be spent when an expenditure is incurred for a purpose for which amounts in any of those unrestricted fund balance classifications could be used.

Property Tax

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

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (continued)

The County of Siskiyou assesses properties and bills for and collects property taxes as follows:

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

On the government-wide financial statements, property tax revenues are recognized in the fiscal year for which they are levied. On the fund financial statements property tax revenues are recognized in the fiscal year for which they are levied provided they are due and collected within sixty days after fiscal year end.

The County of Siskiyou apportions secured property tax revenue in accordance with the alternate method of distribution, the "Teeter Plan", as prescribed by Section 4717 of the California Revenue and Taxation code. Under the Teeter Plan, penalties and interest collected on delinquent secured taxes are required to be held in trust in the Tax Loss Reserve Fund (TLRF). The primary purpose of TLRF is to cover losses that may occur as a result of special sales of tax-defaulted property.

The County is legally required to maintain a minimum balance of 1 percent of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$438,484 at June 30, 2011. The County's management believes that any ownership rights to the TLRF the County may have are effective only upon an Auditor-Controller approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County's apportionment methodology and accounted for in an agency fund.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 1. FINANCIAL REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures/Expenses (continued)

Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptibility to accrual criteria is met. Cash received prior to incurrence of the related expenditure is recorded as unearned revenue.

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Government Funds – By Character

 Current (further classified by function)

 Debt Service

 Capital Outlay

Proprietary Fund – By Operating and Non operating

Estimates

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Restatement of Fund Balances/Net Assets

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

During the current year, prior period adjustments were made to reflect corrections to capital asset balances, an increased estimate of the Medi-Cal settlement liability related to Behavioral Health, Human Services revenues that had been earned in prior years, the recognition of accrued interest payable, and the elimination of offsetting deferred revenue for loans receivable balances in accordance with GASB Statement 54.

The impact of the restatements on beginning net assets and fund balances reported in the financial statements is described below:

	Governmental Activities	Human Services Fund	Other Governmental Funds
Net Assets/Fund Balances, June 30, 2011, as previously reported	\$ 98,110,892	\$ (82,596)	\$ 10,565,008
Adjustments to capital asset balances	(99,415)	-	-
Increased estimate for Behavioral Health repayment liability	(3,057,066)	-	-
Prior year Human Services revenues	804,485	804,485	-
Accrued interest	(102,902)	-	-
Elimination of deferred revenue related to loans receivable	2,965,441	-	2,965,441
Net Assets/Fund Balances, June 30, 2011, as restated	<u>\$ 98,621,435</u>	<u>\$ 721,889</u>	<u>\$ 13,530,449</u>

The estimated impact of the restatements on the change in net assets/fund balances for the previous fiscal year is detailed below. Some of the items would have had no impact on the prior year change in net assets/fund balances because they related to periods preceding the prior year.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Balance/Net Assets (continued)

	Governmental Activities	Human Services Fund	Other Governmental Funds
Change in Net Assets/Fund Balances for the year ended June 30, 2010, as previously reported	\$ 8,181,745	\$ (512,574)	\$ (334,617)
Adjustments to capital asset balances	-	-	-
Increased estimate for Behavioral Health repayment liability	(2,636,397)	-	-
Prior year Human Services revenues	-	-	-
Accrued interest	2,000	-	-
Elimination of deferred revenue related to loans receivable	95,496	-	95,496
Change in Net Assets/Fund Balances for the year ended June 30, 2010, as restated	<u>\$ 5,642,844</u>	<u>\$ (512,574)</u>	<u>\$ (239,121)</u>

Deficit Fund Balance/Net Assets

The following major governmental fund had a deficit fund balance:

- The Public Health fund had a deficit fund balance that is expected to be eliminated through reducing future expenditures and through more timely receipt of funding reimbursements.

The following nonmajor governmental funds had deficit fund balances:

- The Inmate Health Program fund had a deficit fund balance that is expected to be eliminated in the future through cost containment and future reimbursements.
- The EDEF Grants fund had a deficit fund balance that was eliminated in a subsequent period by the receipt of grant funding reimbursements.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Balance/Net Assets (continued)

- The Lake Siskiyou Trail Project fund had a fund balance deficit of that is expected to be eliminated through timely receipt of grant funding reimbursements.
- The Regional Transportation Planning fund had a deficit fund balance that was eliminated by the 4th quarter reimbursement in FY 11/12.
- The Wagon Creek Bridge ARRA fund had a deficit fund balance due to a fair market value adjustment.

The following major enterprise fund had deficit net assets:

- The Sanitation fund had a net asset deficit that is expected to be eliminated in future years through increased user charges and retirement of closure/post closure liability.

The following internal service funds had deficit net asset balances:

- The Fuel Services fund had a net asset deficit that is expected to be eliminated in the future through increased cost allocations.
- The Unemployment fund had a net asset deficit that is expected to be eliminated in the future through increased cost allocations.

Rebatable Arbitrage

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Gann Spending Limitation

Under Article XIII-B of the California Constitution (the Gann Spending Limitation), the County is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements.

NOTE 3. DETAILED NOTES

Cash and Investments

Cash and investments for most County activities are included in an investment pool. The investment pool includes both voluntary and involuntary participation from external entities. Deposits from involuntary participants (those external participants who are legally required to keep their cash in the County Treasury) make up an estimated 43% of the County Treasurer's Pool. Entities required to keep their cash in the County Treasury include school districts and some special districts.

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.

As of June 30, 2011, the County's cash, deposits and investments were as follows:

	Pooled	Other	Total
Imprest cash and cash on hand	\$ 8,432	\$ 67,850	\$ 76,282
Deposit with financial institutions	2,702,709	603,074	3,305,783
Outstanding warrants and wires	(5,084,285)	-	(5,084,285)
Investments	86,165,463	-	86,165,463
Totals	<u>\$ 83,792,319</u>	<u>\$ 670,924</u>	<u>\$ 84,463,243</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Cash and Investments (continued)

As of June 30, 2011, the County's cash and investments consisted of the following:

Primary government		
Unrestricted	\$	42,217,415
Restricted		1,054,164
Investment trust funds		39,395,339
Agency funds		1,796,325
Total cash and investments	\$	<u><u>84,463,243</u></u>

As of June 30, 2011, the County had the following investments:

	Interest Rates	Maturities	Par Value	Book Value	Fair Value	Weighed Average Maturity (Years)
Investments in Investment Pool						
Federal Agency Obligations	1.7% - 4.875%	12/08/2011 - 06/22/2016	\$ 30,300,000	\$ 30,320,863	\$ 30,604,477	3.64
Local Agency Investment Fund (LAIF)	Variable	On Demand	50,000,000	50,000,000	50,078,824	-
California Asset Management Program (CAMP)	Variable	On Demand	5,132,162	5,132,162	5,132,162	-
Money Market Mutual Funds	Variable	On Demand	350,000	350,000	350,000	-
Total Investment Pool			<u><u>\$ 85,782,162</u></u>	<u><u>\$ 85,803,025</u></u>	<u><u>\$ 86,165,463</u></u>	<u><u>1.29</u></u>

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Cash and Investments (continued)

Investments (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	50%	15%
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	50%	15%
U.S. agency securities	5 years	None	None
Banker's acceptances	180 days	40%	15%
Commercial paper	270 days	40%	10%
Negotiable CDs/CD placement service	5 years	30%	15%
Repurchase agreements	1 years	50%	15%
Reverse repurchase agreements	92 days	20%	15%
Medium term notes	5 years	30%	15%
Mutual/money market funds	5 years *	20%	10%
Collateralized bank deposits	5 years	50%	15%
Mortgage pass-through securities	5 years	20%	15%
Time deposits	2 years	50%	15%
Local Agency Investment Fund (LAIF)	5 years *	None	None

* The five year maximum maturity can be extended by the Board of Supervisors. Also, the maximum maturity can be extended if the funds are reserved for bond, COP or note payments to coincide with the required repayments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates is. One of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The County limits its exposure to interest rate risk inherent in its portfolio by managing the investment maturities, the weighted average maturity of its portfolio, as well as limiting the weighted average maturity to two years or less.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Cash and Investments (continued)

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County Treasurer mitigates these risks by holding a diversified portfolio of high quality investments. The adopted investment policy contains specific limitations on investments by credit quality, maturity length and the maximum allocation by asset class. In all instances, the adopted investment policy is equal to or more restrictive than applicable codified statutes.

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, 2011.

Investment at June 30, 2011	Moody's	Standard & Poor's	% of Portfolio
Federal Agency Obligations	Aaa - AAA	AAA *	35.52%
Money Market Mutual Funds	Not rated	Not rated	0.41%
California Local Agency Investment Fund	Not rated	Not rated	58.11%
California Asset Management Fund	AAA	Not rated	5.96%
 Total			 <u>100.00%</u>

* Standard and Poor's downgraded eight of the securities held by the County from AAA to AA+ shortly after June 30, 2011.

As of the year ended June 30, 2011, obligations of the following Federal Agency issuers were more than 5% of the County's pooled investments:

Investment Issuer	Percentage of Pooled Investments
Federal Farm Credit Bank	7.07%
Federal Home Loan Bank	10.96%
Federal National Mortgage Association	5.97%
Federal Home Loan Mortgage Association	11.58%

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Cash and Investments (continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that the County will not be able to recover the invested securities that are in the possession of an outside party. The County's investment policy requires the use of a safekeeping agent to mitigate custodial risk. Securities are invested on a "Delivery vs. Payment" basis using the custodian agent. In no case does the County engage in securities purchases that are held in broker or dealer accounts. At June 30, 2011, the County's investment pool had no securities exposed to custodial risk.

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF). LAIF is part of the Pooled Money Investment Account (PMIA), an investment pool consisting of funds held by the state in addition to those deposited in LAIF. All PMIA funds are managed by the Investment Division of the State Treasurer's Office. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2011, the County's investment position in LAIF was \$50,078,824, which is the fair value of the pool shares. The total amount invested by all public agencies in PMIA on that day was 66.4 billion. Of that amount, 5.01% was invested in structured notes and asset-backed securities with the remaining 94.99% invested in other nonderivative financial products.

California Asset Management Program Joint Powers Authority Pool

The County Treasurer's Pool maintains an investment in the California Asset Management Program Joint Powers Authority Pool (CAMP). CAMP is not registered with the Securities and Exchange Commission as an investment company, but is overseen by

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Cash and Investments (continued)

a Board of Trustees composed of officials of the public agencies that participate in CAMP. CAMP's investments are limited to those permitted by Government Code Section 53601. The fair value of the County's position in the pool is approximately the same as the value of the pool shares.

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, 2011:

Statement of net assets

Net assets held for pool participants	\$ <u>83,792,319</u>
Equity of internal pool participants	42,710,655
Equity of external pool participants	<u>41,081,664</u>
Total net assets	<u>\$ 83,792,319</u>

Statements of changes in net assets

Net investment earnings	1,272,869
Investment expenses	(188,250)
Net contribution from pool participants	<u>8,677,430</u>
Change in net assets	<u>9,762,049</u>
Net assets at July 1, 2010	<u>74,030,270</u>
Net assets at June 30, 2011	<u>\$ 83,792,319</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Cash and Investments (continued)

Restricted Cash and Investments

The County reports restricted cash and investments of \$561,290 held to fund closure and post-closure costs of the Yreka landfill and restricted cash and investments of \$66,667 to fund post-closure costs of the County's twelve closed landfills in the Sanitation enterprise fund.

In addition, the County reflects cash and investments held in safekeeping for planning deposits payable as restricted cash of \$426,207 in the General Fund.

Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

	Balance July 1, 2010	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2011
Governmental Activities					
Capital Assets, Not Being Depreciated					
Land	\$ 4,414,244	\$ 5,685	\$ -	\$ -	\$ 4,419,929
Construction in progress	1,994,812	2,502,879	-	(2,591,904)	1,905,787
Software	1,679,591	152,343	-	-	1,831,934
Total Capital Assets, Not Being Depreciated	8,088,647	2,660,907	-	(2,591,904)	8,157,650
Capital Assets, Being Depreciated					
Buildings and improvements	28,350,071	-	-	31,531	28,381,602
Equipment	29,617,057	466,107	(1,417,277)	714,172	29,380,059
Infrastructure	166,462,557	2,495,321	-	2,591,904	171,549,782
Total Capital Assets, Being Depreciated	224,429,685	2,961,428	(1,417,277)	3,337,607	229,311,443
Less Accumulated Depreciation For:					
Buildings and improvements	(8,483,535)	(504,167)	-	-	(8,987,702)
Equipment	(24,802,663)	(1,383,425)	1,376,370	(712,849)	(25,522,567)
Infrastructure	(100,945,989)	(5,362,002)	-	(149,452)	(106,457,443)
Total Accumulated Depreciation	(134,232,187)	(7,249,594)	1,376,370	(862,301)	(140,967,712)
Total Capital Assets, Being Depreciated, Net	90,197,498	(4,288,166)	(40,907)	2,475,306	88,343,731
Governmental Activities Capital Assets, Net	\$ 98,286,145	\$ (1,627,259)	\$ (40,907)	\$ (116,598)	\$ 96,501,381

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Capital Assets (continued)

	Balance July 1, 2010	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2011
Business-Type Activities					
Capital Assets, Not Being Depreciated					
Land	\$ 315,038	\$ 45,149	\$ -	\$ -	\$ 360,187
Construction in progress	263,408	160,163	-	-	423,571
Total Capital Assets, Not Being Depreciated	<u>578,446</u>	<u>205,312</u>	<u>-</u>	<u>-</u>	<u>783,758</u>
Capital Assets, Being Depreciated					
Structures and improvements	2,587,558	-	-	-	2,587,558
Equipment	4,362,367	234,869	(650,631)	34,999	3,981,604
Infrastructure	11,196,185	-	-	-	11,196,185
Total Capital Assets, Being Depreciated	<u>18,146,110</u>	<u>234,869</u>	<u>(650,631)</u>	<u>34,999</u>	<u>17,765,347</u>
Less Accumulated Depreciation For:					
Structures and improvements	(2,490,461)	(2,756)	-	-	(2,493,217)
Equipment	(2,499,919)	(328,706)	650,631	(17,418)	(2,195,412)
Infrastructure	(7,059,265)	(724,856)	-	-	(7,784,121)
Total Accumulated Depreciation	<u>(12,049,645)</u>	<u>(1,056,318)</u>	<u>650,631</u>	<u>(17,418)</u>	<u>(12,472,750)</u>
Total Capital Assets, Being Depreciated, Net	6,096,465	(821,449)	-	17,581	5,292,597
Business-Type Activities Capital Assets, Net	<u>\$ 6,674,911</u>	<u>\$ (616,137)</u>	<u>\$ -</u>	<u>\$ 17,581</u>	<u>\$ 6,076,355</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 312,251
Public protection	738,259
Health and welfare	347,565
Public Assistance	95,004
Education	6,163
Public ways and facilities	5,746,039
Subtotal governmental funds	<u>7,245,281</u>
Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	4,313
Total Depreciation Expense-Governmental Functions	<u>\$ 7,249,594</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Capital Assets (continued)

Depreciation (continued)

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

STAGE	\$	297,289
Sanitation		33,035
Aviation		725,994
Total Depreciation Expense- Business-Type Functions	\$	<u>1,056,318</u>

Construction in Progress

Construction in progress for governmental activities related primarily to work performed on Wagon Creek Bridge, Ash Creek Bridge, Canyon Creek Bridge, McKinney Creek Bridge, a bridge enhancement project, and Lake Siskiyou Trail. Construction in progress for business-type activities related primarily to work performed on the Weed Airport project.

Collections

Collections of art and historical treasures meet the definition of a capital asset and normally should be reported in the financial statements. However, the requirement for capitalization is waived for collections that meet certain criteria. The County has collections of historical treasures that are not capitalized as they meet all of the waiver requirements which are: (1) the collections are held solely for public exhibition, (2) the collections are protected, preserved and cared for, and (3) should any items be sold, the proceeds are used only to acquire other items for the collections. The County's gold is displayed on public property and in buildings throughout the County. The County's historical artifacts are displayed in various museums, forts, mansions, and other public buildings throughout the County. As noted in the subsequent events section, a significant theft of the County's gold occurred on February 1, 2012.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Deferred/Unearned Revenue

At June 30, 2011, the components of unearned revenue were reported as follows:

	<u>Unearned</u>
General Fund	
2011/2012 payments in lieu of tax revenue received in 2010/2011	\$ 843,905
Receivables received after accrual period	324,051
Human Services	
Advances from California Department of Social Services	19,977
Receivables received after accrual period	652,433
Public Health	
Receivables received after accrual period	228,844
Behavioral Health Services	
Receivables received after accrual period	1,443,491
Road Fund	
Receivables received after accrual period	43,285
Total Unearned/Deferred Revenue	<u>\$ 3,555,986</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Retirements	Adjustments	Balance June 30, 2011	Amount Due within One Year
Governmental Activities						
Revenue Bonds	\$ 190,900	\$ -	\$ 2,800	\$ -	\$ 188,100	\$ 2,900
Pension Obligation Bonds	16,255,000	-	160,000	-	16,095,000	190,000
Less underwriter discount:	(44,999)	-	1,667	-	(43,332)	(1,667)
Pension Obligation Bonds, Net	<u>16,210,001</u>	<u>-</u>	<u>158,333</u>	<u>-</u>	<u>16,051,668</u>	<u>188,333</u>
Loans	1,783,704		47,526	-	1,736,178	49,057
Capital Leases (Note 3G)	55,967	16,574	58,257	37	14,321	3,825
Compensated Absences (Note 1M)	3,070,918	1,325,603	1,434,612	-	2,961,909	1,021,801
Net OPEB Obligation(Note 5)	5,533,439	3,936,605	688,514	-	8,781,530	-
Behavioral Health Repayment Liability	8,291,000	-	-	3,057,066	11,348,066	-
Total Governmental Activities	<u>\$ 35,135,929</u>	<u>\$ 5,278,782</u>	<u>\$ 2,390,042</u>	<u>\$ 3,057,103</u>	<u>\$ 41,081,772</u>	<u>\$ 1,265,916</u>

	Balance July 1, 2010	Additions	Retirements	Adjustments	Balance June 30, 2011	Amount Due within One Year
Business-Type Activities						
Loans	\$ 1,881,894	\$ -	\$ 85,358	\$ -	\$ 1,796,536	\$ 87,178
Closure/Post Closure(Note 3H)	11,853,407	99,420	59,658	-	11,893,169	59,658
Compensated Absences(Note 1M)	84,196	32,903	34,361	-	82,738	30,952
Net OPEB Obligation(Note 5)	190,612	100,395	12,147	-	278,860	
Total Business-Type Activities	<u>\$ 14,010,109</u>	<u>\$ 232,718</u>	<u>\$ 191,524</u>	<u>\$ -</u>	<u>\$ 14,051,303</u>	<u>\$ 177,788</u>

The Behavioral Health repayment liability is the estimated amount to be repaid to the state in connection with the state's audit of the County's behavioral health programs that operated between July 1, 2006 and June 30, 2010. Negotiations with the state are ongoing regarding this matter and a repayment schedule has not been set. The liability is expected to be liquidated by the Behavioral Health Services fund.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Long-Term Liabilities (continued)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. Estimated claims are liquidated by charges for services collected through individual internal service funds. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

The net revenues of the Sanitation enterprise fund are pledged to repay the California Integrated Waste Management Board loan payable.

COUNTY OF SISKIYOU, CALIFORNIA

**Notes to the Basic Financial Statements
For the Year Ended June 30, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
At June 30, 2011, Revenue Bonds consisted of the following:		
 Carrick Water - CSA Revenue Bonds, payable in annual installments of \$2,184 to \$10,000, with an interest rate of 4.50% and maturity on September 2, 2041. Bond proceeds were used to finance construction of the wastewater collection and treatment system.	\$ 188,100	\$ -
Total Revenue Bonds	<u>\$ 188,100</u>	<u>\$ -</u>
At June 30, 2011, Pension Obligation Bonds consisted of the following: County of Siskiyou Taxable Pension Obligation Bonds Series 2007, dated September 7, 2007, issued in the amount of \$16,620,000, payable in annual installments of \$100,000 to \$1,115,000, with an interest rate of 6.1% and maturity on June 1, 2037. The bonds were used to advance pay miscellaneous and safety employee pension obligations.	\$ 16,095,000	\$ -
Total Pension Obligation Bonds	<u>\$ 16,095,000</u>	<u>\$ -</u>
At June 30, 2011, Loans consisted of the following:		
 California Infrastructure and Economic Development Bank Loan, dated January 1, 2005, payable in annual installments of \$40,562 to \$101,687, with an interest rate of 3.22% and maturity on August 1, 2034. Loan proceeds were used to finance the construction of a 40-bed juvenile detention hall.	\$ 1,736,178	\$ -
 California Infrastructure and Economic Development Bank Loan, dated December 1, 2002, payable in annual installments of \$40,891 to \$107,141, with an interest rate of 3.50% and maturity on February 1, 2032. Loan proceeds were used to finance closure/post-closure cost.	-	1,629,870
 California Integrated Waste Management Board loan, dated February 1, 2001, payable in annual installments of \$33,333, with an interest rate of 0.00% and maturity on February 1, 2016. Loan proceeds were used to finance the State compliance improvement requirements for closure/postclosurecosts of Black Butte landfill site.	-	166,666
Total Loans	<u>\$ 1,736,178</u>	<u>\$ 1,796,536</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Long-Term Liabilities (continued)

The annual aggregate maturities for years subsequent to June 30, 2011, are as follows:

Revenue Bonds

Year Ended June 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2012	\$ 2,900	\$ 8,399	\$ -	\$ -	\$ 11,299
2013	3,000	8,267	-	-	11,267
2014	3,200	8,127	-	-	11,327
2015	3,300	7,981	-	-	11,281
2016	3,500	7,828	-	-	11,328
2017-2021	19,800	36,594	-	-	56,394
2022-2026	24,700	31,615	-	-	56,315
2027-2031	30,700	25,400	-	-	56,100
2032-2036	38,400	17,663	-	-	56,063
2037-2041	47,700	8,012	-	-	55,712
2042-2046	10,900	245	-	-	11,145
Total	\$ 188,100	\$ 160,131	\$ -	\$ -	\$ 348,231

Pension Obligation Bonds

Year Ended June 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2012	\$ 190,000	\$ 981,795	\$ -	\$ -	\$ 1,171,795
2013	225,000	970,205	-	-	1,195,205
2014	265,000	956,480	-	-	1,221,480
2015	305,000	940,315	-	-	1,245,315
2016	350,000	921,710	-	-	1,271,710
2017-2021	2,545,000	4,225,775	-	-	6,770,775
2022-2026	3,685,000	3,256,485	-	-	6,941,485
2027-2031	2,970,000	2,270,725	-	-	5,240,725
2032-2036	4,445,000	1,195,295	-	-	5,640,295
2037-2041	1,115,000	68,015	-	-	1,183,015
Total	\$ 16,095,000	\$ 15,786,800	\$ -	\$ -	\$ 31,881,800

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Long-Term Liabilities (continued)

Loans

Year Ended 30-Jun	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2012	\$ 49,057	\$ 55,115	\$ 87,178	\$ 57,046	\$ 248,396
2013	50,636	53,510	89,063	55,160	248,369
2014	52,267	51,853	91,013	53,210	248,343
2015	53,950	50,143	93,033	51,192	248,318
2016	55,687	48,378	95,122	49,102	248,289
2017-2021	373,864	213,359	342,937	211,518	1,141,678
2022-2026	370,710	159,880	407,302	147,152	1,085,044
2027-2031	434,363	97,219	483,747	70,710	1,086,039
2032-2036	295,644	25,489	107,141	3,750	432,024
Total	\$ 1,736,178	\$ 754,946	\$ 1,796,536	\$ 698,840	\$ 4,986,500

Leases

Operating Leases

The County leases office buildings and equipment under non-cancellable operating leases. Total cost for these leases was \$195,170 for the year ended June 30, 2011. The future minimum lease payments are as follows:

Year Ended June 30	Lease Obligations
2012	\$ 131,977
2013	30,848
Total	\$ 162,825

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Long-Term Liabilities (continued)

Leases (continued)

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30,2011</u>
Governmental Activities	4.65%-5.45%	\$ 14,321
Total		<u>\$ 14,321</u>

Equipment and related accumulated depreciation under capital lease are as follows:

	<u>Governmental Activities</u>
Equipment	\$ 21,025
Less: accumulated depreciation	4,802
Net Value	<u>\$ 25,827</u>

As of June 30, 2011, capital lease annual amortization is as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2012	\$ 3,825
2013	3,315
2014	3,315
2015	3,315
2016	551
Total requirements	<u>\$ 14,321</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Long-Term Liabilities (continued)

Closure/Post Closure

The County is responsible for one active landfill site and twelve closed landfill sites. State and Federal laws and regulations require the County to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure costs as an expense in each year based on landfill capacity used as of each balance sheet date. The \$11,893,169 reported as closure/post-closure liability at June 30, 2011, represents 100% of the total closure/post-closure care liability estimate for all landfills reduced by amortization of the liabilities related to landfills that are in the post-closure phase. None of the County's landfills are currently accepting new waste.

