

**COUNTY OF SISKIYOU,
CALIFORNIA**



**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED
JUNE 30, 2012**

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COUNTY OF SISKIYOU, CALIFORNIA

Annual Financial Report
For the Year Ended June 30, 2012
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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, 2012 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 did not audit the financial statements of the STAGE, Local Transportation Administration, and Regional Transportation Planning funds. Those basic financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as they related to the amounts included for these funds are based on the report of the other auditors. In addition, we noted that the audited balances of the STAGE fund appeared to exclude the short term portion of compensated absences and the most current OPEB liability adjustment.

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, based on our audit and the reports of other auditors the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Siskiyou as of June 30, 2012, 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).

In accordance with Government Auditing Standards, we have issued our report under separate cover dated March 29, 2013 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.

The Board of Supervisors and Grand Jury
County of Siskiyou

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Roseville, California
March 29, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

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COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2012

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, 2012. 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 \$97,589,619 (net assets). Of this amount \$98,536,062 is invested in capital assets net of related debt, \$14,127,368 is restricted for specific purposes and a negative (\$15,073,811) is unrestricted net assets. In 2011/2012 the State realigned dollars for the Community Corrections Program, Local Law Enforcement Agency, Mental Health Services, Human Services, District Attorney, and Public Defender.
- The government's total net assets increased by \$1,196,126. This increase is primarily attributable to the net pension asset being reflected as an asset.
- As of the close of the current fiscal year, the County of Siskiyou's governmental funds reported combined ending fund balances of \$32,497,846 an increase of \$2,308,985 in comparison with the prior year. Approximately 54% of this total amount, \$17,599,786, is available for spending at the government's discretion (committed, assigned, and unassigned fund balance), which represents a 24% decrease over last year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a positive \$1,046,166. The committed portion of fund balance is \$74,796, and the restricted portion of fund balance is \$1,166,293, for a total general fund balance of positive \$2,287,255.
- The County of Siskiyou's total debt increased by \$2,780,801. Of that amount, the County recorded an additional \$3,353,304 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 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 \$20,220. 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.

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2012

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). 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 (STAGE), 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 First 5 Commission, Flood Control and Water Conservation District, Air Pollution Control District, County Service Areas #3, #4, and #5, Local Transportation Administration, Regional Transportation Planning, Hammond Ranch Fire Zone, McCloud Fire Zone, Mount Shasta Vista Fire Zone, and Pleasant Valley Fire Zone. These component units 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, 2012

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, Behavioral Health Services, and STGB Grants; 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, Automotive 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 Transportation and General & 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-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.

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2012

Government-Wide Financial Analysis

County of Siskiyou's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets:						
Current and other assets	\$ 58,004,934	\$ 50,199,469	\$ 6,837,028	\$ 6,208,380	\$ 64,841,962	\$ 56,407,849
Capital assets	<u>95,465,714</u>	<u>96,501,381</u>	<u>5,142,147</u>	<u>6,076,355</u>	<u>100,607,861</u>	<u>102,577,736</u>
Total assets	<u>153,470,648</u>	<u>146,700,850</u>	<u>11,979,175</u>	<u>12,284,735</u>	<u>165,449,823</u>	<u>158,985,585</u>
Liabilities:						
Current and other liabilities	10,871,827	7,036,969	646,321	422,048	11,518,148	7,459,017
Long-term liabilities	<u>42,369,224</u>	<u>41,081,772</u>	<u>13,972,832</u>	<u>14,051,303</u>	<u>56,342,056</u>	<u>55,133,075</u>
Total liabilities	<u>53,241,051</u>	<u>48,118,741</u>	<u>14,619,153</u>	<u>14,473,351</u>	<u>67,860,204</u>	<u>62,592,092</u>
Net Assets:						
Invested in capital assets, net of related debt	93,393,915	94,562,782	5,142,147	6,076,355	98,536,062	100,639,137
Restricted net assets	14,127,368	14,774,842	--	--	14,127,368	14,774,842
Unrestricted net assets	<u>(7,291,686)</u>	<u>(10,755,515)</u>	<u>(7,782,125)</u>	<u>(8,264,971)</u>	<u>(15,073,811)</u>	<u>(19,020,486)</u>
Total net assets	<u>\$ 100,229,597</u>	<u>\$ 98,582,109</u>	<u>\$ (2,639,978)</u>	<u>\$ (2,188,616)</u>	<u>\$ 97,589,619</u>	<u>\$ 96,393,493</u>

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 \$97,589,619 at the close of the most recent fiscal year.

By far the largest portion of the County of Siskiyou's net assets (100.97 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 \$100,639,137 at June 30, 2011, to \$98,536,062 at June 30, 2012. 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 (14.48 percent or \$14,127,368) represents resources that are subject to external restrictions on how they may be used. The remaining deficit is unrestricted net assets (\$15,073,810).

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.

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2012

County of Siskiyou's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 7,437,759	\$ 7,821,070	\$ 2,257,402	\$ 2,425,739	\$ 9,695,161	\$ 10,246,809
Operating grants and contributions	55,245,071	60,312,540	1,479,283	2,266,965	56,724,354	62,579,505
Capital grants and contributions	1,591,856	2,606,206	--	--	1,591,856	2,606,206
General Revenues:						
Property taxes	10,612,224	11,037,735	--	--	10,612,224	11,037,735
Sales and use taxes	5,608,786	4,781,578	--	--	5,608,786	4,781,578
Other taxes	891,038	751,654	--	--	891,038	751,654
Unrestricted grants and contributions	--	1,377,215	--	--	--	1,377,215
Interest and investment earnings	2,902,457	3,552,424	39,987	30,572	2,942,444	3,582,996
Miscellaneous	1,429,132	1,130,241	34,565	241,862	1,463,697	1,372,103
Total revenues	<u>85,718,323</u>	<u>93,370,663</u>	<u>3,811,237</u>	<u>4,965,138</u>	<u>89,529,560</u>	<u>98,335,801</u>
Expenses:						
General government	7,865,411	7,162,959	--	--	7,865,411	7,162,959
Public protection	30,693,453	30,739,587	--	--	30,693,453	30,739,587
Public ways and facilities	13,827,908	14,719,809	--	--	13,827,908	14,719,809
Health and welfare	16,095,561	18,981,339	--	--	16,095,561	18,981,339
Public assistance	20,117,493	20,262,803	--	--	20,117,493	20,262,803
Education	416,021	455,605	--	--	416,021	455,605
Culture and recreation	25,495	19,477	--	--	25,495	19,477
Interest on long-term debt	1,047,594	1,068,883	--	--	1,047,594	1,068,883
STAGE	--	--	1,975,951	2,101,677	--	2,101,677
Sanitation	--	--	1,282,088	1,470,421	--	1,470,421
Aviation	--	--	859,211	833,828	859,211	833,828
Total expenses	<u>90,088,936</u>	<u>93,410,462</u>	<u>4,117,250</u>	<u>4,405,926</u>	<u>94,206,186</u>	<u>97,816,388</u>
Change in net assets before transfers	(4,370,613)	(39,799)	(306,013)	559,212	(4,676,626)	519,413
Transfers	24,981	473	(24,981)	(473)	--	--
Change in net assets	(4,345,632)	(39,326)	(330,994)	558,739	(4,676,626)	519,413
Net assets at beginning year	98,582,109	98,110,892	(2,188,616)	(2,747,355)	96,393,493	95,363,537
Prior period adjustment	5,993,120	510,543	(120,368)	--	5,872,752	510,543
Net assets at end of year	<u>\$ 100,229,597</u>	<u>\$ 98,582,109</u>	<u>\$ (2,639,978)</u>	<u>\$ (2,188,616)</u>	<u>\$ 97,589,619</u>	<u>\$ 96,393,493</u>

Governmental Activities. Governmental activities decreased the County's net assets by \$4,676,626. The Governmental activities reflected a greater negative change in total net assets before the net loss of \$39,326 in Business-Type Activities.

Business-type activities. Business-type activities decreased the County's net assets by \$330,994.

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.

COUNTY OF SISKIYOU, CALIFORNIA

Management Discussion and Analysis (Unaudited) For the Year Ended June 30, 2012

At June 30, 2012, the County's governmental funds reported combined ending fund balances of \$32,497,846 a decrease of \$2,308,985 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 \$174,925, 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 \$157,863, which will need to be covered by the general fund.
- The EDEF Grant funds had a deficit fund balance of \$17,100 which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements.
- The Regional Transportation Planning fund had a deficit fund balance of \$40,460, which is expected to be eliminated in future years through more timely receipt of grant funding reimbursements.
- The Siskiyou Agency for Governmental Entities fund had a deficit fund balance of \$864, which is expected to be eliminated in future years through more timely receipt of funding.

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 \$2,639,978. Of the enterprise funds, STAGE has shown a net decrease of \$326,325 in net assets and an increase of \$54,140 in operating loss. Non-operating revenues of \$1,403,577 from a variety of sources help to cover this loss. The Aviation fund has reflected a \$783,179 operating loss and \$51,910 in non-operating revenues.

Sanitation has reflected net income of \$726,600 for the fiscal year. The final net asset amount for the fund is (\$8,499,592). 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. Additional funding will be needed to accomplish this goal. 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' decreased from \$1,518,543 to \$1,041,415. Most of the decrease related to the following:

- The service and supplies expenditures increased from the prior year from \$4,091,176 to \$4,491,410, a 9.78% increase.

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

- The Sanitation fund had a net asset deficit of \$8,499,592, 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, 2012

General Fund Budgetary Highlights

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

- \$454,723 in miscellaneous increases in general governmental activities
- \$781,110 in increases allocated to public protection
- \$ 17,182 in increases allocated to public assistance
- \$7,244 in decreases allocated to education

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:

- \$2,528,032 under budget in miscellaneous general governmental activities
- \$772,153 under budget in public protection
- \$5,107 under budget in health and sanitation
- \$10,072 under budget in public assistance
- \$54,884 under budget in education, culture and recreation
- \$1,538 over budget in public ways and facilities

The final revenues for the General Fund were lower in total than final budget estimates by \$328,148.

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, 2012, amounts to \$100,607,861 (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 \$45,602,795. The County recorded its Net OPEB Obligation of \$12,413,694 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, District Attorney, and Probation/Juvenile Hall. This was achieved through AB109, AB117, and AB118. The State realigned these dollars again for 12/13.

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, Rm 101, Yreka, CA 96097.