The County will recognize the remaining estimated cost of post-closure care of \$1,851,664 for the closed landfills over the remaining post-closure period. These amounts are based on what it would cost to perform all closure and post-closure care in 2011. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

The County is required by State and Federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and post-closure care costs in the future. At June 30, 2011, cash and investments of \$561,290 was held to fund closure and post-closure costs of the Yreka landfill and \$66,667 was held to fund post-closure costs of the County's twelve closed landfills. The County has adopted a pledge of revenue to fund ten of the closed sites. Although the County is not legally required by State or Federal laws to provide funding for its two landfill sites closed prior to 1991, the County has accepted final responsibility for these sites. The annual long term care funding requirements for these sites have not been estimated or accrued; however, management does not believe the annual costs are material to the County. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Closure/Post Closure (continued)

post-closure care requirements are determined (due to changes in technology applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

Interfund Transactions

Due To/From Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2011:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,010,819	\$ 479,996
Road	234,871	204,828
Human Services	185,341	102,618
Public Health	374,812	471,793
Behavioral Health Services	154,842	172,474
Aviation	-	4,140
STAGE	37,782	13,107
Sanitation Fund	31,296	27,341
Nonmajor Governmental Funds	288,668	698,741
Internal Service Funds	71,148	146,719
Investment Trust Fund*	-	22,813
Agency Fund*	-	45,009
Total	<u>\$ 2,389,579</u>	<u>\$ 2,389,579</u>

*These amounts are reclassified as due from external parties in the Government-Wide Statement of Net Assets.

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following are the interfund transfers for the fiscal year ended June 30, 2011:

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 3. DETAILED NOTES (CONTINUED)

Interfund Transactions (Continued)

	Transfer In	Transfer Out
General Fund	\$ 771,155	\$ 1,295,942
Road	11,241	99,782
Human Services	47,209	97,185
Public Health	365,366	290,627
Behavioral Health Services	8,924	150,177
STAGE	-	12,473
Sanitation Fund	-	5,183
Nonmajor Governmental Funds	2,356,059	1,604,155
Internal Service Funds	15,000	19,430
Government Activities*	-	17,183
Business-Type Activities*	17,183	-
Total	\$ 3,592,137	\$ 3,592,137

* Note: Capital Assets adjustment made on the Government-Wide Financial Statements only.

NOTE 4. EMPLOYEES' RETIREMENT PLAN

Plan Description

The County contributes to the miscellaneous plan of the County of Siskiyou and the safety plan of the County of Siskiyou (plans) which are part of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for governmental entities in the State of California. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by statute and by the County's contract with CalPERS. Copies of PERS' annual financial report may be obtained from their website at <http://www.calpers.ca.gov/>.

Funding Policy

Miscellaneous plan members are required to contribute 7 percent of their annual covered salary. Safety plan members are required to contribute 9 percent of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The County has committed to contribute all the required employee contributions. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 4. EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Funding Policy (continued)

The required employer contribution rate for fiscal year 2010/2011 was 10.696 percent for miscellaneous employees and 18.635 percent for safety employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS. The County is required to contribute the remaining amounts necessary to fund the benefits of its members using the actuarial basis adopted by the PERS Board of Administrators.

Annual Pension Cost

For fiscal year 2010/2011, the County's annual pension cost of \$2,589,196 for the miscellaneous plan and \$1,173,468 for the safety plan was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.25 percent to 14.45 percent for miscellaneous plan and 3.25 percent to 13.15 percent for safety plan, depending on age, service, and type of employment, (c) 3 percent inflation, (d) 3.25 percent payroll growth, and (e) individual salary growth based on a merit scale with assumed annual inflation of 3 percent and annual production growth of 0.25 percent.

The actuarial value of PERS assets was determined using techniques that smooth the effect of short term volatility in the market value of investments over a two to five year period depending on the size of the investment gains or losses.

The table below presents three-year trend information:

Miscellaneous:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 2,337,961	100%	\$ -
June 30, 2010	2,445,966	100%	-
June 30, 2011	2,589,196	100%	-

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 4. EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Annual Pension Cost (Continued)

Safety:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 1,204,344	100%	\$ -
June 30, 2010	1,126,860	100%	-
June 30, 2011	1,173,468	100%	-

Funded Status and Funding Progress

As of June 30, 2010 the most recent actuarial valuation date, the miscellaneous plan was 87.6 percent funded. The actuarial accrued liability for benefits was \$167,578,098, and the actuarial value of assets was \$146,724,514, resulting in an unfunded actuarial accrued liability (UAAL) of \$20,853,583. The covered payroll (annual payroll of active employees covered by the plan) was \$28,298,783, and the ratio of the UAAL to the covered payroll was 73.7 percent.

As of June 30, 2010 the most recent actuarial valuation date, the safety plan was 94.90 percent funded. The actuarial accrued liability for benefits was \$61,595,183, and the actuarial value of assets was \$58,434,239, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,160,944. The covered payroll (annual payroll of active employees covered by the plan) was \$6,610,716, and the ratio of the UAAL to the covered payroll was 47.8 percent.

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 5. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The County offers retiree health benefits through (CalPERS), a cost sharing multiple-employer defined benefit post employment healthcare plan administrator (“the Retiree Health Plan”). An employee is eligible for lifetime medical benefits under the Plan, along with his/her spouse at the time or retirement, if he or she retires from the County under CalPERS.

Funding Policy

As required by GASB 45, an actuary will determine the County’s Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the County’s funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County has elected not to establish an irrevocable trust at this time. The Board of Supervisors reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

Annual OPEB Cost and Net OPEB Obligation

The County’s annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year. The County is currently on a pay-as-you-go basis and has elected not to pre-fund at this time.

The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation to the Retiree Health Plan.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 5. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Annual OPEB Cost and Net OPEB Obligation (continued)

Annual Required Contribution	\$	4,133,000
Interest on Net OPEB Obligation		335,000
Amortization of Net OPEB Obligation		<u>(431,000)</u>
Annual OPEB Cost/Expense		4,037,000
Contributions Made		<u>700,661</u>
Increase in Net OPEB Obligation		3,336,339
Net OPEB Obligation Beginning		<u>5,724,051</u>
Net OPEB Obligation Ending	\$	<u><u>9,060,390</u></u>

The County's Annual OPEB Cost, the actual contributions, the percentage of Annual OPEB cost contributed to the plan, and the Net OPEB Obligation (Asset) for the fiscal years ended June 30, 2010 and June 30, 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation/(Asset)
June 30, 2010	\$ 3,580,000	\$ 561,865	15.69%	\$ 5,724,051
June 30, 2011	4,133,000	700,661	16.95%	9,060,390

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

Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$39,040,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$39,040,000. The covered payroll (annual payroll of employees covered by the plan) was \$30,529,775, and the ratio of the UAAL to the covered payroll was 127.9 percent.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

NOTE 5. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Annual OPEB Cost and Net OPEB Obligation (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information (as it becomes available) that shows 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 plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The most recent valuation was performed as of June 30, 2010. The assumptions used for this valuation are in accordance with the CalPERS "OPEB Assumption Model", which describes guidelines to be used for retiree healthcare valuations for plans intending to pre-fund benefits through California Employers' Retiree Benefit Trust (CERBT).

In the June 30, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 3% inflation factor, payroll increases of 3.25%, dental trend of 3.5% and assumed medical inflation of 9.7% graded down to 4.5% over 9 years. The OPEB plan's unfunded actuarial liability is being amortized by level percent of payroll contributions over 30 years. The remaining amortization period at June 30, 2011 was 27 years.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 6. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (internal service funds) to account for and finance its risk management programs. The County is self insured for unemployment and is covered by the County Supervisors Association of California (CSAC) Excess Insurance Authority for liability and workers' compensation. CSAC Excess Insurance Authority is a public entity risk pool currently operating as a common risk management and insurance program for Counties. Should actual loss among participants be greater than anticipated, the County will be assessed its prorata share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its prorata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

At June 30, 2011, the Unemployment Risk Management fund had a funding deficit of \$45,219. The claims liability of the County is based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to 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.

Actual claims liability at June 30, 2011 was as follows:

Unemployment	\$	60,568
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All funds of the County participate in the program and make payments to the risk management funds based on actuarial estimates of the amounts needed to pay prior and current year claims, insurance premiums, and to establish a reserve for catastrophic losses.

Changes in the County's claims liability amount for the fiscal years 2009, 2010, and 2011 were as follows:

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 6. RISK MANAGEMENT (CONTINUED)

Year Ended	Balance at Beginning of Fiscal Year	Current year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2009	\$ 22,202	\$ 135,705	\$ 146,207	\$ 11,700
2010	11,700	314,137	249,839	75,998
2011	75,998	425,599	441,029	60,568

The ultimate settlement of specific claims against the County cannot presently be determined and no provision for any other liability that may result has been made in the financial statements.

NOTE 7. OTHER INFORMATION

Contractual Commitments

The County has signed agreements to construct various capital improvement jobs and perform other work subsequent to June 30, 2011. The balance encumbered for work committed to but not yet performed as of June 30, 2011 was \$3,047,177.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial, except for the Behavioral Health Repayment liability displayed in the long-term liabilities section.

The Behavioral Health Repayment liability shown in the long-term liabilities section omits the estimated liability for cost settlements relating to the Early Periodic Screening Diagnosis, and Treatment (EPSDT) program for the 2009-2010 fiscal year. The amount for this program cannot be estimated at this time.

The County has recently received notice from the State of California of an unfavorable outcome on an audit performed by the State Controller's Office of the County's allocations of fines received during the period from July 1, 2003 through June 30, 2009.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements For the Year Ended June 30, 2011

NOTE 7. OTHER INFORMATION (continued)

Contingent Liabilities (continued)

The County is currently in negotiations with the state regarding the amount, if any, to be repaid. As the ultimate amount is not reasonably estimable at this time, no accrual has been recorded in the financial statements as of June 30, 2011.

The County is a party to various matters of pending litigation. The potential liability for these matters, excluding self-insurance claims and matters covered by indemnification agreements is approximately \$550,000, but because the losses are not considered probable, no accrual has been made on these financial statements.

Joint Agencies

The CSAC Excess Insurance Authority is a joint powers authority organized for the purpose to develop and fund excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty four member counties and seven members elected by the public entity membership.

Complete audited financial statements for CSAC Excess Insurance Authority can be obtained from the Authority's website at <http://www.csac-eia.org/>

Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. The County securitized this borrowing and received payment in full in fiscal year 2009-2010. The amount of this borrowing pertaining to the County was \$1,205,792.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to the Basic Financial Statements
For the Year Ended June 30, 2011

NOTE 7. OTHER INFORMATION (continued)

Subsequent Events

On February 1, 2012, several historic gold nuggets held for public display by the County were stolen. An investigation is ongoing, but the gold had not been recovered as of the date the financial statements were available to be issued. The gold was considered a historical treasure by the County and has not been reported as an asset on the financial statements as of June 30, 2011.