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BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements

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COUNTY OF SISKIYOU

Statement of Net Assets
June 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 32,214,871	\$ 5,874,771	\$ 38,089,642
Restricted cash	412,049	627,957	1,040,006
Interest receivable	--	2,916	2,916
Accounts receivable	5,651,756	201,050	5,852,806
Due from other governments	1,319,736	--	1,319,736
Deposits with others	240	--	240
Inventory	937,733	61,910	999,643
Internal balances	(68,424)	68,424	--
Loans receivable	3,733,065	--	3,733,065
Deferred bond issuance costs	53,272	--	53,272
Net pension asset	13,750,000	--	13,750,000
Net OPEB asset	636	--	636
Capital assets:			
Nondepreciable	9,415,727	613,561	10,029,288
Depreciable, net	86,049,987	4,528,586	90,578,573
Total Assets	\$153,470,648	\$ 11,979,175	\$165,449,823
LIABILITIES			
Accounts payable	\$ 2,475,735	\$ 72,903	\$ 2,548,638
Accrued salaries and benefits	888,816	25,341	914,157
Accrued interest payable	106,263	22,983	129,246
Deposits from others	421,519	--	421,519
Unearned revenue	5,403,118	426,401	5,829,519
Long-Term Liabilities:			
Due within one year	1,576,376	98,693	1,675,069
Due in more than one year	30,244,721	13,683,005	43,927,726
Other postemployment benefit liability	12,124,503	289,827	12,414,330
Total Liabilities	53,241,051	14,619,153	67,860,204
NET ASSETS			
Invested in capital assets, net of related debt	93,393,915	5,142,147	98,536,062
Restricted for:			
General government	1,041,170	--	1,041,170
Public protection	1,567,808	--	1,567,808
Public assistance	381,491	--	381,491
Health and sanitation	4,658,310	--	4,658,310
Public ways and facilities	2,632,248	--	2,632,248
Education	445	--	445
Capital projects	3,845,896	--	3,845,896
Unrestricted	(7,291,686)	(7,782,125)	(15,073,811)
Total Net Assets	100,229,597	(2,639,978)	97,589,619
Total Liabilities and Net Assets	\$153,470,648	\$ 11,979,175	\$165,449,823

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

COUNTY OF SISKIYOU

Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 7,865,411	\$ 1,159,666	\$ 8,612,616	\$ 68,760
Public protection	30,693,453	4,917,097	9,000,858	1,197,000
Public ways and facilities	13,827,908	455,948	9,638,985	326,096
Health and welfare	16,095,561	815,415	11,182,284	--
Public assistance	20,117,493	86,732	16,783,250	--
Education	416,021	99	27,078	--
Culture and recreation	25,495	2,802	--	--
Interest on long-term debt	1,047,594	--	--	--
Total Governmental Activities	<u>90,088,936</u>	<u>7,437,759</u>	<u>55,245,071</u>	<u>1,591,856</u>
Business-Type Activities:				
STAGE	1,975,951	248,461	1,394,705	--
Sanitation	1,282,088	1,932,909	34,578	--
Aviation	859,211	76,032	50,000	--
Total Business-type Activities	<u>4,117,250</u>	<u>2,257,402</u>	<u>1,479,283</u>	<u>--</u>
Total	<u>\$ 94,206,186</u>	<u>\$ 9,695,161</u>	<u>\$ 56,724,354</u>	<u>\$ 1,591,856</u>

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

COUNTY OF SISKIYOU

Statement of Activities
For the Year Ended June 30, 2012

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total	
\$ 1,975,631	\$ --	\$ 1,975,631	Functions/Programs
(15,578,498)	--	(15,578,498)	Governmental Activities:
(3,406,879)	--	(3,406,879)	General government
(4,097,862)	--	(4,097,862)	Public protection
(3,247,511)	--	(3,247,511)	Public ways and facilities
(388,844)	--	(388,844)	Health and welfare
(22,693)	--	(22,693)	Public assistance
(1,047,594)	--	(1,047,594)	Education
(25,814,250)	--	(25,814,250)	Culture and recreation
			Interest on long-term debt
			Total Governmental Activities
			Business-Type Activities:
--	(332,785)	(332,785)	STAGE
--	685,399	685,399	Sanitation
--	(733,179)	(733,179)	Aviation
--	(380,565)	(380,565)	Total Business-type Activities
<u>\$ (25,814,250)</u>	<u>\$ (380,565)</u>	<u>\$ (26,194,815)</u>	Total
			General Revenues:
10,612,224	--	10,612,224	Taxes:
5,608,786	--	5,608,786	Property taxes
470,545	--	470,545	Sales and use taxes
107,891	--	107,891	Transient occupancy taxes
312,602	--	312,602	Property transfer taxes
2,902,457	39,987	2,942,444	Timber yield taxes
24,981	(24,981)	--	Interest and investment earnings
1,429,132	34,565	1,463,697	Transfers
21,468,618	49,571	21,518,189	Miscellaneous
			Total General Revenues and Transfers
(4,345,632)	(330,994)	(4,676,626)	Change in Net Assets
98,582,109	(2,188,616)	96,393,493	Net Assets - Beginning
5,993,120	(120,368)	5,872,752	Prior period adjustments
<u>\$ 100,229,597</u>	<u>\$ (2,639,978)</u>	<u>\$ 97,589,619</u>	Net Assets - Ending

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

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BASIC FINANCIAL STATEMENTS
Fund Financial Statements

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COUNTY OF SISKIYOU

Balance Sheet
Governmental Funds
June 30, 2012

	<u>General</u>	<u>Road</u>	<u>Human Services</u>	<u>Public Health</u>
<u>ASSETS</u>				
Cash and investments	\$ 2,311,213	\$ 12,035,261	\$ 1,198,320	\$ --
Accounts receivable	1,817,702	1,339,795	796,666	361,282
Due from other governments	351,843	644,997	81,792	206,476
Deposits with others	240	--	--	--
Due from other funds	1,278,694	204,310	92,671	488,095
Loans receivable	--	--	--	--
Inventory	--	770,692	--	--
Total Assets	<u>\$ 5,759,692</u>	<u>\$ 14,995,055</u>	<u>\$ 2,169,449</u>	<u>\$ 1,055,853</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 875,794	\$ 448,222	\$ 104,963	\$ 68,533
Accrued salaries and benefits	413,802	146,390	126,882	53,595
Deposits from others	412,049	--	9,470	--
Due to other funds	477,403	146,491	105,549	877,879
Unearned revenue	1,293,389	645,959	906,254	230,771
Total Liabilities	<u>3,472,437</u>	<u>1,387,062</u>	<u>1,253,118</u>	<u>1,230,778</u>
<u>FUND BALANCES</u>				
Nonspendable	--	770,692	--	--
Restricted	1,166,293	2,632,248	29,374	--
Committed	74,796	--	--	--
Assigned	--	10,205,053	886,957	--
Unassigned	1,046,166	--	--	(174,925)
Total Fund Balances	<u>2,287,255</u>	<u>13,607,993</u>	<u>916,331</u>	<u>(174,925)</u>
Total Liabilities and Fund Balances	<u>\$ 5,759,692</u>	<u>\$ 14,995,055</u>	<u>\$ 2,169,449</u>	<u>\$ 1,055,853</u>

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

Behavioral Public Health	STGB Grants	Other Governmental Funds	Total
\$ 6,428,815	\$ 967	\$ 9,420,240	\$ 31,394,816
896,691	48	425,535	5,637,719
--	--	34,628	1,319,736
--	--	--	240
489,370	--	280,905	2,834,045
--	1,444,397	2,288,668	3,733,065
--	--	--	770,692
<u>\$ 7,814,876</u>	<u>\$ 1,445,412</u>	<u>\$ 12,449,976</u>	<u>\$ 45,690,313</u>
\$ 415,733	\$ --	\$ 369,705	\$ 2,282,950
91,164	--	46,227	878,060
--	--	--	421,519
490,295	47	690,911	2,788,575
--	1,444,397	2,300,593	6,821,363
<u>997,192</u>	<u>1,444,444</u>	<u>3,407,436</u>	<u>13,192,467</u>
--	--	--	770,692
4,182,906	968	6,115,579	14,127,368
--	--	91,389	166,185
2,634,778	--	3,056,592	16,783,380
--	--	(221,020)	650,221
<u>6,817,684</u>	<u>968</u>	<u>9,042,540</u>	<u>32,497,846</u>
<u>\$ 7,814,876</u>	<u>\$ 1,445,412</u>	<u>\$ 12,449,976</u>	<u>\$ 45,690,313</u>

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

COUNTY OF SISKIYOU

Reconciliation of the Governmental Funds Balances
to the Government-Wide Statement of Net Assets - Governmental Activities
June 30, 2012

Total Fund Balance - Total Governmental Funds	\$ 32,497,846
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheets.	95,389,347
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.	1,418,245
The pension asset resulting from contributions in excess of the annual required contribution is not considered a financial resource and, therefore, is not reported in the governmental funds.	13,750,000
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds:	
Bonds payable	(16,048,535)
Capital leases payable	(199,478)
Loans payable	(1,687,121)
Compensated absences	(2,889,906)
Net other postemployment benefit obligation	(12,059,904)
Behavioral Health repayment liability	(10,929,321)
Accrued interest payable	(106,263)
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.	53,272
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>1,041,415</u>
Net assets of governmental activities	<u>\$ 100,229,597</u>

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

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COUNTY OF SISKIYOU

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

	<u>General</u>	<u>Road</u>	<u>Human Services</u>	<u>Public Health</u>
Revenues				
Taxes	\$ 11,815,654	\$ --	\$ 2,633,444	\$ 694,560
Licenses and permits	792,119	--	--	234,647
Fines, forfeitures and penalties	1,745,507	--	1,692	10,132
Use of money and property	235,824	71,450	6,879	(3,878)
Intergovernmental	13,671,054	9,117,628	16,909,686	3,345,002
Charges for services	3,110,049	401,137	83,968	198,576
Other revenues	1,195,329	28,904	45,968	17,970
Total Revenues	<u>32,565,536</u>	<u>9,619,119</u>	<u>19,681,637</u>	<u>4,497,009</u>
Expenditures				
Current:				
General government	7,047,820	--	--	--
Public protection	23,683,198	--	--	--
Public ways and facilities	26,506	8,842,438	--	--
Health and sanitation	34,035	--	--	4,876,839
Public assistance	302,780	--	18,405,733	--
Education	382,035	--	--	--
Culture and recreation	24,109	--	--	--
Debt service:				
Principal	63,830	--	--	3,315
Interest and other charges	--	--	--	--
Capital outlay	531,539	1,810,639	3,206	--
Total Expenditures	<u>32,095,852</u>	<u>10,653,077</u>	<u>18,408,939</u>	<u>4,880,154</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>469,684</u>	<u>(1,033,958)</u>	<u>1,272,698</u>	<u>(383,145)</u>
Other Financing Sources (Uses)				
Capital lease inception	233,529	--	--	--
Sale of capital assets	--	1,400	--	--
Transfers in	11,601,619	471,349	53,930	1,242,563
Transfers out	(12,086,229)	(575,746)	(692,707)	(875,758)
Total Other Financing Sources (Uses)	<u>(251,081)</u>	<u>(102,997)</u>	<u>(638,777)</u>	<u>366,805</u>
Net Changes in Fund Balances	218,603	(1,136,955)	633,921	(16,340)
Fund Balances, Beginning - As Restated	<u>2,068,652</u>	<u>14,744,948</u>	<u>282,410</u>	<u>(158,585)</u>
Fund Balances, End of Year	<u>\$ 2,287,255</u>	<u>\$ 13,607,993</u>	<u>\$ 916,331</u>	<u>\$ (174,925)</u>