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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 11,761,000	\$ 11,740,000	\$ 12,038,349	\$ 298,349
Licenses and permits	785,980	785,980	887,669	101,689
Fines and forfeitures	1,748,866	1,758,866	1,791,586	32,720
Use of money and property	854,238	854,238	605,781	(248,457)
Intergovernmental	13,205,572	14,701,969	14,283,963	(418,006)
Charges for services	2,619,070	3,113,535	2,907,173	(206,362)
Sale of fixed assets	-	814	26,781	25,967
Other revenues	150,650	404,412	518,273	113,861
Total Revenues	<u>31,125,376</u>	<u>33,359,814</u>	<u>33,059,575</u>	<u>(300,239)</u>
Expenditures				
Current:				
General government	6,234,226	6,826,273	5,971,128	855,145
Public protection	24,744,584	25,871,183	23,981,347	1,889,836
Health and sanitation	40,086	40,086	33,133	6,953
Public assistance	447,773	414,685	402,539	12,146
Education	471,359	477,039	448,777	28,262
Culture and recreation	5,910	19,970	19,698	272
Public way and facilities	22,149	22,145	19,301	2,844
Debt service	61,216	61,246	58,949	2,297
Capital outlay	17,380	287,019	292,439	(5,420)
Appropriation for contingencies	475,000	459,000	-	459,000
Total Expenditures	<u>32,519,683</u>	<u>34,478,646</u>	<u>31,227,311</u>	<u>3,251,335</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,394,307)</u>	<u>(1,118,832)</u>	<u>1,832,264</u>	<u>2,951,096</u>
Other Financing Sources (Uses)				
Transfers in	3,420,372	14,642,940	14,123,208	(519,732)
Transfers out	(2,236,777)	(13,427,155)	(13,805,836)	(378,681)
Total Other Financing Sources (Uses)	<u>1,183,595</u>	<u>1,215,785</u>	<u>317,372</u>	<u>(898,413)</u>
Net Change in Fund Balance	(210,712)	96,953	2,149,636	2,052,683
Fund Balance - Beginning	-	-	(80,984)	(80,984)
Fund Balance - Ending	<u>\$ (210,712)</u>	<u>\$ 96,953</u>	<u>\$ 2,068,652</u>	<u>\$ 1,971,699</u>

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information
 Budgetary Comparison Schedule
 Road - Major Special Revenue Fund
 For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Use of money and property	199,900	249,900	80,582	(169,318)
Intergovernmental	10,700,653	10,700,653	11,705,720	1,005,067
Charges for services	166,572	495,913	730,925	235,012
Sale of fixed assets	-	-	7,718	
Other revenues	1,800	1,800	20,446	18,646
Total Revenues	<u>11,068,925</u>	<u>11,448,266</u>	<u>12,545,391</u>	<u>1,089,407</u>
Expenditures				
Current:				
Public way and facilities	10,454,986	10,700,118	8,993,286	1,706,832
Capital outlay	1,605,621	4,950,563	3,092,202	1,858,361
Appropriation for contingencies				-
Total Expenditures	<u>12,060,607</u>	<u>15,650,681</u>	<u>12,085,488</u>	<u>3,565,193</u>
Excess of Revenues Over (Under) Expenditures	<u>(991,682)</u>	<u>(4,202,415)</u>	<u>459,903</u>	<u>4,662,318</u>
Other Financing Sources (Uses)				
Transfers in	900,450	2,420,743	980,658	(1,440,085)
Transfers out	(692,175)	(2,115,626)	(804,972)	1,310,654
Total Other Financing Sources (Uses)	<u>208,275</u>	<u>305,117</u>	<u>175,686</u>	<u>(129,431)</u>
Net Change in Fund Balance	(783,407)	(3,897,298)	635,589	4,532,887
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>14,109,359</u>	<u>14,109,359</u>
Fund Balance - Ending	<u>\$ (783,407)</u>	<u>\$ (3,897,298)</u>	<u>\$ 14,744,948</u>	<u>\$ 18,642,246</u>

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information
 Budgetary Comparison Schedule
 Human Services - Major Special Revenue Fund
 For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 2,331,871	\$ 2,331,871	\$ 2,603,271	\$ 271,400
Fines and forfeitures	1,200	1,200	1,115	(85)
Use of money and property	30,550	30,550	9,410	(21,140)
Intergovernmental	18,794,660	19,296,486	16,986,180	(2,310,306)
Charges for services	6,000	116,654	46,392	(70,262)
Other revenues	24,372	24,372	48,822	24,450
Total Revenues	<u>21,188,653</u>	<u>21,801,133</u>	<u>19,695,190</u>	<u>(2,105,943)</u>
Expenditures				
Current:				
Public assistance	21,365,894	21,742,117	18,658,475	3,083,642
Health and welfare	281,000	281,000	255,200	25,800
Capital outlay	-	-	-	-
Total Expenditures	<u>21,646,894</u>	<u>22,023,117</u>	<u>18,913,675</u>	<u>3,109,442</u>
Excess of Revenues Over (Under) Expenditures	<u>(458,241)</u>	<u>(221,984)</u>	<u>781,515</u>	<u>1,003,499</u>
Other Financing Sources (Uses)				
Transfers in	51,209	66,209	62,209	(4,000)
Transfers out	(500,241)	(528,914)	(478,718)	50,196
Total Other Financing Sources (Uses)	<u>(449,032)</u>	<u>(462,705)</u>	<u>(416,509)</u>	<u>46,196</u>
Net Change in Fund Balance	<u>(907,273)</u>	<u>(684,689)</u>	<u>365,006</u>	<u>1,049,695</u>
Fund Balance - Beginning - As Reported	-	-	(82,596)	(82,596)
Prior period adjustment	-	-	804,485	804,485
Fund Balances - Beginning - As Restated	-	-	721,889	721,889
Fund Balance - Ending	<u>\$ (907,273)</u>	<u>\$ (684,689)</u>	<u>\$ 1,086,895</u>	<u>\$ 2,493,473</u>

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information
 Budgetary Comparison Schedule
 Public Health - Major Special Revenue Fund
 For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 475,000	\$ 475,000	\$ 696,544	\$ 221,544
Licenses and permits	238,500	238,500	235,814	(2,686)
Fines and forfeitures	3,500	3,500	2,373	(1,127)
Use of money and property	7,600	7,600	513	(7,087)
Intergovernmental	2,994,383	3,012,680	1,904,972	(1,107,708)
Charges for services	266,200	269,596	211,777	(57,819)
Other revenues	-	-	1,386	1,386
Total Revenues	<u>3,985,183</u>	<u>4,006,876</u>	<u>3,053,379</u>	<u>(953,497)</u>
Expenditures				
Current:				
Health and sanitation	4,418,707	4,322,793	3,976,261	346,532
Debt service	-	3,350	2,762	588
Capital outlay	4,000	132,742	126,138	6,604
Total Expenditures	<u>4,422,707</u>	<u>4,458,885</u>	<u>4,105,161</u>	<u>353,724</u>
Excess of Revenues Over (Under) Expenditures	<u>(437,524)</u>	<u>(452,009)</u>	<u>(1,051,782)</u>	<u>(599,773)</u>
Other Financing Sources (Uses)				
Transfers in	1,307,088	1,355,439	1,473,104	117,665
Transfers out	<u>(935,815)</u>	<u>(928,510)</u>	<u>(1,078,164)</u>	<u>(149,654)</u>
Total Other Financing Sources (Uses)	<u>371,273</u>	<u>426,929</u>	<u>394,940</u>	<u>(31,989)</u>
Net Change in Fund Balance	(66,251)	(25,080)	(656,842)	(631,762)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>498,257</u>	<u>498,257</u>
Fund Balance - Ending	<u>\$ (66,251)</u>	<u>\$ (25,080)</u>	<u>\$ (158,585)</u>	<u>\$ (133,505)</u>

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information
 Budgetary Comparison Schedule
 Behavioral Health Services - Major Special Revenue Fund
 For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 800,000	\$ 800,000	\$ 887,466	\$ 87,466
Fines and forfeitures	17,000	17,000	21,498	4,498
Use of money and property	25,000	25,000	124,994	99,994
Intergovernmental	18,259,307	18,382,839	15,853,484	(2,529,355)
Charges for services	146,300	146,300	239,247	92,947
Sale of fixed assets	-	-	9,182	9,182
Other revenues	-	-	201	201
Total Revenues	<u>19,247,607</u>	<u>19,371,139</u>	<u>17,136,072</u>	<u>(2,235,067)</u>
Expenditures				
Current:				
Health and sanitation	18,960,628	19,298,066	13,573,733	5,724,333
Capital outlay	404,000	400,000	-	400,000
Total Expenditures	<u>19,364,628</u>	<u>19,698,066</u>	<u>13,573,733</u>	<u>6,124,333</u>
Excess of Revenues Over (Under) Expenditures	<u>(117,021)</u>	<u>(326,927)</u>	<u>3,562,339</u>	<u>(8,359,400)</u>
Other Financing Sources (Uses)				
Transfers in	628,186	641,449	439,071	(202,378)
Transfers out	(715,573)	(739,426)	(606,852)	132,574
Total Other Financing Sources (Uses)	<u>(87,387)</u>	<u>(97,977)</u>	<u>(167,781)</u>	<u>(69,804)</u>
Net Change in Fund Balance	(204,408)	(424,904)	3,394,558	(8,429,204)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>2,262,904</u>	<u>2,262,904</u>
Fund Balance - Ending	<u>\$ (204,408)</u>	<u>\$ (424,904)</u>	<u>\$ 5,657,462</u>	<u>\$ (6,166,300)</u>

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2011

SCHEDULES OF FUNDING PROGRESS – PENSION

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

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

Miscellaneous Plan:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Value		
June 30,2008	\$ 143,184,624	\$ 135,878,357	\$ 7,306,267	94.90%	96.40%	\$ 26,804,102	27.30%
June 30,2009	157,977,311	141,196,996	16,780,315	89.40%	64.80%	28,704,465	58.50%
June 30,2010	167,578,097	146,724,514	20,853,583	87.60%	68.00%	28,298,783	73.70%

Safety Plan:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Value		
June 30,2008	\$ 54,178,260	\$ 53,433,291	\$ 744,969	98.60%	99.40%	\$ 6,832,640	10.90%
June 30,2009	58,275,739	55,936,910	2,338,829	96.00%	69.30%	6,966,092	33.60%
June 30, 2010	61,595,183	58,434,239	3,160,944	94.90%	73.40%	6,610,716	47.80%

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2011

SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

The table below shows a one 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, 2008 for the County Other Postemployment Benefit Plan. As additional years are available, a three year trend analysis will be presented.

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
June 30, 2008	\$ -	\$ 30,346,000	\$ 30,346,000	0.00%	\$ 30,546,000	99.35%
June 30, 2010	-	35,679,000	35,679,000	0.00%	30,107,000	118.50%

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.

The County follows these procedures annually in establishing the budgetary data reflected in the financial statements:

- (1) The County Administrator submits to the Board of Supervisors a recommended budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- (2) The Board of Supervisors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the proposed budget to obtain comments from interested persons.

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2011

BUDGETARY BASIS OF ACCOUNTING (CONTINUED)

(3) Prior to July 1, the budget is adopted through the passage of a resolution.

(4) From the effective date of the budget, which is adopted and controlled at the service budget unit, the amounts stated therein, as proposed expenditures become appropriations to the various County service budget units. The Board of Supervisors may amend the budget by motion during the fiscal year. The County Administrator may authorize transfers from one object or purpose to another within the same service budget unit.

To conform with Generally Accepted Accounting Principles, certain transactions have been reclassified between transfers in and out and various categories of the functional expenditures for the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds. An inception of capital lease was added to the Statement of Revenues, Expenditures, and Changes in Fund Balances along with offsetting capital outlay expenditures for the Public Health fund. As these reclassifications were not reflected in the budget, they have been reversed to achieve a more accurate budgetary comparison in the budgetary comparison schedules. In total, they do not impact ending fund balance, which is the same dollar amount in both the budgetary comparison schedules and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for all governmental funds except for debt service funds, the expenditures of which are controlled by provisions of debt agreements. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

ENCUMBRANCES

The County uses an encumbrance system as an extension of normal budgetary accounting for the General and other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

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OTHER SUPPLEMENTARY INFORMATION

Combining Nonmajor Fund Financial Statements

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Cash and investments	\$ 3,729,177	\$ 7,500,214	\$ 737,555	\$ 11,966,946
Restricted cash	-	-	-	-
Due from other governments	184,585	613,657	51,597	849,839
Interest receivable	19,257	29,572	4,147	52,976
Taxes receivable	-	-	-	-
Deposits	-	-	-	-
Due from other funds	282,053	6,615	-	288,668
Loans receivable	3,514,528	26,540	-	3,541,068
Inventory	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 7,729,600</u></u>	<u><u>\$ 8,176,598</u></u>	<u><u>\$ 793,299</u></u>	<u><u>\$ 16,699,497</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 287,920	\$ 49,514	\$ -	\$ 337,434
Accrued salaries and benefits	135,907	-	-	135,907
Interest payable	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	581,214	117,527	-	698,741
Unearned revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,005,041</u>	<u>167,041</u>	<u>-</u>	<u>1,172,082</u>
Fund Balances				
Nonspendable				-
Restricted	5,578,921	2,449,233	-	8,028,154
Committed	51,207	38,721	-	89,928
Assigned	1,363,456	5,592,663	793,299	7,749,418
Unassigned	(269,025)	(71,060)	-	(340,085)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>6,724,559</u>	<u>8,009,557</u>	<u>793,299</u>	<u>15,527,415</u>
Total Liabilities and Fund Balances	<u><u>\$ 7,729,600</u></u>	<u><u>\$ 8,176,598</u></u>	<u><u>\$ 793,299</u></u>	<u><u>\$ 16,699,497</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the year ended June 30, 2011