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

Behavioral Health Services	STGB Grants	Other Governmental	Total
\$ 1,472,854	\$ --	\$ 375,687	\$ 16,992,199
--	--	110,055	1,136,821
20,966	--	297,788	2,076,085
45,514	27,461	2,514,186	2,897,436
8,155,060	(1,716)	7,128,919	58,325,633
136,130	--	243,238	4,173,098
1,875	1,325	137,761	1,429,132
<u>9,832,399</u>	<u>27,070</u>	<u>10,807,634</u>	<u>87,030,404</u>
--	--	33,152	7,080,972
--	--	4,847,376	28,530,574
--	--	276,922	9,145,866
8,699,352	--	1,914,729	15,524,955
--	--	727,072	19,435,585
--	--	--	382,035
--	--	--	24,109
--	--	252,340	319,485
--	--	1,045,309	1,045,309
141,942	--	1,400,334	3,887,660
<u>8,841,294</u>	<u>--</u>	<u>10,497,234</u>	<u>85,376,550</u>
<u>991,105</u>	<u>27,070</u>	<u>310,400</u>	<u>1,653,854</u>
--	--	29,287	262,816
--	--	357,519	358,919
786,459	--	2,148,367	16,304,287
(617,342)	(28,230)	(1,394,879)	(16,270,891)
<u>169,117</u>	<u>(28,230)</u>	<u>1,140,294</u>	<u>655,131</u>
1,160,222	(1,160)	1,450,694	2,308,985
<u>5,657,462</u>	<u>2,128</u>	<u>7,591,846</u>	<u>30,188,861</u>
<u>\$ 6,817,684</u>	<u>\$ 968</u>	<u>\$ 9,042,540</u>	<u>\$ 32,497,846</u>

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

COUNTY OF SISKIYOU

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2012

Net change to fund balance - Total Governmental Funds	\$ 2,308,985
Amounts reported for governmental activities in the statement of activities are different because:	
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Expenditures for capital outlay	5,953,769
Depreciation expense	(6,902,415)
<p>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.</p>	
	(573,048)
<p>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.</p>	
Inception of capital lease	(262,816)
Principal retirements	738,361
Amortization of bond issue costs and discount on bonds	(3,798)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>	
	(1,321,552)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in compensated absences	53,627
Change in net OPEB obligation	(3,311,130)
Change in accrued interest payable	1,513
Change in net pension asset	(550,000)
<p>Internal service funds are used by management to charge the costs 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.</p>	
	(477,128)
Change in net assets of governmental activities	\$ (4,345,632)

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

COUNTY OF SISKIYOU

Statement of Fund Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds			Governmental	
	STAGE	Sanitation	Aviation	Internal Service Funds	
ASSETS					
Current Assets:					
Cash and investments	\$ 1,451,923	\$ 4,183,442	\$ 239,406	\$ 5,874,771	\$ 1,232,104
Accounts receivable	161,822	38,535	693	201,050	14,037
Interest receivable	2,916	--	--	2,916	--
Due from other funds	74,044	114,491	--	188,535	60,545
Inventory	61,910	--	--	61,910	167,041
Total Current Assets	<u>1,752,615</u>	<u>4,336,468</u>	<u>240,099</u>	<u>6,329,182</u>	<u>1,473,727</u>
Noncurrent Assets:					
Restricted cash	--	627,957	--	627,957	--
Net OPEB asset	--	--	--	--	636
Capital assets:					
Non-depreciable	--	352,218	261,343	613,561	--
Depreciable, net	1,498,203	152,203	2,878,180	4,528,586	76,367
Total Noncurrent Assets	<u>1,498,203</u>	<u>1,132,378</u>	<u>3,139,523</u>	<u>5,770,104</u>	<u>77,003</u>
Total Assets	<u>\$ 3,250,818</u>	<u>\$ 5,468,846</u>	<u>\$ 3,379,622</u>	<u>\$12,099,286</u>	<u>\$ 1,550,730</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	7,255	60,869	4,779	\$ 72,903	192,785
Accrued salaries and benefits	18,554	6,787	--	25,341	10,756
Interest payable	--	22,983	--	22,983	--
Due to other funds	25,880	37,773	56,458	120,111	174,439
Unearned revenue	426,401	--	--	426,401	--
Compensated absences payable	--	9,630	--	9,630	11,589
Loan payable	--	89,063	--	89,063	--
Estimated claims liability	--	--	--	--	40,725
Total Current Liabilities	<u>478,090</u>	<u>227,105</u>	<u>61,237</u>	<u>766,432</u>	<u>430,294</u>
Noncurrent Liabilities:					
Compensated absences payable	24,026	33,287	--	57,313	14,422
Loan payable	--	1,620,294	--	1,620,294	--
Closure/postclosure liability	--	12,005,398	--	12,005,398	--
Net OPEB obligation	207,473	82,354	--	289,827	64,599
Total Noncurrent Liabilities	<u>231,499</u>	<u>13,741,333</u>	<u>--</u>	<u>13,972,832</u>	<u>79,021</u>
Total Liabilities	<u>709,589</u>	<u>13,968,438</u>	<u>61,237</u>	<u>14,739,264</u>	<u>509,315</u>
NET ASSETS					
Invested in capital assets, net of related debt	1,498,203	504,421	3,139,523	5,142,147	76,367
Unrestricted	1,043,026	(9,004,013)	178,862	(7,782,125)	965,048
Total Net Assets	<u>2,541,229</u>	<u>(8,499,592)</u>	<u>3,318,385</u>	<u>(2,639,978)</u>	<u>1,041,415</u>
Total Liabilities and Net Assets	<u>\$ 3,250,818</u>	<u>\$ 5,468,846</u>	<u>\$ 3,379,622</u>	<u>\$12,099,286</u>	<u>\$ 1,550,730</u>

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

COUNTY OF SISKIYOU

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

	Business-Type Activities - Enterprise Funds			Governmental	
	STAGE	Sanitation	Aviation	Internal Service Funds	
Operating Revenues					
Charges for services	\$ 248,461	\$ 1,932,909	\$ 7,792	\$ 2,189,162	\$ 4,479,768
Rental Income	--	--	65,750	65,750	--
Other Revenues	19,567	14,998	2,490	37,055	1,841
Total Operating Revenues	<u>268,028</u>	<u>1,947,907</u>	<u>76,032</u>	<u>2,291,967</u>	<u>4,481,609</u>
Operating Expenses					
Salaries and benefits	1,015,241	151,807	--	1,167,048	455,357
Services and supplies	680,030	1,038,341	113,670	1,832,041	4,491,410
Depreciation	280,680	35,523	745,541	1,061,744	11,026
Total Operating Expenses	<u>1,975,951</u>	<u>1,225,671</u>	<u>859,211</u>	<u>4,060,833</u>	<u>4,957,793</u>
Operating Income (Loss)	<u>(1,707,923)</u>	<u>722,236</u>	<u>(783,179)</u>	<u>(1,768,866)</u>	<u>(476,184)</u>
Non-Operating Revenue (Expenses)					
Interest income	8,872	29,205	1,910	39,987	5,021
Interest expense	--	(56,417)	--	(56,417)	--
Intergovernmental	1,394,705	34,578	50,000	1,479,283	2,450
Total Non-Operating Revenue (Expenses)	<u>1,403,577</u>	<u>7,366</u>	<u>51,910</u>	<u>1,462,853</u>	<u>7,471</u>
Income (Loss) Before Transfers	(304,346)	729,602	(731,269)	(306,013)	(468,713)
Transfers in	--	5,561	--	5,561	--
Transfers out	(21,979)	(8,563)	--	(30,542)	(8,415)
Change in Net Assets	<u>(326,325)</u>	<u>726,600</u>	<u>(731,269)</u>	<u>(330,994)</u>	<u>(477,128)</u>
Net Assets - Beginning - As Restated	<u>2,867,554</u>	<u>(9,226,192)</u>	<u>4,049,654</u>	<u>(2,308,984)</u>	<u>1,518,543</u>
Net Assets - Ending	<u>\$ 2,541,229</u>	<u>\$ (8,499,592)</u>	<u>\$ 3,318,385</u>	<u>\$ (2,639,978)</u>	<u>\$ 1,041,415</u>

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

COUNTY OF SISKIYOU

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

	Business-Type Activities - Enterprise Funds			Governmental	
	STAGE	Sanitation	Aviation	Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 268,028	\$ 1,968,196	\$ 152,614	\$ 2,388,838	\$ 4,518,370
Payments to suppliers	(872,657)	(895,381)	(113,818)	(1,881,856)	(4,545,685)
Payments to employees	(1,142,889)	(169,928)	--	(1,312,817)	(433,199)
Net Cash Provided (Used) by Operating Activities	(1,747,518)	902,887	38,796	(805,835)	(460,514)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Intergovernmental revenue received	1,791,456	34,578	50,000	1,876,034	2,450
Transfers from other funds	--	5,561	--	5,561	--
Transfers to other funds	(21,979)	(8,563)	--	(30,542)	(8,415)
Interfund loans received or made	--	(72,763)	52,318	(20,445)	38,323
Principal paid on non-capital debt	--	(87,179)	--	(87,179)	--
Interest paid on non-capital debt	--	(57,045)	--	(57,045)	--
Net Cash Provided (Used) by Noncapital Financing Activities	1,769,477	(185,411)	102,318	1,686,384	32,358
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(55,271)	(72,821)	(21,257)	(149,349)	(66,007)
Net Cash Provided (Used) by Capital and Related Financing Activities	(55,271)	(72,821)	(21,257)	(149,349)	(66,007)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	13,126	45,025	2,397	60,548	11,705
Net Cash Provided (Used) by Investing Activities	13,126	45,025	2,397	60,548	11,705
Net Increase (Decrease) in Cash and Cash Equivalents	(20,186)	689,680	122,254	791,748	(482,458)
Cash and Cash Equivalents, Beginning of Year	1,472,109	4,121,719	117,152	5,710,980	1,714,562
Cash and Cash Equivalents, End of Year	\$ 1,451,923	\$ 4,811,399	\$ 239,406	\$ 6,502,728	\$ 1,232,104

continued

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

COUNTY OF SISKIYOU

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

	Business-Type Activities - Enterprise Funds			Governmental	
	STAGE	Sanitation	Aviation	Internal Service Funds	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (1,707,923)	\$ 722,236	\$ (783,179)	\$ (1,768,866)	\$ (476,184)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	280,680	35,523	745,541	1,061,744	11,026
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivables	(177,389)	20,289	76,582	(80,518)	36,761
Inventory	8,958	--	--	8,958	(132,278)
Net OPEB Asset	--	--	--	--	597
Increase (decrease) in:					
Accounts payable	(223,564)	19,764	(148)	(203,948)	86,725
Accrued salaries and benefits	(63,029)	(20,444)	--	(83,473)	(5,563)
Closure and postclosure liability	--	112,229	--	112,229	--
Liability for compensated absences	2,177	2,323	--	4,500	7,635
Estimated claims liability	--	--	--	--	(19,843)
Net OPEB obligation	132,572	10,967	--	143,539	30,610
Net Cash Provided (Used) by Operating Activities	\$ (1,747,518)	\$ 902,887	\$ 38,796	\$ (805,835)	\$ (460,514)

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

COUNTY OF SISKIYOU

Statement of Fiduciary Net Assets
June 30, 2012

	Investment Trust Funds	Agency Funds
<u>ASSETS</u>		
Cash and investments	\$ 40,053,499	\$ 4,859,000
Taxes receivable	--	4,827,828
Total Assets	<u>\$ 40,053,499</u>	<u>\$ 9,686,828</u>
<u>LIABILITIES</u>		
Agency obligations	--	9,686,828
Total Liabilities	<u>--</u>	<u>9,686,828</u>
<u>NET ASSETS</u>		
Net assets held in trust for pool participants	40,053,499	--
Total Net Assets	<u>\$ 40,053,499</u>	<u>\$ --</u>

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

COUNTY OF SISKIYOU

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

	Investment Trust Funds
Additions	
Contributions:	
Contributions to investment pool	<u>40,053,499</u>
Total Additions	<u>40,053,499</u>
Deductions	
Distributions from investment pool	<u>39,372,526</u>
Total Deductions	<u>39,372,526</u>
Change in net assets	680,973
Net Assets - Beginning of year	<u>39,372,526</u>
Net Assets - End of year	<u><u>\$ 40,053,499</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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.