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
Revenues				
Taxes	\$ 345,337	\$ -	\$ -	\$ 345,337
Licenses and permits	104,509	-	-	104,509
Fines and forfeitures	93,669	216,343	-	310,012
Use of money and property	90,361	2,619,882	5,920	2,716,163
Intergovernmental	6,327,823	1,977,146	-	8,304,969
Charges for services	216,025	-	-	216,025
Other revenues	66,972	359,703	58,677	485,352
Total Revenues	7,244,696	5,173,074	64,597	12,482,367
Expenditures				
Current:				
General government	5,873	534	6,449	12,856
Public protection	5,025,274	387,319	-	5,412,593
Health and sanitation	1,685,041	-	-	1,685,041
Public assistance	458,357	-	-	458,357
Education	1,351	-	-	1,351
Culture and recreation	-	-	-	-
Public ways and facilities	311,696	-	-	311,696
Debt service:				
Principal	2,800	-	207,526	210,326
Interest and other charges	8,528	-	1,048,227	1,056,755
Capital outlay	42,534	2,045,796	-	2,088,330
Total Expenditures	7,541,454	2,433,649	1,262,202	11,237,305
Excess of Revenues Over (Under) Expenditures	(296,758)	2,739,425	(1,197,605)	1,245,062
Other Financing Sources (Uses)				
Transfers in	1,012,954	300,000	1,043,105	2,356,059
Transfers out	(769,708)	(834,447)	-	(1,604,155)
Total Other Financing Sources (Uses)	243,246	(534,447)	1,043,105	751,904
Net Change in Fund Balances	(53,512)	2,204,978	(154,500)	1,996,966
Fund Balances - Beginning - As Reported	3,812,630	5,804,579	947,799	10,565,008
Prior period adjustment	2,965,441	-	-	2,965,441
Fund Balances - Beginning - As Restated	6,778,071	5,804,579	947,799	13,530,449
Fund Balances - Ending	\$ 6,724,559	\$ 8,009,557	\$ 793,299	\$ 15,527,415

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	Dept of Child Support Services	Fish and Game	Geothermal	General County Fire	Planning Projects
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets					
Cash and investments	\$ 539,528	\$ 9,705	\$ 737,975	\$ 131,792	\$ 548
Due from other governments	-	134	-	2,327	-
Interest receivable	2,948	44	3,217	776	2
Taxes receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Loans receivable	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 542,476</u></u>	<u><u>\$ 9,883</u></u>	<u><u>\$ 741,192</u></u>	<u><u>\$ 134,895</u></u>	<u><u>\$ 550</u></u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 2,393	\$ 20	\$ -	\$ 25,948	\$ 244
Accrued salaries and benefits	123,039	-	-	-	-
Interest payable	-	-	-	-	-
Due to other funds	698	-	5,873	35,189	-
Unearned revenue	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>126,130</u>	<u>20</u>	<u>5,873</u>	<u>61,137</u>	<u>244</u>
Fund Balances					
Restricted	-	-	735,319	25,949	-
Committed	100	-	-	-	-
Assigned	416,246	9,863	-	47,809	306
Unassigned	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>416,346</u>	<u>9,863</u>	<u>735,319</u>	<u>73,758</u>	<u>306</u>
Total Liabilities and Fund Balances	<u><u>\$ 542,476</u></u>	<u><u>\$ 9,883</u></u>	<u><u>\$ 741,192</u></u>	<u><u>\$ 134,895</u></u>	<u><u>\$ 550</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	<u>Inmate Health Program</u>	<u>California Children & Families First</u>	<u>HR 2389 Title III</u>	<u>Used Oil Recycling Grant</u>
Assets				
Cash and investments	\$ -	\$ 380,916	\$ 3,847	\$ 91,731
Due from other governments	79	29,826	-	186
Interest receivable	-	1,644	467	284
Taxes receivable	-	-	-	-
Due from other funds	245,679	-	-	-
Loans receivable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 245,758</u>	<u>\$ 412,386</u>	<u>\$ 4,314</u>	<u>\$ 92,201</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 20,040	\$ 29,456	\$ -	\$ 8,623
Accrued salaries and benefits	12,768	-	-	-
Interest payable	-	-	-	-
Due to other funds	409,074	-	-	1,957
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>441,882</u>	<u>29,456</u>	<u>-</u>	<u>10,580</u>
Fund Balances				
Restricted	-	-	-	81,621
Committed	-	100	-	-
Assigned	-	382,830	4,314	-
Unassigned	(196,124)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>(196,124)</u>	<u>382,930</u>	<u>4,314</u>	<u>81,621</u>
Total Liabilities and Fund Balances	<u>\$ 245,758</u>	<u>\$ 412,386</u>	<u>\$ 4,314</u>	<u>\$ 92,201</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	<u>Community Services Council</u>	<u>Other Health Services</u>	<u>Library Donations</u>	<u>District Attorney Forfeiture Funds</u>
Assets				
Cash and investments	\$ 4	\$ -	\$ 13,711	\$ 32,739
Due from other governments	-	-	-	-
Interest receivable	-	4	60	140
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Loans receivable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 4	\$ 4	\$ 13,771	\$ 32,879
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Interest payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Restricted	-	-	445	-
Committed	-	-	13,326	-
Assigned	4	4	-	32,879
Unassigned	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	4	4	13,771	32,879
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 4	\$ 4	\$ 13,771	\$ 32,879
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	<u>Domestic Violence</u>	<u>Battered Womens Shelter</u>	<u>Probation Challenge Award Fund</u>	<u>Juvenile Hall Donations</u>
Assets				
Cash and investments	\$ 3,880	\$ 46,765	\$ 224	\$ 419
Due from other governments	131	269	-	-
Interest receivable	14	206	1	2
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Loans receivable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u><u>\$ 4,025</u></u>	<u><u>\$ 47,240</u></u>	<u><u>\$ 225</u></u>	<u><u>\$ 421</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Interest payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Fund Balances				
Restricted	4,025	47,240	-	6
Committed	-	-	-	418
Assigned	-	-	225	-
Unassigned	-	-	-	(3)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total Liabilities and Fund Balances	<u><u>\$ 4,025</u></u>	<u><u>\$ 47,240</u></u>	<u><u>\$ 225</u></u>	<u><u>\$ 421</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	<u>Animal Control Facility</u>	<u>Citizens Options for Public Safety Grant</u>	<u>Airport Comprehensive Land Use Plan</u>	<u>Flood Control and Water Conservation District</u>
Assets				
Cash and investments	\$ 37,561	\$ 3,705	\$ 3,513	\$ 326,083
Due from other governments	60	131,045	-	15,665
Interest receivable	160	1,333	15	1,406
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Loans receivable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 37,781</u>	<u>\$ 136,083</u>	<u>\$ 3,528</u>	<u>\$ 343,154</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 568	\$ 113,971	\$ -	\$ 6,089
Accrued salaries and benefits	-	-	-	-
Interest payable	-	-	-	-
Due to other funds	-	-	-	40,191
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>568</u>	<u>113,971</u>	<u>-</u>	<u>46,280</u>
Fund Balances				
Restricted	-	22,112	-	-
Committed	37,213	-	-	-
Assigned	-	-	3,528	296,874
Unassigned	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>37,213</u>	<u>22,112</u>	<u>3,528</u>	<u>296,874</u>
Total Liabilities and Fund Balances	<u>\$ 37,781</u>	<u>\$ 136,083</u>	<u>\$ 3,528</u>	<u>\$ 343,154</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	<u>Air Pollution Control District</u>	<u>Air Pollution PM 2.5 Grant</u>	<u>Local Transportation Administration</u>	<u>Regional Transportation Planning</u>
Assets				
Cash and investments	\$ 95,971	\$ 26,566	\$ 47,804	\$ 40,085
Due from other governments	-	-	-	-
Interest receivable	413	122	227	83
Taxes receivable	-	-	-	-
Due from other funds	34,401	-	-	-
Loans receivable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 130,785</u>	<u>\$ 26,688</u>	<u>\$ 48,031</u>	<u>\$ 40,168</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 474	\$ -	\$ 9,486	\$ 5,160
Accrued salaries and benefits	-	-	-	-
Interest payable	-	-	-	-
Due to other funds	134	-	1,033	39,558
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>608</u>	<u>-</u>	<u>10,519</u>	<u>44,718</u>
Fund Balances				
Restricted		26,688	-	-
Committed	50	-	-	-
Assigned	130,127	-	37,512	-
Unassigned	-	-	-	(4,550)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>130,177</u>	<u>26,688</u>	<u>37,512</u>	<u>(4,550)</u>
Total Liabilities and Fund Balances	<u>\$ 130,785</u>	<u>\$ 26,688</u>	<u>\$ 48,031</u>	<u>\$ 40,168</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	Siskiyou Agency for Governmental Entities	County Service Area #3	County Service Area #4	County Service Area #5
Assets				
Cash and investments	\$ 3,345	\$ 272,354	\$ 12,960	\$ 13,665
Due from other governments	-	396	1	522
Interest receivable	15	1,214	57	60
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	\$ 3,360	\$ 273,964	\$ 13,018	\$ 14,247
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 290	\$ 500	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Interest payable	-	-	-	-
Due to other funds	2,135	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	2,425	500	-	-
Fund Balances				
Restricted	-	273,464	13,018	14,247
Committed	-	-	-	-
Assigned	935	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	935	273,464	13,018	14,247
Total Liabilities and Fund Balances	\$ 3,360	\$ 273,964	\$ 13,018	\$ 14,247

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	<u>CSA #5 Special Assessment</u>	<u>Hammond Ranch Fire Zone</u>	<u>McCloud Fire Zone</u>	<u>Mt. Shasta Vista Fire Zone</u>
Assets				
Cash and investments	\$ 101,581	\$ 47,293	\$ 18,991	\$ 34,352
Due from other governments	165	251	206	268
Interest receivable	527	215	122	152
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Loans receivable	-	-	-	-
Total Assets	<u><u>\$ 102,273</u></u>	<u><u>\$ 47,759</u></u>	<u><u>\$ 19,319</u></u>	<u><u>\$ 34,772</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 3,997	\$ 13,456	\$ 5,375
Accrued salaries and benefits	-	-	-	-
Interest payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>3,997</u>	<u>13,456</u>	<u>5,375</u>
Fund Balances				
Restricted	102,273	43,762	5,863	29,397
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>102,273</u>	<u>43,762</u>	<u>5,863</u>	<u>29,397</u>
Total Liabilities and Fund Balances	<u><u>\$ 102,273</u></u>	<u><u>\$ 47,759</u></u>	<u><u>\$ 19,319</u></u>	<u><u>\$ 34,772</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	Pleasant Valley Fire Zone	CDBG Grants	EDBG Grants	STBG Grants
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Cash and investments	\$ 24,126	\$ 214,902	\$ 355,696	\$ 11,622
Due from other governments	431	-	2,122	501
Interest receivable	96	2,244	209	193
Taxes receivable	-	-	-	-
Due from other funds	-	968	1,005	-
Loans receivable	-	1,068,440	684,372	1,454,716
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 24,653</u></u>	<u><u>\$ 1,286,554</u></u>	<u><u>\$ 1,043,404</u></u>	<u><u>\$ 1,467,032</u></u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 1,476	\$ 1,132	\$ -	\$ 9,592
Accrued salaries and benefits	100	-	-	-
Interest payable	-	-	-	-
Due to other funds	-	3,486	1,005	596
Unearned revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,576</u>	<u>4,618</u>	<u>1,005</u>	<u>10,188</u>
Fund Balances				
Restricted	23,077	1,281,936	1,042,399	1,456,844
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>23,077</u>	<u>1,281,936</u>	<u>1,042,399</u>	<u>1,456,844</u>
Total Liabilities and Fund Balances	<u><u>\$ 24,653</u></u>	<u><u>\$ 1,286,554</u></u>	<u><u>\$ 1,043,404</u></u>	<u><u>\$ 1,467,032</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2011