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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Description of Reporting Entity

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.

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 Basic Financial Statements
For the Year Ended June 30, 2012

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.

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.
- STGB Grants Fund is a special revenue fund to account for revenues and expenditures for housing grants.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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 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.

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Basis of Accounting and Measurement Focus (continued)

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.

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Cash and Investments (continued)

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.

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, 2012, 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 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."

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Interfund Transactions (continued)

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.

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.

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 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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Capital Assets (continued)

Government-Wide Financial Statements (continued)

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 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.

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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Capital Assets (continued)

Unearned Revenue/Deferred Revenue (continued)

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.

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 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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Net Assets (continued)

- 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.
- 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. 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 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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Fund Balances (continued)

The fund balances for all major and nonmajor governmental funds as of June 30, 2012, were distributed as follows:

	General Fund	Road Fund	Human Services	Public Health	Behavioral Health Services	STGB Grants	Nonmajor Funds	Total Governmental Funds
Nonspendable:								
Inventory	\$ -	\$ 770,692	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 770,692
Subtotal	-	770,692	-	-	-	-	-	770,692
Restricted for:								
General government	282,936	-	-	-	-	-	758,234	1,041,170
Public protection	883,357	-	-	-	-	-	684,451	1,567,808
Public ways & facilities	-	2,632,248	-	-	-	-	-	2,632,248
Health and sanitation	-	-	-	-	4,182,906	-	475,404	4,658,310
Public assistance	-	-	29,374	-	-	968	351,149	381,491
Education	-	-	-	-	-	-	445	445
Capital projects	-	-	-	-	-	-	3,845,896	3,845,896
Subtotal	1,166,293	2,632,248	29,374	-	4,182,906	968	6,115,579	14,127,368
Committed to:								
General government	9,642	-	-	-	-	-	-	9,642
Public protection	65,154	-	-	-	-	-	39,253	104,407
Public ways & facilities	-	10,205,053	-	-	-	-	-	10,205,053
Education	-	-	-	-	-	-	13,415	13,415
Capital Projects	-	-	-	-	-	-	38,721	38,721
Subtotal	74,796	10,205,053	-	-	-	-	91,389	10,371,238
Assigned to:								
General government	-	-	-	-	-	-	4	4
Public protection	-	-	-	-	-	-	607,009	607,009
Public ways & facilities	-	-	-	-	-	-	37,955	37,955
Health & sanitation	-	-	-	-	2,634,778	-	374,744	3,009,522
Public assistance	-	-	886,957	-	-	-	-	886,957
Capital projects	-	-	-	-	-	-	1,476,151	1,476,151
Debt service	-	-	-	-	-	-	560,729	560,729
Subtotal	-	-	886,957	-	2,634,778	-	3,056,592	6,578,327
Unassigned	1,046,166	-	-	(174,925)	-	-	(221,020)	650,221
Total	<u>\$ 2,287,255</u>	<u>\$ 13,607,993</u>	<u>\$ 916,331</u>	<u>\$ (174,925)</u>	<u>\$ 6,817,684</u>	<u>\$ 968</u>	<u>\$ 9,042,540</u>	<u>\$ 32,497,846</u>

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).

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Fund Balances (continued)

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.

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.

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.

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

Table with 3 columns: Property Type, Secured, Unsecured. Rows include Valuation/lien dates, Levy dates, Due Dates, and Delinquent Dates.

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.

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 \$433,449 at June 30, 2012.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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.

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, the following prior period adjustments were made:

- Sanitation Fund – adjustment of \$(51,901) to expense costs related to closure or post-closure monitoring of the County's landfills.
- STAGE Fund – adjustment of \$(68,467) to agree to separately issued audited financial statements.
- Courthouse Construction Fund – adjustment of \$4,418,914 to properly report the fund as an agency fund.
- CDBG Grants, EDBG Grants, STBG Grants, and Home Grants Fund – adjustments of \$1,068,440, \$684,372, \$1,454,716, and \$306,999, respectively, to offset loans receivable balances with deferred revenues to agree with the County's preferred method of accounting.
- Governmental Activities – adjustment of \$431,046 relating to various corrections to capital asset balances.
- Governmental Activities – adjustment of \$14,300,000 to record a net pension asset arising from the prior issuance of pension obligation bonds and related prior amortization expense.
- Human Services – adjustment of \$804,485 to correct revenue recognition.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Restatement of Fund Balances/Net Assets (continued)

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

	<u>Governmental Activities</u>	<u>Human Services</u>	<u>STBG Grants</u>	<u>Other Governmental Funds</u>	<u>STAGE</u>	<u>Sanitation</u>
Net Assets/Fund Balances, June 30, 2011, as previously reported	\$ 98,582,109	\$ 1,086,895	\$ 1,456,844	\$ 14,070,571	\$ 2,936,021	\$ (9,174,291)
Adjustments to capital asset balances	431,046	-	-	-	-	(51,901)
Agree to separate audit	-	-	-	-	(68,467)	-
Net pension asset	14,300,000	-	-	-	-	-
Correct revenue recognition	(804,485)	(804,485)	-	-	-	-
Correct classification of courthouse construction fund	(4,418,914)	-	-	(4,418,914)	-	-
Deferred revenue related to loans receivable	<u>(3,514,527)</u>	<u>-</u>	<u>(1,454,716)</u>	<u>(2,059,811)</u>	<u>-</u>	<u>-</u>
Net Assets/Fund Balances, June 30, 2011, as restated	<u>\$ 104,575,229</u>	<u>\$ 282,410</u>	<u>\$ 2,128</u>	<u>\$ 7,591,846</u>	<u>\$ 2,867,554</u>	<u>\$ (9,226,192)</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 of \$174,925 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 of \$157,863 that is expected to be eliminated in the future through cost containment and future reimbursements.
- The EDEF Grants fund had a deficit fund balance of \$17,100 that was eliminated in a subsequent period by the receipt of grant funding reimbursements.
- The Lake Siskiyou Trail Project fund had a fund balance deficit of \$2,384 that is expected to be eliminated through timely receipt of grant funding reimbursements.
- The Regional Transportation Planning fund had a deficit fund balance of \$40,460 that was eliminated by the 4th quarter reimbursement in FY 11/12.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

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

Deficit Fund Balance/Net Assets (continued)

- The Wagon Creek Bridge McConnell fund had a deficit fund balance of \$2,349 due to additional expenses that were incurred and will be covered by the Flood fund. The funds will be transferred to cover this deficit in the 12/13 fiscal year.
- The Siskiyou Agency for Governmental Entities had a deficit fund balance of \$864 resulting from miscommunication. The Auditor's office will be working with the department in the 12/13 fiscal year to transfer/collect the appropriate funds.

The following major enterprise fund had deficit net assets:

- The Sanitation fund had a net asset deficit of \$8,556,708 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 of \$130,145 that is expected to be eliminated in the future through increased cost allocations.
- The Unemployment fund had a net asset deficit of \$51,199 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.

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: 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. 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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2012, the County's cash, deposits and investments were as follows:

	<u>Pooled</u>	<u>Other</u>	<u>Total</u>
Cash on hand and imprest cash	\$ 58,003	\$ -	\$ 58,003
Deposit with financial institutions	(818,662)	412,049	(406,613)
Outstanding warrants and wires	(1,214,183)	-	(1,214,183)
Investments	<u>85,604,940</u>	<u>-</u>	<u>85,604,940</u>
Totals	<u>\$ 83,630,098</u>	<u>\$ 412,049</u>	<u>\$ 84,042,147</u>

As of June 30, 2012, the County's cash and investments consisted of the following:

Primary Government	
Unrestricted	\$ 38,089,642
Restricted	1,040,006
Investment trust funds	40,053,499
Agency funds	<u>4,859,000</u>
Total Cash and investments	<u>\$ 84,042,147</u>

As of June 30, 2012, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>WAM (Years)</u>
Siskiyou County Investment Pool						
Federal Agency Obligations	1.15% - 4.25%	12/14/12-6/28/17	\$ 39,725,000	\$ 39,936,447	\$ 39,841,836	4.15
Money Market Mutual Funds	Variable	On Demand	2,726,291	2,726,291	2,726,291	-
Local Agency Investment Fund (LAIF)	Variable	On Demand	42,300,000	42,351,591	42,300,000	-
California Asset Management Program (CAMP)	Variable	On Demand	<u>736,813</u>	<u>736,813</u>	<u>736,813</u>	-
Total Investment Pool			<u>\$ 85,488,104</u>	<u>\$ 85,751,142</u>	<u>\$ 85,604,940</u>	<u>1.93</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 Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity*	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	None	Non3
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	40%	10%
Negotiable CDs/CD placement service	5 years	30%	None
Repurchase agreements	1 year	None	None
Reverse repurchase agreements	92 days	20%	None
Medium-term notes	5 years	30%	None
Mutual/money market funds	N/A	20%	10%
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	None
Time deposits	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

* 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.

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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Credit Risk and Concentration of Credit Risk (continued)

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

	<u>Moody's</u>	<u>Standard & Poor's Rating</u>	<u>% of Portfolio</u>
Federal agency obligations	AAA	AA+	46.57%
Money market mutual funds	Unrated	Unrated	3.18%
California Local Agency Investment Fund	Unrated	Unrated	49.39%
California Asset Management Road	Unrated	Unrated	<u>0.86%</u>
 Total			 <u><u>100.00%</u></u>

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

	<u>Fair Value</u>
Federal Farm Credit Bank	\$ 8,036,620
Federal Home Loan Bank	8,022,981
Federal Home Loan Mortgage Association	14,104,020
Federal Home Loan Mortgage Corporation	9,772,826

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, 2012, 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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

Local Agency Investment Fund (continued)

At June 30, 2012, the County's investment position in LAIF was approximately \$42 million, which is the fair value of the pool shares. The total amount invested by all public agencies in PMIA on that day was 60.5 billion. Of that amount, 3.47% was invested in structured notes and asset-backed securities with the remaining 96.53% 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 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, 2012:

Statement of Net Assets

Net assets held for pool participants	\$ 83,630,098
Equity of internal pool participants	43,576,599
Equity of external pool participants	40,053,499
Total net assets	<u>\$ 83,630,098</u>

Statement of Changes in Net Assets

Net contribution from pool participants	<u>\$ (162,221)</u>
Change in net assets	<u>(162,221)</u>
Net assets at July 1, 2011	<u>83,792,319</u>
Net assets at June 30, 2012	<u>\$ 83,630,098</u>

NOTE 4: 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 \$412,049 in the General Fund.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 5: CAPITAL ASSETS

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

	Restated Balance July 1, 2011	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2012
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 4,419,929	\$ -	\$ -	\$ 876,664	\$ 5,296,593
Construction in progress	1,905,787	1,087,307	-	(885,845)	2,107,249
Intangible assets	1,831,934	179,951	-	-	2,011,885
Total capital assets, not being depreciated	<u>8,157,650</u>	<u>1,267,258</u>	<u>-</u>	<u>(9,181)</u>	<u>9,415,727</u>
Capital assets, being depreciated					
Infrastructure	171,549,782	2,041,071	-	9,181	173,600,034
Structures and improvements	28,381,602	1,238,283	-	252	29,620,137
Equipment	29,711,105	1,509,162	(708,409)	(28,426)	30,483,432
Total capital assets, being depreciated	<u>229,642,489</u>	<u>4,788,516</u>	<u>(708,409)</u>	<u>(18,993)</u>	<u>233,703,603</u>
Less accumulated depreciation for:					
Infrastructure	(106,357,443)	(5,313,727)	-	-	(111,671,170)
Structures and improvements	(8,987,702)	(516,868)	-	-	(9,504,570)
Equipment	(25,522,567)	(1,082,846)	135,361	(7,824)	(26,477,876)
Total accumulated depreciation	<u>(140,867,712)</u>	<u>(6,913,441)</u>	<u>135,361</u>	<u>(7,824)</u>	<u>(147,653,616)</u>
Total capital assets, being depreciated, net	<u>88,774,777</u>	<u>(2,124,925)</u>	<u>(573,048)</u>	<u>(26,817)</u>	<u>86,049,987</u>
Governmental activities capital assets, net	<u>\$ 96,932,427</u>	<u>\$ (857,667)</u>	<u>\$ (573,048)</u>	<u>\$ (35,998)</u>	<u>\$ 95,465,714</u>
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 360,187	\$ -	\$ -	\$ 63,757	\$ 423,944
Construction in progress	371,670	55,779	-	(237,832)	189,617
Total capital assets, not being depreciated	<u>731,857</u>	<u>55,779</u>	<u>-</u>	<u>(174,075)</u>	<u>613,561</u>
Capital assets, being depreciated					
Infrastructure	11,196,185	21,257	-	174,189	11,391,631
Structures and improvements	2,587,558	-	-	-	2,587,558
Equipment	3,981,604	109,791	(9,432)	9,362	4,091,325
Total capital assets, being depreciated	<u>17,765,347</u>	<u>131,048</u>	<u>(9,432)</u>	<u>183,551</u>	<u>18,070,514</u>
Less accumulated depreciation for:					
Infrastructure	(7,784,121)	(744,401)	-	-	(8,528,522)
Structures and improvements	(2,493,217)	(756)	-	18,005	(2,475,968)
Equipment	(2,195,412)	(316,587)	-	(25,439)	(2,537,438)
Total accumulated depreciation	<u>(12,472,750)</u>	<u>(1,061,744)</u>	<u>-</u>	<u>(7,434)</u>	<u>(13,541,928)</u>
Total capital assets, being depreciated, net	<u>5,292,597</u>	<u>(930,696)</u>	<u>(9,432)</u>	<u>176,117</u>	<u>4,528,586</u>
Business-type activities capital assets, net	<u>\$ 6,024,454</u>	<u>\$ (874,917)</u>	<u>\$ (9,432)</u>	<u>\$ 2,042</u>	<u>\$ 5,142,147</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$	326,127
Public protection		667,964
Health and welfare		258,966
Public assistance		43,158
Education		2,275
Public ways and facilities		<u>5,603,925</u>
Subtotal governmental funds		6,902,415
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		<u>11,026</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>6,913,441</u></u>

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

STAGE	\$	280,680
Sanitation		35,523
Aviation		<u>745,541</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>1,061,744</u></u>

Restatement of Beginning Balances

Capital asset balances were restated in governmental activities for various corrections from prior years, totaling \$431,046. Capital asset balances were restated in business-type activities to expense costs related to closure and post-closure monitoring of the County's landfills.

Construction in Progress

Construction in progress for governmental activities related primarily to work performed on various bridges and roads. Construction in progress for business-type activities related primarily to work performed on transfer sites for waste collection.

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

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 5: CAPITAL ASSETS (CONTINUED)

Collections (continued)

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.

NOTE 6: DEFERRED REVENUE

At June 30, 2012, the components of deferred revenue were reported as follows:

	<u>Unearned</u>	<u>Unavailable</u>
General Fund:		
2012/2013 payments in lieu of tax revenue received in 2011/2012	\$ 869,294	\$ -
Receivables received after accrual period	-	424,095
Human Services:		
Advances from California Department of Social Services	824,462	-
Receivables received after accrual period	-	81,792
Public Health:		
Receivables received after accrual period	-	230,771
STGB Grants:		
Loans receivable	1,444,397	-
Road Fund:		
Receivables received after accrual period	-	645,959
Nonmajor Governmental Funds:		
Receivable received after accrual period	-	35,628
Loans receivable	2,264,965	-
STAGE:		
Grant revenues received but unspent	<u>426,401</u>	<u>-</u>
Total Deferred Revenue	<u>\$ 5,829,519</u>	<u>\$ 1,418,245</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 7: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Retirements	Adjustments	Balance June 30, 2012	Amounts Due Within One Year
Governmental Activities						
Bonds payable	\$ 188,100	\$ -	\$ (2,900)	\$ -	\$ 185,200	\$ 3,000
Pension obligation bonds	16,095,000	-	(190,000)	-	15,905,000	225,000
Less: unamortized discount	(43,332)	-	1,667	-	(41,665)	-
Total Pension Obligation Bonds, Net	<u>16,051,668</u>	<u>-</u>	<u>(188,333)</u>	<u>-</u>	<u>15,863,335</u>	<u>225,000</u>
Loans	1,736,178	-	(49,057)	-	1,687,121	50,636
Capital leases	14,321	262,816	(77,528)	(131)	199,478	85,971
Compensated absences	2,961,909	87,463	(133,455)	-	2,915,917	991,044
Liability for self-insurance	60,568	471,902	(491,745)	-	40,725	40,725
Behavioral health repayment liability	<u>11,348,066</u>	<u>-</u>	<u>(418,745)</u>	<u>-</u>	<u>10,929,321</u>	<u>200,000</u>
Total Governmental Activities	<u>\$ 32,360,810</u>	<u>\$ 822,181</u>	<u>\$ (1,361,763)</u>	<u>\$ (131)</u>	<u>\$ 31,821,097</u>	<u>\$ 1,596,376</u>
Business-Type Activities						
Loans payable	\$ 1,796,538	\$ -	\$ (87,181)	\$ -	\$ 1,709,357	\$ 89,063
Closure/postclosure liability	11,893,169	112,229	-	-	12,005,398	-
Compensated absences	<u>82,738</u>	<u>2,596</u>	<u>(18,391)</u>	<u>-</u>	<u>66,943</u>	<u>9,630</u>
Total Governmental Activities	<u>\$ 13,772,445</u>	<u>\$ 114,825</u>	<u>\$ (105,572)</u>	<u>\$ -</u>	<u>\$ 13,781,698</u>	<u>\$ 98,693</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.

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 Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

At June 30, 2012, Revenue Bonds consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Carrick Water - CSA Revenue Bonds, payable in annual installments of \$2,184 to \$10,900, 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.	<u>\$ 185,200</u>	<u>\$ -</u>
Total Revenue Bonds	<u><u>\$ 185,200</u></u>	<u><u>\$ -</u></u>

At June 30, 2012, Pension Obligation Bonds consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
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.	<u>\$ 15,905,000</u>	<u>\$ -</u>
Total Pension Obligation Bonds	<u><u>\$ 15,905,000</u></u>	<u><u>\$ -</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

At June 30, 2012, Loans consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
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.	\$ 1,687,121	\$ -
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 costs.	-	1,576,023
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/post-closure costs of Black Butte landfill site.	-	133,334
Total Loans	<u><u>\$ 1,687,121</u></u>	<u><u>\$ 1,709,357</u></u>

The annual aggregate maturities for years subsequent to June 30, 2012, are as follows:

Revenue Bonds

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 3,000	\$ 8,267
2014	3,200	8,127
2015	3,300	7,981
2016	3,500	7,828
2017	3,600	7,668
2018-2022	20,700	35,683
2023-2027	25,800	30,479
2028-2032	32,100	23,987
2033-2037	40,100	15,896
2038-2042	49,900	5,816
	<u><u>\$ 185,200</u></u>	<u><u>\$ 151,732</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Pension Obligation Bonds

Year Ending June 30:	Governmental Activities	
	Principal	Interest
2013	\$ 225,000	\$ 970,205
2014	265,000	956,480
2015	305,000	940,315
2016	350,000	921,710
2017	400,000	900,360
2018-2022	2,840,000	4,070,530
2023-2027	3,485,000	3,031,700
2028-2032	3,230,000	2,089,555
2033-2037	4,805,000	924,150
	<u>\$ 15,905,000</u>	<u>\$ 14,805,005</u>

Loans

Year Ending June 30:	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 50,636	\$ 53,510	\$ 89,063	\$ 55,160
2014	52,267	51,853	91,013	53,210
2015	53,950	50,143	93,032	51,192
2016	55,687	48,378	95,122	49,102
2017	57,480	46,556	63,951	46,940
2018-2022	316,384	203,330	354,940	199,514
2023-2027	370,710	148,130	421,558	132,898
2028-2032	434,363	83,451	500,678	53,778
2033-2036	295,644	14,481	-	-
	<u>\$ 1,687,121</u>	<u>\$ 699,832</u>	<u>\$ 1,709,357</u>	<u>\$ 641,794</u>

NOTE 8: LEASES

Operating Leases

The County leases office buildings and equipment under non-cancellable operating leases. Total cost for these leases was \$131,977 for the year ended June 30, 2012. The future minimum lease payments are as follows:

Year Ending June 30:	Lease Obligations
2013	<u>\$ 30,848</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 8: LEASES (CONTINUED)

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.

	<u>Present Value of Remaining Payments at June 30, 2012</u>
Governmental Activities:	
Sheriff vehicles	\$ 170,079
Hammond Ranch vehicles	18,904
Public Health copier	<u>10,496</u>
Total	<u><u>\$ 199,479</u></u>

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

	<u>Governmental Activities</u>
Asset	\$ 287,116
Less: accumulated depreciation	<u>(43,411)</u>
Total	<u><u>\$ 243,705</u></u>

As of June 30, 2012, capital lease annual amortization is as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2013	\$ 77,150
2014	77,150
2015	66,766
2016	<u>551</u>
Total Future Minimum Lease Payments	221,617
Less: Interest	<u>(22,138)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 199,479</u></u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 9: 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 \$12,005,398 reported as closure/post-closure liability at June 30, 2012, 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 postclosure phase. These amounts are based on what it would cost to perform all closure and post-closure care in 2012. Actual costs may be higher due to inflation, change in technology, or changes in regulations. None of the County's landfills are currently accepting new waste.