	<u>Home Grants</u>	<u>EDEF Grants</u>	<u>Carl Moyer Year 10 Air Pollution</u>	<u>Carl Moyer Year 11 Air Pollution</u>	<u>Totals</u>
Assets					
Cash and investments	\$ 51	\$ 8,182	\$ 432	\$ 34,553	\$ 3,729,177
Due from other governments	-	-	-	-	184,585
Interest receivable	-	72	2	511	19,257
Taxes receivable	-	-	-	-	-
Due from other funds	-	-	-	-	282,053
Loans receivable	<u>307,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,514,528</u>
Total Assets	<u><u>\$ 307,051</u></u>	<u><u>\$ 8,254</u></u>	<u><u>\$ 434</u></u>	<u><u>\$ 35,064</u></u>	<u><u>\$ 7,729,600</u></u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 29,630	\$ -	\$ -	\$ 287,920
Accrued salaries and benefits	-	-	-	-	135,907
Interest payable	-	-	-	-	-
Due to other funds	-	5,884	-	34,401	581,214
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>35,514</u>	<u>-</u>	<u>34,401</u>	<u>1,005,041</u>
Fund Balances					
Restricted	307,051	41,088	434	663	5,578,921
Committed	-	-	-	-	51,207
Assigned	-	-	-	-	1,363,456
Unassigned	<u>-</u>	<u>(68,348)</u>	<u>-</u>	<u>-</u>	<u>(269,025)</u>
Total Fund Balances	<u>307,051</u>	<u>(27,260)</u>	<u>434</u>	<u>663</u>	<u>6,724,559</u>
Total Liabilities and Fund Balances	<u><u>\$ 307,051</u></u>	<u><u>\$ 8,254</u></u>	<u><u>\$ 434</u></u>	<u><u>\$ 35,064</u></u>	<u><u>\$ 7,729,600</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	Dept of Child Support Services	Fish and Game	Geothermal	General County Fire	Planning Projects
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 140,469	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	2,894	-	-	-
Use of money and property	7,976	58	5,977	6,478	9
Intergovernmental	2,635,209	-	132,644	73,200	-
Charges for services	-	-	-	10,465	2,904
Other revenues	-	1,200	-	1,705	-
Total Revenues	<u>2,643,185</u>	<u>4,152</u>	<u>138,621</u>	<u>232,317</u>	<u>2,913</u>
Expenditures					
General government	-	-	5,873	-	-
Public protection	2,433,577	8,597	-	264,655	2,904
Health and sanitation	-	-	-	-	-
Public assistance	-	-	-	-	-
Education	-	-	-	-	-
Public ways and facilities	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	3,947	-	-	-	-
Total Expenditures	<u>2,437,524</u>	<u>8,597</u>	<u>5,873</u>	<u>264,655</u>	<u>2,904</u>
Excess of Revenues Over (Under) Expenditures	<u>205,661</u>	<u>(4,445)</u>	<u>132,748</u>	<u>(32,338)</u>	<u>9</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	53,669	-
Transfers out	(40,731)	-	-	(225)	-
Total Other Financing Sources (Uses)	<u>(40,731)</u>	<u>-</u>	<u>-</u>	<u>53,444</u>	<u>-</u>
Net Change in Fund Balances	<u>164,930</u>	<u>(4,445)</u>	<u>132,748</u>	<u>21,106</u>	<u>9</u>
Fund Balances - Beginning - As Reported	251,416	14,308	602,571	52,652	297
Prior period adjustment	-	-	-	-	-
Fund Balances - Beginning - As Restated	<u>251,416</u>	<u>14,308</u>	<u>602,571</u>	<u>52,652</u>	<u>297</u>
Fund Balances - Ending	<u>\$ 416,346</u>	<u>\$ 9,863</u>	<u>\$ 735,319</u>	<u>\$ 73,758</u>	<u>\$ 306</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	Inmate Health Program	California Children & Families First	HR 2389 Title III	Used Oil Recycling Grant
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	(5,575)	1,715	1,047	266
Intergovernmental	-	463,892	489,480	115,500
Charges for services	902	-	-	1,430
Other revenues	-	15,030	-	-
Total Revenues	(4,673)	480,637	490,527	117,196
Expenditures				
General government	-	-	-	-
Public protection	-	-	489,480	-
Health and sanitation	576,413	624,892	-	49,003
Public assistance	-	-	-	-
Education	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	17,183
Total Expenditures	576,413	624,892	489,480	66,186
Excess of Revenues Over (Under) Expenditures	(581,086)	(144,255)	1,047	51,010
Other Financing Sources (Uses)				
Transfers in	412,549	-	-	-
Transfers out	(2,850)	-	-	(1,046)
Total Other Financing Sources (Uses)	409,699	-	-	(1,046)
Net Change in Fund Balances	(171,387)	(144,255)	1,047	49,964
Fund Balances - Beginning - As Reported	(24,737)	527,185	3,267	31,657
Prior period adjustment	-	-	-	-
Fund Balances - Beginning - As Restated	(24,737)	527,185	3,267	31,657
Fund Balances - Ending	\$ (196,124)	\$ 382,930	\$ 4,314	\$ 81,621

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	Community Services Council	Other Health Services	Library Donations	District Attorney Forfeiture Funds
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	27,966
Use of money and property	(18)	7	91	316
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other revenues	-	39,131	188	-
Total Revenues	(18)	39,138	279	28,282
Expenditures				
General government	-	-	-	-
Public protection	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	1,351	-
Public ways and facilities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	1,351	-
Excess of Revenues Over (Under) Expenditures	(18)	39,138	(1,072)	28,282
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(39,296)	-	(6,777)
Total Other Financing Sources (Uses)	-	(39,296)	-	(6,777)
Net Change in Fund Balances	(18)	(158)	(1,072)	21,505
Fund Balances - Beginning - As Reported	22	162	14,843	11,374
Prior period adjustment	-	-	-	-
Fund Balances - Beginning - As Restated	22	162	14,843	11,374
Fund Balances - Ending	\$ 4	\$ 4	\$ 13,771	\$ 32,879

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	<u>Domestic Violence</u>	<u>Battered Women's Shelter</u>	<u>Probation Challenge Award Fund</u>	<u>Juvenile Hall Donations</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	1,146	3,163	-	-
Use of money and property	14	348	-	3
Intergovernmental	-	-	-	-
Charges for services	5,129	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>6,289</u>	<u>3,511</u>	<u>-</u>	<u>3</u>
Expenditures				
General government	-	-	-	-
Public protection	4,159	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>4,159</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>2,130</u>	<u>3,511</u>	<u>-</u>	<u>3</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(283)	-	-	-
Total Other Financing Sources (Uses)	<u>(283)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>1,847</u>	<u>3,511</u>	<u>-</u>	<u>3</u>
Fund Balances - Beginning - As Reported	2,178	43,729	225	418
Prior period adjustment	-	-	-	-
Fund Balances - Beginning - As Restated	<u>2,178</u>	<u>43,729</u>	<u>225</u>	<u>418</u>
Fund Balances - Ending	<u>\$ 4,025</u>	<u>\$ 47,240</u>	<u>\$ 225</u>	<u>\$ 421</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	Animal Control Facility	Citizens Option for Public Safety Grant	Airport Comprehensive Land Use Plan	Flood Control and Water Conservation District
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 90,192
Licenses and permits	-	-	-	69,125
Fines and forfeitures	-	-	-	-
Use of money and property	277	3,099	24	110,270
Intergovernmental	-	1,121,360	-	1,365
Charges for services	10,804	-	-	1,101
Other revenues	-	-	-	48
Total Revenues	<u>11,081</u>	<u>1,124,459</u>	<u>24</u>	<u>272,101</u>
Expenditures				
General government	-	-	-	-
Public protection	5,836	1,117,805	-	529,067
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>5,836</u>	<u>1,117,805</u>	<u>-</u>	<u>529,067</u>
Excess of Revenues Over (Under) Expenditures	<u>5,245</u>	<u>6,654</u>	<u>24</u>	<u>(256,966)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	62,500
Transfers out	(4,800)	(3,215)	-	(300,000)
Total Other Financing Sources (Uses)	<u>(4,800)</u>	<u>(3,215)</u>	<u>-</u>	<u>(237,500)</u>
Net Change in Fund Balances	<u>445</u>	<u>3,439</u>	<u>24</u>	<u>(494,466)</u>
Fund Balances - Beginning - As Reported	36,768	18,673	3,504	791,340
Prior period adjustment	-	-	-	-
Fund Balances - Beginning - As Restated	<u>36,768</u>	<u>18,673</u>	<u>3,504</u>	<u>791,340</u>
Fund Balances - Ending	<u>\$ 37,213</u>	<u>\$ 22,112</u>	<u>\$ 3,528</u>	<u>\$ 296,874</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	Air Pollution Control District	Air Pollution PM 2.5 Grant	Local Transportatio n Administratio n	Regional Transportatio n Planning
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	35,384	-	-	-
Fines and forfeitures	58,500	-	-	-
Use of money and property	771	205	285	296
Intergovernmental	65,629	6,100	80,000	226,333
Charges for services	1	-	-	-
Other revenues	-	-	-	-
Total Revenues	<u>160,285</u>	<u>6,305</u>	<u>80,285</u>	<u>226,629</u>
Expenditures				
General government	-	-	-	-
Public protection	-	-	-	-
Health and sanitation	180,322	8,847	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Public ways and facilities	-	-	78,385	233,311
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>180,322</u>	<u>8,847</u>	<u>78,385</u>	<u>233,311</u>
Excess of Revenues Over (Under) Expenditures	<u>(20,037)</u>	<u>(2,542)</u>	<u>1,900</u>	<u>(6,682)</u>
Other Financing Sources (Uses)				
Transfers in	122,398	-	-	-
Transfers out	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(4,241)</u>
Total Other Financing Sources (Uses)	<u>122,397</u>	<u>-</u>	<u>-</u>	<u>(4,241)</u>
Net Change in Fund Balances	<u>102,360</u>	<u>(2,542)</u>	<u>1,900</u>	<u>(10,923)</u>
Fund Balances - Beginning - As Reported	27,817	29,230	35,612	6,373
Prior period adjustment	-	-	-	-
Fund Balances - Beginning - As Restated	<u>27,817</u>	<u>29,230</u>	<u>35,612</u>	<u>6,373</u>
Fund Balances - Ending	<u>\$ 130,177</u>	<u>\$ 26,688</u>	<u>\$ 37,512</u>	<u>\$ (4,550)</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	Siskiyou Agency for Governmental Entities	County Service Area #3	County Service Area #4	County Service Area #5
Revenues				
Taxes	\$ -	\$ 113,104	\$ 1,572	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	2	1,573	91	102
Intergovernmental	-	2,125	166	-
Charges for services	-	31,831	-	1,624
Other revenues	-	-	-	-
Total Revenues	2	148,633	1,829	1,726
Expenditures				
General government	-	-	-	-
Public protection	2,822	-	1,165	-
Health and sanitation	-	97,054	-	170
Public assistance	-	-	-	-
Education	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	2,822	97,054	1,165	170
Excess of Revenues Over (Under) Expenditures	(2,820)	51,579	664	1,556
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(2,820)	51,579	664	1,556
Fund Balances - Beginning - As Reported	3,755	221,885	12,354	12,691
Prior period adjustment	-	-	-	-
Fund Balances - Beginning - As Restated	3,755	221,885	12,354	12,691
Fund Balances - Ending	\$ 935	\$ 273,464	\$ 13,018	\$ 14,247