The County is required by State and Federal laws and regulations to provide financial assurance that appropriate resources will be available to finance closure and postclosure care costs in the future. At June 30, 2012, 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 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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 10: 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, 2012:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,278,694	\$ 477,403
Road	204,310	146,491
Human Services	92,671	105,549
Public Health	488,095	877,879
Behavioral Health Services	489,370	490,295
STGB Grants	-	47
Aviation	-	56,458
STAGE	114,491	37,773
Sanitation Fund	74,044	25,880
Nonmajor Governmental Funds	280,905	690,911
Internal Service Funds	60,545	174,439
	<u>\$ 3,083,125</u>	<u>\$ 3,083,125</u>
Total	<u>\$ 3,083,125</u>	<u>\$ 3,083,125</u>

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following are the interfund transfers for the fiscal year ended June 30, 2012:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 11,601,619	\$ 12,086,229
Road	471,349	575,746
Human Services	53,930	692,707
Public Health	1,242,563	875,758
Behavioral Health Services	786,459	617,342
STGB Grants	-	28,230
STAGE	-	21,979
Sanitation Fund	5,561	8,563
Nonmajor Governmental Funds	2,148,367	1,394,879
Internal Service Funds	-	8,415
	<u>\$ 16,309,848</u>	<u>\$ 16,309,848</u>
Total	<u>\$ 16,309,848</u>	<u>\$ 16,309,848</u>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 11: 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

The required employer contribution rate for fiscal year 2011/2012 was 12.729 percent for miscellaneous employees and 20.608 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 2011/2012, the County's annual pension cost of \$2,901,235 for the miscellaneous plan and \$1,223,733 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, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases of 3.30 percent to 14.20 percent for miscellaneous plan and for safety plan, depending on age, service, and type of employment, (c) 3 percent inflation, (d) 3.00 percent payroll growth, and (e) individual salary growth based on a merit scale with assumed annual inflation of 2.75 percent and annual production growth of 0.25 percent.

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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Annual Pension Cost (continued)

The County's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 2012, were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Annual required contribution (County fiscal year basis)	\$ 2,901,223	\$ 1,223,733
Adjustment to the annual required contribution	<u>313,500</u>	<u>236,500</u>
Annual pension cost	3,214,723	1,460,233
Contributions made	<u>2,901,223</u>	<u>1,223,733</u>
Increase (decrease) in pension asset	<u>(313,500)</u>	<u>(236,500)</u>
Net pension asset, beginning of year, restated	8,151,000	6,149,000
Net pension asset, end of year	<u><u>\$ 7,837,500</u></u>	<u><u>\$ 5,912,500</u></u>

The table below presents three-year trend information:

Miscellaneous:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
June 30, 2010	\$ 2,759,466	\$ 2,445,966	89%	\$ 8,464,500
June 30, 2011	2,902,696	2,589,196	89%	8,151,000
June 30, 2012	3,214,723	2,901,223	90%	7,837,500

Safety:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Contributions</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
June 30, 2010	\$ 1,363,360	\$ 1,126,860	83%	\$ 6,385,500
June 30, 2011	1,409,968	1,173,468	83%	6,149,000
June 30, 2012	1,460,233	1,223,733	84%	5,912,500

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 11: EMPLOYEES' RETIREMENT PLAN (CONTINUED)

Funded Status and Funding Progress

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

	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
Miscellaneous	\$ 179,824,758	\$ 152,829,830	\$ 26,994,928	85.0%	\$ 27,412,536	98.5%
Safety	65,500,796	61,256,124	4,244,672	93.5%	6,072,170	69.9%

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

NOTE 12: 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 of 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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation (continued)

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.

Annual Required Contribution	\$ 4,523,000
Interest on Net OPEB Obligation	385,000
Amortization of Net OPEB Obligation	<u>(694,000)</u>
Annual OPEB Cost/Expense	4,214,000
Contributions Made	<u>860,696</u>
Increase in Net OPEB Obligation	3,353,304
Net OPEB Obligation Beginning	<u>9,060,390</u>
Net OPEB Obligation Ending	<u><u>\$ 12,413,694</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, 2011 and June 30, 2012 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation/(Asset)</u>
June 30, 2011	\$ 4,133,000	\$ 700,661	16.95%	\$ 9,060,390
June 30, 2012	4,214,000	860,696	20.42%	12,413,694

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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the plan's funded status was as follows:

Actuarial accrued liability (AAL)	\$ 35,679,000
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 35,679,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active Plan members)	30,107,000
UAAL as a percentage of covered payroll	118.50%

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).

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions (continued)

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, 2012 was 27 years.

NOTE 13: 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, 2012, the Unemployment Risk Management fund had a funding deficit of \$51,199. 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, 2012 was as follows:

Unemployment \$ 40,725

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 2010, 2011, and 2012 were as follows:

Fiscal Year Ended	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Fiscal Year
2010	\$ 11,700	\$ 314,137	\$ 249,839	\$ 75,998
2011	75,998	425,599	441,029	60,568
2012	60,568	471,902	491,745	40,725

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.

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 14: OTHER INFORMATION

Contractual Commitments

The County has signed agreements to construct various capital improvement jobs and perform other work subsequent to June 30, 2012. The balance encumbered for work committed to but not yet performed as of June 30, 2012 was \$2.4 million.

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 Court Revenue Audit covering July 1, 2003 – June 30, 2009 resulted in a liability owed to the State in the amount of \$484,019.18. The County negotiated a repay on this debt and was sent a promissory note from the State. The first payment was due on December 31, 2012 in the amount of \$97,000. The County will be responsible for annual payments of \$97,000 through December 1, 2016, with the final payment being \$96,019.18. It was recently discovered by the State that they made an error in their calculations. They failed to charge the appropriate amount of interest/penalty on the amount owed. The County is waiting to hear back from them on the new amount that they feel the County will owe.

The DOJ audited the COPS Hiring Grant. They have indicated that there is a potential liability of approximately \$615,156 that the County may be responsible for due to a variety of audit findings. They have not issued their draft audit, it was due to be issued in February, 2013, but was not received by the time the financial statements were issued.

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 \$450,000, 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/>

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Basic Financial Statements
For the Year Ended June 30, 2012

NOTE 14: 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, 2012. The County received \$1,081,525.31 from the insurance company in fiscal year 12/13. There may be additional money forthcoming from the insurance company; however, that amount is unknown at this time.

NOTE 15: NEW ACCOUNTING PRONOUNCEMENTS

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

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

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

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

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF SISKIYOU

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,838,300	\$ 11,838,300	\$ 11,815,654	\$ (22,646)
Licenses and permits	783,170	789,770	792,119	2,349
Fines and forfeitures	1,754,721	1,769,721	1,745,507	(24,214)
Use of money and property	542,697	243,900	235,824	(8,076)
Intergovernmental	12,833,763	13,890,040	13,671,054	(218,986)
Charges for services	2,822,025	2,940,385	3,110,049	169,664
Other revenues	1,151,058	1,421,568	1,195,329	(226,239)
Total Revenues	<u>31,725,734</u>	<u>32,893,684</u>	<u>32,565,536</u>	<u>(328,148)</u>
Expenditures:				
Current:				
General government	9,121,129	9,575,852	7,047,820	2,528,032
Public protection	23,674,241	24,455,351	23,683,198	772,153
Public ways and facilities	10,138	24,968	26,506	(1,538)
Health and sanitation	39,142	39,142	34,035	5,107
Public assistance	295,670	312,852	302,780	10,072
Education	441,461	434,217	382,035	52,182
Culture and recreation	19,311	26,811	24,109	2,702
Debt service	68,795	63,949	63,830	119
Capital outlay	137,889	673,874	531,539	142,335
Appropriation for contingencies	300,000	1,810	--	1,810
Total Expenditures	<u>34,107,776</u>	<u>35,608,826</u>	<u>32,095,852</u>	<u>3,512,974</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,382,042)</u>	<u>(2,715,142)</u>	<u>469,684</u>	<u>3,184,826</u>
Other Financing Sources (Uses):				
Capital lease inception	--	--	233,529	233,529
Sale of capital assets	10,000	10,000	--	(10,000)
Transfers in	11,786,228	11,808,526	11,601,619	(206,907)
Transfers out	<u>(12,548,524)</u>	<u>(11,794,667)</u>	<u>(12,086,229)</u>	<u>(291,562)</u>
Total Other Financing Sources (Uses)	<u>(752,296)</u>	<u>23,859</u>	<u>(251,081)</u>	<u>(274,940)</u>
Net Change in Fund Balances	(3,134,338)	(2,691,283)	218,603	2,909,886
Fund Balances - Beginning of Year	<u>2,068,652</u>	<u>2,068,652</u>	<u>2,068,652</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ (1,065,686)</u>	<u>\$ (622,631)</u>	<u>\$ 2,287,255</u>	<u>\$ 2,909,886</u>

COUNTY OF SISKIYOU

Budgetary Comparison Schedule
 Road - Major Special Revenue Fund
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues:				
Use of money and property	\$ 208,870	\$ 208,870	\$ 71,450	\$ (137,420)
Intergovernmental	10,750,447	12,662,215	9,117,628	(3,544,587)
Charges for services	388,183	388,317	401,137	12,820
Other revenues	1,800	1,800	28,904	27,104
Total Revenues	<u>11,349,300</u>	<u>13,261,202</u>	<u>9,619,119</u>	<u>(3,642,083)</u>
Expenditures:				
Current:				
Public way and facilities	10,089,123	9,947,109	8,842,438	1,104,671
Capital outlay	3,788,181	5,839,934	1,810,639	4,029,295
Total Expenditures	<u>13,877,304</u>	<u>15,787,043</u>	<u>10,653,077</u>	<u>5,133,966</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,528,004)</u>	<u>(2,525,841)</u>	<u>(1,033,958)</u>	<u>1,491,883</u>
Other Financing Sources (Uses):				
Sale of capital assets	30,000	30,000	1,400	(28,600)
Transfers in	1,689,237	1,754,470	471,349	(1,283,121)
Transfers out	<u>(1,564,433)</u>	<u>(1,714,967)</u>	<u>(575,746)</u>	<u>1,139,221</u>
Total Other Financing Sources (Uses)	<u>154,804</u>	<u>69,503</u>	<u>(102,997)</u>	<u>(172,500)</u>
Net Change in Fund Balances	(2,373,200)	(2,456,338)	(1,136,955)	1,319,383
Fund Balances - Beginning of Year	<u>14,744,948</u>	<u>14,744,948</u>	<u>14,744,948</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 12,371,748</u>	<u>\$ 12,288,610</u>	<u>\$ 13,607,993</u>	<u>\$ 1,319,383</u>

COUNTY OF SISKIYOU

Budgetary Comparison Schedule
Human Services - Major Special Revenue Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,603,271	\$ 2,603,271	\$ 2,633,444	\$ 30,173
Fines and forfeitures	1,200	1,200	1,692	492
Use of money and property	11,150	11,150	6,879	(4,271)
Intergovernmental	18,757,289	18,757,289	16,909,686	(1,847,603)
Charges for services	129,425	129,425	83,968	(45,457)
Other revenues	24,372	24,372	45,968	21,596
Total Revenues	<u>21,526,707</u>	<u>21,526,707</u>	<u>19,681,637</u>	<u>(1,845,070)</u>
Expenditures:				
Current:				
Public assistance	20,575,750	20,578,475	18,405,733	2,172,742
Capital outlay	6,495	6,495	3,206	3,289
Total Expenditures	<u>20,582,245</u>	<u>20,584,970</u>	<u>18,408,939</u>	<u>2,176,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>944,462</u>	<u>941,737</u>	<u>1,272,698</u>	<u>330,961</u>
Other Financing Sources (Uses):				
Transfers in	64,124	64,124	53,930	(10,194)
Transfers out	<u>(774,417)</u>	<u>(739,912)</u>	<u>(692,707)</u>	<u>47,205</u>
Total Other Financing Sources (Uses)	<u>(710,293)</u>	<u>(675,788)</u>	<u>(638,777)</u>	<u>37,011</u>
Net Change in Fund Balances	234,169	265,949	633,921	367,972
Fund Balances - Beginning of Year	<u>282,410</u>	<u>282,410</u>	<u>282,410</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 516,579</u>	<u>\$ 548,359</u>	<u>\$ 916,331</u>	<u>\$ 367,972</u>

COUNTY OF SISKIYOU

Budgetary Comparison Schedule
Public Health - Major Special Revenue Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 725,000	\$ 725,000	\$ 694,560	\$ (30,440)
Licenses and permits	233,500	233,500	234,647	1,147
Fines and forfeitures	9,996	9,996	10,132	136
Use of money and property	3,475	3,475	(3,878)	(7,353)
Intergovernmental	3,831,320	3,873,339	3,345,002	(528,337)
Charges for services	221,000	348,653	198,576	(150,077)
Other revenues	50	2,362	17,970	15,608
Total Revenues	<u>5,024,341</u>	<u>5,196,325</u>	<u>4,497,009</u>	<u>(699,316)</u>
Expenditures:				
Current:				
Health and sanitation	5,163,037	5,198,290	4,876,839	321,451
Debt service	3,350	3,350	3,315	35
Total Expenditures	<u>5,166,387</u>	<u>5,201,640</u>	<u>4,880,154</u>	<u>321,486</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(142,046)</u>	<u>(5,315)</u>	<u>(383,145)</u>	<u>(377,830)</u>
Other Financing Sources (Uses):				
Transfers in	1,390,122	1,413,128	1,242,563	(170,565)
Transfers out	<u>(919,765)</u>	<u>(926,843)</u>	<u>(875,758)</u>	<u>51,085</u>
Total Other Financing Sources (Uses)	<u>470,357</u>	<u>486,285</u>	<u>366,805</u>	<u>(119,480)</u>
Net Change in Fund Balances	328,311	480,970	(16,340)	(497,310)
Fund Balances - Beginning of Year	<u>(158,585)</u>	<u>(158,585)</u>	<u>(158,585)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 169,726</u>	<u>\$ 322,385</u>	<u>\$ (174,925)</u>	<u>\$ (497,310)</u>

COUNTY OF SISKIYOU

Budgetary Comparison Schedule
Behavioral Health Services - Major Special Revenue Fund
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 821,000	\$ 821,000	\$ 1,472,854	\$ 651,854
Fines and forfeitures	19,767	19,767	20,966	1,199
Use of money and property	43,577	43,577	45,514	1,937
Intergovernmental	9,614,059	7,417,513	8,155,060	737,547
Charges for services	151,998	151,998	136,130	(15,868)
Other revenues	--	--	1,875	1,875
Total Revenues	<u>10,650,401</u>	<u>8,453,855</u>	<u>9,832,399</u>	<u>1,378,544</u>
Expenditures:				
Current:				
Health and sanitation	10,863,593	10,552,678	8,699,352	1,853,326
Capital outlay	658,500	575,017	141,942	433,075
Total Expenditures	<u>11,522,093</u>	<u>11,127,695</u>	<u>8,841,294</u>	<u>2,286,401</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(871,692)</u>	<u>(2,673,840)</u>	<u>991,105</u>	<u>3,664,945</u>
Other Financing Sources (Uses):				
Sale of capital assets	10,000	10,000	--	(10,000)
Transfers in	740,596	962,918	786,459	(176,459)
Transfers out	<u>(399,884)</u>	<u>(648,782)</u>	<u>(617,342)</u>	<u>31,440</u>
Total Other Financing Sources (Uses)	<u>350,712</u>	<u>324,136</u>	<u>169,117</u>	<u>(155,019)</u>
Net Change in Fund Balances	(520,980)	(2,349,704)	1,160,222	3,509,926
Fund Balances - Beginning of Year	<u>5,657,462</u>	<u>5,657,462</u>	<u>5,657,462</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 5,136,482</u>	<u>\$ 3,307,758</u>	<u>\$ 6,817,684</u>	<u>\$ 3,509,926</u>

COUNTY OF SISKIYOU

Budgetary Comparison Schedule
 STGB Grants - Major Special Revenue Fund
 For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ 22,942	\$ 22,942	\$ 27,461	\$ 4,519
Intergovernmental	--	--	(1,716)	(1,716)
Other revenues	--	--	1,325	1,325
Total Revenues	<u>22,942</u>	<u>22,942</u>	<u>27,070</u>	<u>4,128</u>
Expenditures:				
Current:				
Public assistance	<u>472</u>	<u>472</u>	--	472
Total Expenditures	<u>472</u>	<u>472</u>	<u>--</u>	<u>472</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,470</u>	<u>22,470</u>	<u>27,070</u>	<u>4,600</u>
Other Financing Sources (Uses):				
Transfers out	<u>--</u>	<u>--</u>	<u>(28,230)</u>	<u>(28,230)</u>
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(28,230)</u>	<u>(28,230)</u>
Net Change in Fund Balances	22,470	22,470	(1,160)	(23,630)
Fund Balances - Beginning of Year - Restated	<u>2,128</u>	<u>2,128</u>	<u>2,128</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 24,598</u>	<u>\$ 24,598</u>	<u>\$ 968</u>	<u>\$ (23,630)</u>

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2012

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:

	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Payroll		
June 30, 2009	\$ 157,977,311	\$ 141,196,996	\$ 16,780,315	89.4%	64.8%	\$ 28,704,465	58.5%
June 30, 2010	167,578,097	146,724,514	20,853,583	87.6%	68.0%	28,298,783	73.7%
June 30, 2011	179,824,758	152,829,830	26,994,928	85.0%	74.9%	27,412,539	98.5%

Safety Plan:

	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratios		Annual Covered Payroll	UAAL as a % of Payroll
				Actuarial Value	Market Payroll		
June 30, 2009	\$ 59,285,830	\$ 55,936,910	\$ 2,339,920	96.0%	69.3%	\$ 6,966,092	33.6%
June 30, 2010	61,595,183	58,434,239	3,160,944	94.9%	73.4%	6,610,716	47.8%
June 30, 2011	65,500,796	61,256,124	4,244,672	93.5%	82.1%	6,072,170	69.9%

COUNTY OF SISKIYOU, CALIFORNIA

Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2012

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 two 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, 2010 for the County Other Postemployment Benefit Plan. As additional years are available, a three year trend analysis will be presented.

<u>Actuarial Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/2008	\$ 30,346,000	\$ -	\$ 30,346,000	0.0%	\$ 30,546,000	99.3%
6/30/2010	35,679,000	-	35,679,000	0.0%	30,107,000	118.5%

COUNTY OF SISKIYOU, CALIFORNIA

Notes to Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2012

BUDGETARY BASIS OF ACCOUNTING

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

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.
- (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.

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).

Expenditures exceeded budgeted appropriations in the following funds:

General Fund	Public ways and facilities	\$ 1,538
	Transfers out	291,562
STGB Grants	Transfers out	28,230

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

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COUNTY OF SISKIYOU

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
ASSETS				
Cash and investments	\$ 3,630,474	\$ 5,247,024	\$ 542,742	\$ 9,420,240
Accounts receivable	233,912	173,636	17,987	425,535
Due from other governments	31,670	2,958	--	34,628
Due from other funds	280,905	--	--	280,905
Loans receivable	2,264,965	23,703	--	2,288,668
Total Assets	\$ 6,441,926	\$ 5,447,321	\$ 560,729	\$ 12,449,976
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 340,198	\$ 29,507	\$ --	\$ 369,705
Accrued salaries and benefits	46,227	--	--	46,227
Due to other funds	632,092	58,819	--	690,911
Unearned revenue	2,297,633	2,960	--	2,300,593
Total Liabilities	3,316,150	91,286	--	3,407,436
Fund Balances				
Restricted	2,269,683	3,845,896	--	6,115,579
Committed	52,668	38,721	--	91,389
Assigned	1,019,712	1,476,151	560,729	3,056,592
Unassigned	(216,287)	(4,733)	--	(221,020)
Total Fund Balances	3,125,776	5,356,035	560,729	9,042,540
Total Liabilities and Fund Balances	\$ 6,441,926	\$ 5,447,321	\$ 560,729	\$ 12,449,976

COUNTY OF SISKIYOU

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

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
Revenues				
Taxes	\$ 375,687	\$ --	\$ --	\$ 375,687
Licenses and permits	110,055	--	--	110,055
Fines, forfeitures and penalties	140,548	157,240	--	297,788
Use of money and property	250,162	2,259,740	4,284	2,514,186
Intergovernmental	5,863,159	1,265,760	--	7,128,919
Charges for services	243,083	155	--	243,238
Other revenues	81,605	1,163	54,993	137,761
Total Revenues	<u>7,064,299</u>	<u>3,684,058</u>	<u>59,277</u>	<u>10,807,634</u>
Expenditures				
General government	575	26,268	6,309	33,152
Public protection	4,127,621	719,755	--	4,847,376
Health and sanitation	1,914,729	--	--	1,914,729
Public assistance	727,072	--	--	727,072
Public ways and facilities	276,922	--	--	276,922
Debt service:				
Principal	13,283	--	239,057	252,340
Interest and other charges	8,399	--	1,036,910	1,045,309
Capital outlay	131,389	1,268,945	--	1,400,334
Total Expenditures	<u>7,199,990</u>	<u>2,014,968</u>	<u>1,282,276</u>	<u>10,497,234</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(135,691)</u>	<u>1,669,090</u>	<u>(1,222,999)</u>	<u>310,400</u>
Other Financing Sources (Uses)				
Capital lease inception	29,287	--	--	29,287
Sale of capital assets	--	357,519	--	357,519
Transfers in	1,137,938	20,000	990,429	2,148,367
Transfers out	<u>(1,113,662)</u>	<u>(281,217)</u>	--	<u>(1,394,879)</u>
Total Other Financing Sources (Uses)	<u>53,563</u>	<u>96,302</u>	<u>990,429</u>	<u>1,140,294</u>
Net Change in Fund Balances	(82,128)	1,765,392	(232,570)	1,450,694
Fund Balances - Beginning - As Restated	<u>3,207,904</u>	<u>3,590,643</u>	<u>793,299</u>	<u>7,591,846</u>
Fund Balances - End of Year	<u>\$ 3,125,776</u>	<u>\$ 5,356,035</u>	<u>\$ 560,729</u>	<u>\$ 9,042,540</u>