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	<u>CSA #5 Special Assessment</u>	<u>Hammond Ranch Fire Zone</u>	<u>McCloud Fire Zone</u>	<u>Mt. Shasta Vista Fire Zone</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	936	200	(114)	267
Intergovernmental	-	4,405	-	-
Charges for services	6,529	61,124	44,163	20,196
Other revenues	-	-	-	35
Total Revenues	<u>7,465</u>	<u>65,729</u>	<u>44,049</u>	<u>20,498</u>
Expenditures				
General government				
Public protection	-	71,964	40,765	22,071
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service:				
Principal	2,800	-	-	-
Interest and other charges	8,528	-	-	-
Capital outlay	-	-	-	3,144
Total Expenditures	<u>11,328</u>	<u>71,964</u>	<u>40,765</u>	<u>25,215</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,863)</u>	<u>(6,235)</u>	<u>3,284</u>	<u>(4,717)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,863)</u>	<u>(6,235)</u>	<u>3,284</u>	<u>(4,717)</u>
Fund Balances - Beginning - As Reported	106,136	49,997	2,579	34,114
Prior period adjustment	-	-	-	-
Fund Balances - Beginning - As Restated	<u>106,136</u>	<u>49,997</u>	<u>2,579</u>	<u>34,114</u>
Fund Balances - Ending	<u>\$ 102,273</u>	<u>\$ 43,762</u>	<u>\$ 5,863</u>	<u>\$ 29,397</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	Pleasant Valley Fire Zone	CDBG Grants	EDBG Grants	STBG Grants
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	150	485	(23,491)	(24,128)
Intergovernmental	5,867	35,000	-	282,720
Charges for services	17,822	-	-	-
Other revenues	-	8,760	-	875
Total Revenues	23,839	44,245	(23,491)	259,467
Expenditures				
General government				
Public protection	30,407	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	114,781	-	10,101
Education	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	18,260	-	-
Total Expenditures	30,407	133,041	-	10,101
Excess of Revenues Over (Under) Expenditures	(6,568)	(88,796)	(23,491)	249,366
Other Financing Sources (Uses)				
Transfers in	-	26,643	335,195	-
Transfers out	-	(303,099)	(35,228)	(27,916)
Total Other Financing Sources (Uses)	-	(276,456)	299,967	(27,916)
Net Change in Fund Balances	(6,568)	(365,252)	276,476	221,450
Fund Balances - Beginning - As Reported	29,645	863,080	25	126,959
Prior period adjustment	-	784,108	765,898	1,108,435
Fund Balances - Beginning - As Restated	29,645	1,647,188	765,923	1,235,394
Fund Balances - Ending	\$ 23,077	\$ 1,281,936	\$ 1,042,399	\$ 1,456,844

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2011

	Home Grants	EDEF Grants	Carl Moyer Year 10 Air Pollution	Carl Moyer Year 11 Air Pollution	Totals
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 345,337
Licenses and permits	-	-	-	-	104,509
Fines and forfeitures	-	-	-	-	93,669
Use of money and property	-	(320)	6	663	90,361
Intergovernmental	-	438,488	-	148,340	6,327,823
Charges for services	-	-	-	-	216,025
Other revenues	-	-	-	-	66,972
Total Revenues	<u>-</u>	<u>438,168</u>	<u>6</u>	<u>149,003</u>	<u>7,244,696</u>
Expenditures					
General government					5,873
Public protection	-	-	-	-	5,025,274
Health and sanitation	-	-	-	148,340	1,685,041
Public assistance	-	333,475	-	-	458,357
Education	-	-	-	-	1,351
Public ways and facilities	-	-	-	-	311,696
Debt service:					
Principal	-	-	-	-	2,800
Interest and other charges	-	-	-	-	8,528
Capital outlay	-	-	-	-	42,534
Total Expenditures	<u>-</u>	<u>333,475</u>	<u>-</u>	<u>148,340</u>	<u>7,541,454</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>104,693</u>	<u>6</u>	<u>663</u>	<u>(296,758)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	1,012,954
Transfers out	-	-	-	-	(769,708)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,246</u>
Net Change in Fund Balances	<u>-</u>	<u>104,693</u>	<u>6</u>	<u>663</u>	<u>(53,512)</u>
Fund Balances - Beginning - As Reported	51	(131,953)	428	-	3,812,630
Prior period adjustment	307,000	-	-	-	2,965,441
Fund Balances - Beginning - As Restated	<u>307,051</u>	<u>(131,953)</u>	<u>428</u>	<u>-</u>	<u>6,778,071</u>
Fund Balances - Ending	<u>\$ 307,051</u>	<u>\$ (27,260)</u>	<u>\$ 434</u>	<u>\$ 663</u>	<u>\$ 6,724,559</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2011

	Accumulated Capital Outlay	Criminal Justice Construction	Courthouse Construction
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and investments	\$ 909,057	\$ 241,195	\$ 4,394,772
Due from other governments	-	24,794	4,876
Interest receivable	4,007	1,085	19,266
Loans receivable	-	-	-
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 913,064</u></u>	<u><u>\$ 267,074</u></u>	<u><u>\$ 4,418,914</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interest payable	-	-	-
Due to other funds	-	15,677	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u>15,677</u>	<u> </u>
Fund Balances			
Restricted	-	-	-
Committed	38,721	-	-
Assigned	874,343	251,397	4,418,914
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>913,064</u>	<u>251,397</u>	<u>4,418,914</u>
Total Liabilities and Fund Balances	<u><u>\$ 913,064</u></u>	<u><u>\$ 267,074</u></u>	<u><u>\$ 4,418,914</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2011

	Sewer/ Water Project	Lake Siskiyou Trail Project	Carrick Water Project
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and investments	\$ 2,009	-	\$ 19,460
Due from other governments	-	14,040	-
Interest receivable	-	-	-
Loans receivable	26,540	-	-
Due from other funds	-	3,101	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 28,549</u>	<u>\$ 17,141</u>	<u>\$ 19,460</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ 733	\$ -
Accrued salaries and benefits	-	-	-
Interest payable	-	-	-
Due to other funds	-	84,806	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>85,539</u>	<u>-</u>
Fund Balances			
Restricted	-	2,647	-
Committed	-	-	-
Assigned	28,549	-	19,460
Unassigned	-	(71,045)	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>28,549</u>	<u>(68,398)</u>	<u>19,460</u>
Total Liabilities and Fund Balances	<u>\$ 28,549</u>	<u>\$ 17,141</u>	<u>\$ 19,460</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011

	Wagon Creek Bridge McConnell	Wagon Creek Bridge ARRA	Lake Siskiyou Hydroelectric Project	Total
Assets				
Cash and investments	\$ 15,056	-	1,918,665	\$ 7,500,214
Due from other governments	-	-	569,947	613,657
Interest receivable	139	-	5,075	29,572
Loans receivable	-	-	-	26,540
Due from other funds	-	3,514	-	6,615
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 15,195	\$ 3,514	\$ 2,493,687	\$ 8,176,598
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 147	\$ 15	\$ 48,619	\$ 49,514
Accrued salaries and benefits	-	-	-	-
Interest payable	-	-	-	-
Due to other funds	8,188	3,514	5,342	117,527
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	8,335	3,529	53,961	167,041
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Restricted	6,860	-	2,439,726	2,449,233
Committed	-	-	-	38,721
Assigned	-	-	-	5,592,663
Unassigned	-	(15)	-	(71,060)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	6,860	(15)	2,439,726	8,009,557
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 15,195	\$ 3,514	\$ 2,493,687	\$ 8,176,598
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COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2011

	<u>Accumulated Capital Outlay</u>	<u>Criminal Justice Construction</u>	<u>Courthouse Construction</u>
Revenues			
Fines and forfeitures	\$ -	\$ 179,473	\$ 36,870
Use of money and property	6,122	1,814	31,022
Intergovernmental	-	-	-
Other revenues	195,656	-	-
Total Revenues	<u>201,778</u>	<u>181,287</u>	<u>67,892</u>
Expenditures			
Current:			
General government	-	-	-
Public ways	-	-	-
Public protection	-	-	-
Health and sanitation	-	-	-
Capital outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>201,778</u>	<u>181,287</u>	<u>67,892</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	(227,463)	(174,243)	-
Total Other Financing Sources (Uses)	<u>(227,463)</u>	<u>(174,243)</u>	<u>-</u>
Net Change in Fund Balances	(25,685)	7,044	67,892
Fund Balances - Beginning	<u>938,749</u>	<u>244,353</u>	<u>4,351,022</u>
Fund Balances - Ending	<u>\$ 913,064</u>	<u>\$ 251,397</u>	<u>\$ 4,418,914</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2011

	<u>Sewer/ Water Projects</u>	<u>Lake Siskiyou Trail Project</u>	<u>Carrick Water Project</u>	<u>Wagon Creek Bridge McConnell</u>
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Use of money and property	(1,726)	(4,946)	(139)	(3,054)
Intergovernmental	-	929,213	-	-
Other revenues	<u>157,152</u>	<u>3,366</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>155,426</u>	<u>927,633</u>	<u>(139)</u>	<u>(3,054)</u>
Expenditures				
Current:				
General government	-	-	534	-
Public ways	-	-	-	-
Public protection	-	-	-	-
Health and sanitation	-	-	-	-
Capital outlay	<u>-</u>	<u>925,706</u>	<u>-</u>	<u>592,764</u>
Total Expenditures	<u>-</u>	<u>925,706</u>	<u>534</u>	<u>592,764</u>
Excess of Revenues Over (Under) Expenditures	<u>155,426</u>	<u>1,927</u>	<u>(673)</u>	<u>(595,818)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>(370,241)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(370,241)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(214,815)	1,927	(673)	(595,818)
Fund Balances - Beginning	<u>243,364</u>	<u>(70,325)</u>	<u>20,133</u>	<u>602,678</u>
Fund Balances - Ending	<u>\$ 28,549</u>	<u>\$ (68,398)</u>	<u>\$ 19,460</u>	<u>\$ 6,860</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended June 30, 2011

	Wagon Creek Bridge ARRA	Lake Siskiyou Hydroelectric Project	Total
Revenues			
Fines and forfeitures	\$ -	\$ -	\$ 216,343
Use of money and property	1,244	2,589,545	2,619,882
Intergovernmental	1,047,933	-	1,977,146
Other revenues	3,529	-	359,703
Total Revenues	<u>1,052,706</u>	<u>2,589,545</u>	<u>5,173,074</u>
Expenditures			-
Current:			
General government	-	-	534
Public ways	-	-	-
Public protection	-	387,319	387,319
Health and sanitation	-	-	-
Capital outlay	527,326	-	2,045,796
Total Expenditures	<u>527,326</u>	<u>387,319</u>	<u>2,433,649</u>
Excess of Revenues Over (Under) Expenditures	<u>525,380</u>	<u>2,202,226</u>	<u>2,739,425</u>
Other Financing Sources (Uses)			
Transfers in	-	300,000	300,000
Transfers out	-	(62,500)	(834,447)
Total Other Financing Sources (Uses)	<u>-</u>	<u>237,500</u>	<u>(534,447)</u>
Net Change in Fund Balances	525,380	2,439,726	2,204,978
Fund Balances - Beginning	<u>(525,395)</u>	<u>-</u>	<u>5,804,579</u>
Fund Balances - Ending	<u>\$ (15)</u>	<u>\$ 2,439,726</u>	<u>\$ 8,009,557</u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
 Nonmajor Debt Service Funds
 June 30, 2011

	Juvenile Hall Ibank Debt Service	Pension Obligation Bonds 2007	Total
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and investments	\$ 124,649	\$ 612,906	\$ 737,555
Due from other governments	-	51,597	51,597
Interest receivable	489	3,658	4,147
Loans receivable	-	-	-
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 125,138</u></u>	<u><u>\$ 668,161</u></u>	<u><u>\$ 793,299</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interest payable	-	-	-
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Committed	-	-	-
Restricted	-	-	-
Assigned	125,138	668,161	793,299
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>125,138</u>	<u>668,161</u>	<u>793,299</u>
Total Liabilities and Fund Balances	<u><u>\$ 125,138</u></u>	<u><u>\$ 668,161</u></u>	<u><u>\$ 793,299</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Debt Service Funds For the Year Ended June 30, 2011

	Juvenile Hall Ibank Debt Service	Pension Obligation Bonds 2007	Total
Revenues			
Use of money and property	\$ 115	\$ 5,805	\$ 5,920
Intergovernmental	-	-	-
Other revenues	-	58,677	58,677
Total Revenues	115	64,482	64,597
Expenditures			
Current:			
General Government	5,349	1,100	6,449
Debt Service:			
Principal	47,526	160,000	207,526
Interest and other charges	56,671	991,556	1,048,227
Total Expenditures	109,546	1,152,656	1,262,202
Excess of Revenues Over (Under) Expenditures	(109,431)	(1,088,174)	(1,197,605)
Other Financing Sources (Uses)			
Transfers in	109,549	933,556	1,043,105
Transfers out	-	-	-
Total Other Financing Sources (Uses)	109,549	933,556	1,043,105
Net Change in Fund Balances	118	(154,618)	(154,500)
Fund Balances - Beginning	125,020	822,779	947,799
Fund Balances - Ending	\$ 125,138	\$ 668,161	\$ 793,299

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
Internal Service Funds
June 30, 2011

	Fuel Services	Communications	Liability	Unemployment
Assets				
Current Assets:				
Cash and investments	\$ -	\$ 181,207	\$ 497,633	\$ 15,258
Accounts receivable	-	19,674	8	-
Interest receivable	-	897	1,865	91
Inventory	34,763	-	-	-
Due from other funds	39,185	31,963	-	-
Total Current Assets	73,948	233,741	499,506	15,349
Noncurrent Assets:				
Net OPEB Asset	1,233	-	-	-
Capital Assets:				
Depreciable, Net	9,970	6,321	5,095	-
Total Assets	\$ 85,151	\$ 240,062	\$ 504,601	\$ 15,349
Liabilities				
Current Liabilities:				
Accounts payable	\$ 74,566	\$ 12,170	\$ 18,888	\$ -
Accrued salaries and benefits	877	15,442	-	-
Interest payable	-	-	-	-
Due to other funds	143,185	444	3,057	-
Compensated absences payable	400	6,678	-	-
Estimated claims liability	-	-	-	60,568
Total Current Liabilities	219,028	34,734	21,945	60,568
Noncurrent Liabilities:				
Net OPEB obligation	-	33,989	-	-
Compensated absences payable	837	10,461	-	-
Total Noncurrent Liabilities	837	44,450	-	-
Total Liabilities	219,865	79,184	21,945	60,568
Net Assets				
Invested in capital assets	9,970	6,321	5,095	-
Unrestricted	(144,684)	154,557	477,561	(45,219)
Total Net Assets	\$ (134,714)	\$ 160,878	\$ 482,656	\$ (45,219)

COUNTY OF SISKIYOU, CALIFORNIA

Combining Balance Sheet
Internal Service Funds
June 30, 2011

	Workers' Compensation	Vision Insurance	Self Fund Dental Insurance	Total
Assets				
Current Assets:				
Cash and investments	\$ 486,071	\$ 114,923	\$ 419,470	\$ 1,714,562
Accounts receivable	-	3,148	27,968	50,798
Interest receivable	1,600	483	1,748	6,684
Inventory	-	-	-	34,763
Due from other funds	-	-	-	71,148
Total Current Assets	487,671	118,554	449,186	1,877,955
Noncurrent Assets:				
Net OPEB Asset	-	-	-	1,233
Capital Assets:				
Depreciable, Net	-	-	-	21,386
Total Assets	\$ 487,671	\$ 118,554	\$ 449,186	\$ 1,900,574
Liabilities				
Current Liabilities:				
Accounts payable	\$ 436	\$ -	\$ -	\$ 106,060
Accrued salaries and benefits	-	-	-	16,319
Interest payable	-	-	-	-
Due to other funds	33	-	-	146,719
Compensated absences payable	-	-	-	7,078
Estimated claims liability	-	-	-	60,568
Total Current Liabilities	469	-	-	336,744
Noncurrent Liabilities:				
Net OPEB obligation	-	-	-	33,989
Compensated absences payable	-	-	-	11,298
Total Noncurrent Liabilities	-	-	-	45,287
Total Liabilities	469	-	-	382,031
Net Assets				
Invested in capital assets	-	-	-	21,386
Unrestricted	487,202	118,554	449,186	1,497,157
Total Net Assets	\$ 487,202	\$ 118,554	\$ 449,186	1,518,543

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

	Fuel Services	Communications	Liability	Unemployment
Operating Revenues				
Charges for services	\$ -	\$ 420,406	\$ 1,098,866	\$ 599,811
Other revenues	724,553	-	1,861	-
Total Revenues	<u>724,553</u>	<u>420,406</u>	<u>1,100,727</u>	<u>599,811</u>
Operating Expenses				
Salaries and benefits	21,104	280,081	-	-
Services and supplies	680,799	151,368	771,051	452,054
Depreciation	2,848	333	1,132	-
Total Operating Expenses	<u>704,751</u>	<u>431,782</u>	<u>772,183</u>	<u>452,054</u>
Operating income (loss)	<u>19,802</u>	<u>(11,376)</u>	<u>328,544</u>	<u>147,757</u>
Non-operating revenue (expenses)				
Intergovernmental	-	7,999	759,542	-
Interest income (expense)	(812)	12,511	3,088	942
Total Non-Operating Revenue (Expenses)	<u>(812)</u>	<u>20,510</u>	<u>762,630</u>	<u>942</u>
Income (loss) before Transfers	18,990	9,134	1,091,174	148,699
Transfers in	-	-	15,000	-
Transfers out	(201)	(3,654)	(15,575)	-
Change in Net Assets	<u>18,789</u>	<u>5,480</u>	<u>1,090,599</u>	<u>148,699</u>
Total Net Assets - Beginning	<u>(153,503)</u>	<u>155,398</u>	<u>(607,943)</u>	<u>(193,918)</u>
Total Net Assets - Ending	<u><u>\$ (134,714)</u></u>	<u><u>\$ 160,878</u></u>	<u><u>\$ 482,656</u></u>	<u><u>\$ (45,219)</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

	<u>Workers'</u> <u>Compensation</u>	<u>Vision</u> <u>Insurance</u>	<u>Self Fund</u> <u>Dental</u> <u>Insurance</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 799,996	\$ 108,047	\$ 697,130	\$ 3,724,256
Other revenues	44,362	-	-	770,776
Total Revenues	<u>844,358</u>	<u>108,047</u>	<u>697,130</u>	<u>4,495,032</u>
Operating Expenses				
Salaries and benefits	-	-	-	301,185
Services and supplies	1,318,548	81,124	636,232	4,091,176
Depreciation	-	-	-	4,313
Total Operating Expenses	<u>1,318,548</u>	<u>81,124</u>	<u>636,232</u>	<u>4,396,674</u>
Operating income (loss)	<u>(474,190)</u>	<u>26,923</u>	<u>60,898</u>	<u>98,358</u>
Non-operating revenue (expenses)				
Intergovernmental	-	-	-	767,541
Interest income (expense)	(8,109)	867	2,838	11,325
Total Non-Operating Revenue (Expenses)	<u>(8,109)</u>	<u>867</u>	<u>2,838</u>	<u>778,866</u>
Income (loss) before Transfers	<u>(482,299)</u>	<u>27,790</u>	<u>63,736</u>	<u>877,224</u>
Transfers in	-	-	-	15,000
Transfers out	-	-	-	(19,430)
Change in Net Assets	<u>(482,299)</u>	<u>27,790</u>	<u>63,736</u>	<u>872,794</u>
Total Net Assets - Beginning	<u>969,501</u>	<u>90,764</u>	<u>385,450</u>	<u>645,749</u>
Total Net Assets - Ending	<u><u>\$ 487,202</u></u>	<u><u>\$ 118,554</u></u>	<u><u>\$ 449,186</u></u>	<u><u>\$ 1,518,543</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2011

	<u>Fuel Services</u>	<u>Communications</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 781,927	\$ 429,531
Payments to suppliers	(676,644)	(142,627)
Payments to employees	(22,486)	(259,939)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	82,797	26,965
	<hr/>	<hr/>
Cash Flows from Noncapital Financing Activities		
Intergovernmental revenue received	-	7,999
Transfers from other funds	(39,185)	(31,963)
Transfers to other funds	(42,151)	(3,210)
Interest expense	(1,461)	-
	<hr/>	<hr/>
Net Cash Provided (Used) by Noncapital Financing Activities	(82,797)	(27,174)
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	-	(6,654)
	<hr/>	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(6,654)
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Interest and dividends	-	12,246
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	-	12,246
	<hr/>	<hr/>
Net Increase (Decrease) in Cash in Cash Equivalents	-	5,383
Balances - Beginning of year	-	175,824
	<hr/>	<hr/>
Balances - End of year	\$ -	\$ 181,207
	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2011

	<u>Fuel Services</u>	<u>Communications</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	\$ 19,802	\$ (11,376)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,848	333
Decrease (increase) in:		
Accounts receivable	57,374	9,125
Inventory	121	-
Net OPEB Asset	(1,233)	-
Increase (decrease) in:		
Accounts payable	4,034	8,741
Accrued salaries and benefits	107	1,789
Compensate absences payable	(194)	2,795
Estimated claims liability	-	-
Net OPEB obligation	(62)	15,558
Net Cash Provided (Used) by Operating Activities	<u>\$ 82,797</u>	<u>\$ 26,965</u>

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2011

	<u>Liability</u>	<u>Unemployment</u>	<u>Workers' Compensation</u>
Cash Flows from Operating Activities			
Receipts from customers	\$1,100,719	\$ 599,811	\$ 844,358
Payments to suppliers	(762,490)	(452,054)	(1,318,226)
Payments to employees	-	(15,430)	-
	<u>338,229</u>	<u>132,327</u>	<u>(473,868)</u>
Cash Flows from Noncapital Financing Activities			
Intergovernmental revenue received	759,542	-	-
Transfers from other funds	15,000	-	-
Transfers to other funds	(613,817)	(117,714)	33
Interest expense	(2,544)	(206)	(8,109)
	<u>158,181</u>	<u>(117,920)</u>	<u>(8,076)</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities			
Interest and dividends	1,223	851	1,138
	<u>1,223</u>	<u>851</u>	<u>1,138</u>
Net Cash Provided (Used) by Investing Activities	<u>1,223</u>	<u>851</u>	<u>1,138</u>
Net Increase (Decrease) in Cash in Cash Equivalents	497,633	15,258	(480,806)
Balances - Beginning of year	<u>-</u>	<u>-</u>	<u>966,877</u>
Balances - End of year	<u><u>\$ 497,633</u></u>	<u><u>\$ 15,258</u></u>	<u><u>\$ 486,071</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2011

	<u>Liability</u>	<u>Unemployment</u>	<u>Workers' Compensation</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 328,544	\$ 147,757	\$ (474,190)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,132	-	-
Decrease (increase) in:			
Accounts receivable	(8)	-	-
Inventory	-	-	-
Net OPEB Asset	-	-	-
Increase (decrease) in:			
Accounts payable	8,561	-	322
Accrued salaries and benefits	-	-	-
Compensate absences payable	-	-	-
Estimated claims liability	-	(15,430)	-
Net OPEB obligation	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 338,229</u></u>	<u><u>\$ 132,327</u></u>	<u><u>\$ (473,868)</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2011

	<u>Vision Insurance</u>	<u>Self Fund Dental Insurance</u>	<u>Total</u>
Cash Flows from Operating Activities			
Receipts from customers	\$ 107,365	\$ 696,611	\$ 4,560,322
Payments to suppliers	(81,124)	(636,232)	(4,069,397)
Payments to employees			(297,855)
	<u>26,241</u>	<u>60,379</u>	<u>193,070</u>
Net Cash Provided (Used) by Operating Activities			
	<u>26,241</u>	<u>60,379</u>	<u>193,070</u>
Cash Flows from Noncapital Financing Activities			
Intergovernmental revenue received	-	-	767,541
Transfers from other funds	-	-	(56,148)
Transfers to other funds	-	-	(776,859)
Interest expense	-	-	(12,320)
	<u>-</u>	<u>-</u>	<u>(77,786)</u>
Net Cash Provided (Used) by Noncapital Financing Activities			
	<u>-</u>	<u>-</u>	<u>(77,786)</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of capital assets	-	-	(6,654)
	<u>-</u>	<u>-</u>	<u>(6,654)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities			
	<u>-</u>	<u>-</u>	<u>(6,654)</u>
Cash Flows from Investing Activities			
Interest and dividends	684	2,397	18,539
	<u>684</u>	<u>2,397</u>	<u>18,539</u>
Net Cash Provided (Used) by Investing Activities			
	<u>684</u>	<u>2,397</u>	<u>18,539</u>
Net Increase (Decrease) in Cash in Cash Equivalents	26,925	62,776	127,169
Balances - Beginning of year	<u>87,998</u>	<u>356,694</u>	<u>1,587,393</u>
Balances - End of year	<u><u>\$ 114,923</u></u>	<u><u>\$ 419,470</u></u>	<u><u>\$ 1,714,562</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2011

	<u>Vision Insurance</u>	<u>Self Fund Dental Insurance</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 26,923	\$ 60,898	\$ 98,358
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	-	4,313
Decrease (increase) in:			
Accounts receivable	(682)	(519)	65,290
Inventory	-	-	121
Net OPEB Asset	-	-	(1,233)
Increase (decrease) in:			
Accounts payable	-	-	21,658
Accrued salaries and benefits	-	-	1,896
Compensate absences payable	-	-	2,601
Estimated claims liability	-	-	(15,430)
Net OPEB obligation	-	-	15,496
Net Cash Provided (Used) by Operating Activities	<u>\$ 26,241</u>	<u>\$ 60,379</u>	<u>\$ 193,070</u>