COUNTY OF SISKIYOU

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2012

	Dept of Child Support Services	Fish and Game	Geothermal	General County Fire	Planning Projects
ASSETS					
Cash and investments	\$ 346,146	\$ 10,346	\$ 802,399	\$ 19,439	\$ 301
Accounts receivable	933	456	-	203	-
Due from other governments	--	--	--	--	--
Due from other funds	--	--	52,104	--	--
Loans receivable	--	--	--	--	--
Total Assets	<u>\$ 347,079</u>	<u>\$ 10,802</u>	<u>\$ 854,503</u>	<u>\$ 19,642</u>	<u>\$ 301</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 3,814	\$ --	\$ 96,269	\$ 3,350	\$ 2
Accrued salaries and benefits	32,617	--	--	--	--
Due to other funds	694	--	--	--	--
Unearned revenue	--	--	--	--	--
Total Liabilities	<u>37,125</u>	<u>--</u>	<u>96,269</u>	<u>3,350</u>	<u>2</u>
Fund Balances					
Restricted	--	--	758,234	--	--
Committed	--	--	--	--	--
Assigned	309,954	10,802	--	16,292	299
Unassigned	--	--	--	--	--
Total Fund Balances	<u>309,954</u>	<u>10,802</u>	<u>758,234</u>	<u>16,292</u>	<u>299</u>
Total Liabilities and Fund Balances	<u>\$ 347,079</u>	<u>\$ 10,802</u>	<u>\$ 854,503</u>	<u>\$ 19,642</u>	<u>\$ 301</u>

continued

COUNTY OF SISKIYOU

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

	<u>Inmate Health Program</u>	<u>California Children & Families First</u>	<u>HR 2389 Title III</u>	<u>Used Oil Recycling Grant</u>
<u>ASSETS</u>				
Cash and investments	\$ --	\$ 300,321	\$ 4,808	\$ 108,173
Accounts receivable	-	40,205	24	177
Due from other governments	--	5,000	--	--
Due from other funds	214,797	--	--	--
Loans receivable	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 214,797</u>	<u>\$ 345,526</u>	<u>\$ 4,832</u>	<u>\$ 108,350</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 46,622	\$ 54,630	\$ --	\$ 52,060
Accrued salaries and benefits	5,032	--	--	--
Due to other funds	321,006	--	--	3,139
Unearned revenue	--	5,000	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>372,660</u>	<u>59,630</u>	<u>--</u>	<u>55,199</u>
Fund Balances				
Restricted	--	--	--	53,151
Committed	--	--	--	--
Assigned	--	285,896	4,832	--
Unassigned	(157,863)	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>(157,863)</u>	<u>285,896</u>	<u>4,832</u>	<u>53,151</u>
Total Liabilities and Fund Balances	<u>\$ 214,797</u>	<u>\$ 345,526</u>	<u>\$ 4,832</u>	<u>\$ 108,350</u>

continued

COUNTY OF SISKIYOU

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

	<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	\$ --	\$ 13,835	\$ 50,254
Accounts receivable	--	--	25	92
Due from other governments	--	--	--	--
Due from other funds	--	--	--	--
Loans receivable	--	--	--	--
Total Assets	<u>\$ 4</u>	<u>\$ --</u>	<u>\$ 13,860</u>	<u>\$ 50,346</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Accrued salaries and benefits	--	--	--	--
Due to other funds	--	--	--	5,356
Unearned revenue	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,356</u>
Fund Balances				
Restricted	--	--	445	--
Committed	--	--	13,415	--
Assigned	4	--	--	44,990
Unassigned	--	--	--	--
Total Fund Balances	<u>4</u>	<u>--</u>	<u>13,860</u>	<u>44,990</u>
Total Liabilities and Fund Balances	<u>\$ 4</u>	<u>\$ --</u>	<u>\$ 13,860</u>	<u>\$ 50,346</u>

continued

COUNTY OF SISKIYOU

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

	<u>Domestic Violence</u>	<u>Battered Women's Shelter</u>	<u>Probation Challenge Award Fund</u>	<u>Juvenile Hall Donations</u>
ASSETS				
Cash and investments	\$ 4,142	\$ 50,385	\$ 227	\$ 423
Accounts receivable	372	609	--	1
Due from other governments	--	--	--	--
Due from other funds	--	--	--	--
Loans receivable	--	--	--	--
Total Assets	<u>\$ 4,514</u>	<u>\$ 50,994</u>	<u>\$ 227</u>	<u>\$ 424</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Accrued salaries and benefits	--	--	--	--
Due to other funds	129	--	--	--
Unearned revenue	--	--	--	--
Total Liabilities	<u>129</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances				
Restricted	4,385	50,994	--	--
Committed	--	--	--	424
Assigned	--	--	227	--
Unassigned	--	--	--	--
Total Fund Balances	<u>4,385</u>	<u>50,994</u>	<u>227</u>	<u>424</u>
Total Liabilities and Fund Balances	<u>\$ 4,514</u>	<u>\$ 50,994</u>	<u>\$ 227</u>	<u>\$ 424</u>

continued

COUNTY OF SISKIYOU

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

	<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	\$ 38,912	\$ 105,790	\$ 3,544	\$ 264,170
Accounts receivable	72	5,720	6	18,497
Due from other governments	--	--	--	--
Due from other funds	--	--	--	204
Loans receivable	--	--	--	--
Total Assets	<u>\$ 38,984</u>	<u>\$ 111,510</u>	<u>\$ 3,550</u>	<u>\$ 282,871</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 155	\$ --	\$ --	\$ 8,809
Accrued salaries and benefits	--	--	--	717
Due to other funds	--	22,618	--	52,450
Unearned revenue	--	--	--	--
Total Liabilities	<u>155</u>	<u>22,618</u>	<u>--</u>	<u>61,976</u>
Fund Balances				
Restricted	--	88,892	--	--
Committed	38,829	--	--	--
Assigned	--	--	3,550	220,895
Unassigned	--	--	--	--
Total Fund Balances	<u>38,829</u>	<u>88,892</u>	<u>3,550</u>	<u>220,895</u>
Total Liabilities and Fund Balances	<u>\$ 38,984</u>	<u>\$ 111,510</u>	<u>\$ 3,550</u>	<u>\$ 282,871</u>

continued

COUNTY OF SISKIYOU

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

	<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	\$ 29,349	\$ 25,338	\$ 47,069	\$ 24,361
Accounts receivable	103,505	50	107	6
Due from other governments	--	--	--	--
Due from other funds	7,627	--	--	--
Loans receivable	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 140,481</u>	<u>\$ 25,388</u>	<u>\$ 47,176</u>	<u>\$ 24,367</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 3	\$ --	\$ 920	\$ 1,934
Accrued salaries and benefits	4,238	--	--	--
Due to other funds	52,224	--	8,301	62,893
Unearned revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>56,465</u>	<u>--</u>	<u>9,221</u>	<u>64,827</u>
Fund Balances				
Restricted	--	25,388	--	--
Committed	--	--	--	--
Assigned	84,016	--	37,955	--
Unassigned	--	--	--	(40,460)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>84,016</u>	<u>25,388</u>	<u>37,955</u>	<u>(40,460)</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 140,481</u>	<u>\$ 25,388</u>	<u>\$ 47,176</u>	<u>\$ 24,367</u>

continued

COUNTY OF SISKIYOU

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

	Siskiyou Agency for Governmental Entities	County Service Area #3	County Service Area #4	County Service Area #5
ASSETS				
Cash and investments	\$ --	\$ 264,091	\$ 12,066	\$ 14,060
Accounts receivable	--	818	23	672
Due from other governments	--	--	--	--
Due from other funds	--	--	--	--
Loans receivable	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ --	\$ 264,909	\$ 12,089	\$ 14,732
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 19	\$ --	\$ --	\$ --
Accrued salaries and benefits	--	--	--	--
Due to other funds	845	--	--	--
Unearned revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	864	--	--	--
Fund Balances				
Restricted	--	264,909	12,089	14,732
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	(864)	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	(864)	264,909	12,089	14,732
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ --	\$ 264,909	\$ 12,089	\$ 14,732

continued

COUNTY OF SISKIYOU

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

	<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	\$ 116,945	\$ 53,663	\$ 31,602	\$ 25,384
Accounts receivable	279	446	693	372
Due from other governments	--	--	--	--
Due from other funds	--	--	--	--
Loans receivable	--	--	--	--
Total Assets	<u>\$ 117,224</u>	<u>\$ 54,109</u>	<u>\$ 32,295</u>	<u>\$ 25,756</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ --	\$ 1,525	\$ --	\$ 917
Accrued salaries and benefits	--	--	--	--
Due to other funds	--	--	--	--
Unearned revenue	--	--	--	--
Total Liabilities	<u>--</u>	<u>1,525</u>	<u>--</u>	<u>917</u>
Fund Balances				
Restricted	117,224	52,584	32,295	24,839
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
Total Fund Balances	<u>117,224</u>	<u>52,584</u>	<u>32,295</u>	<u>24,839</u>
Total Liabilities and Fund Balances	<u>\$ 117,224</u>	<u>\$ 54,109</u>	<u>\$ 32,295</u>	<u>\$ 25,756</u>

continued

COUNTY OF SISKIYOU

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

	Pleasant Valley Fire Zone	CDBG Grants	EDBG Grants
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 20,874	\$ 199,737	\$ 224,881
Accounts receivable	3,688	726	7,575
Due from other governments	--	--	--
Due from other funds	--	1,358	4,815
Loans receivable	--	1,220,013	737,952
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 24,562</u>	<u>\$ 1,421,834</u>	<u>\$ 975,223</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 410	\$ 263	\$ --
Accrued salaries and benefits	--	--	--
Due to other funds	--	73,370	14,362
Unearned revenue	998	1,220,013	737,952
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,408</u>	<u>1,293,646</u>	<u>752,314</u>
Fund Balances			
Restricted	23,154	128,188	222,909
Committed	--	--	--
Assigned	--	--	--
Unassigned	--	--	--
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>23,154</u>	<u>128,188</u>	<u>222,909</u>
Total Liabilities and Fund Balances	<u>\$ 24,562</u>	<u>\$ 1,421,834</u>	<u>\$ 975,223</u>

continued

COUNTY OF SISKIYOU

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

	<u>Home Grants</u>	<u>EDEF Grants</u>	<u>Carl Moyer Year 10 Air Pollution</u>	<u>Carl Moyer Year 11 Air Pollution</u>
ASSETS				
Cash and investments	\$ 52	\$ 8,915	\$ 436	\$ 525
Accounts receivable	--	39,010	1	1
Due from other governments	--	26,670	--	--
Due from other funds	--	--	--	--
Loans receivable	307,000	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 307,052</u>	<u>\$ 74,595</u>	<u>\$ 437</u>	<u>\$ 526</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ --	\$ 64,069	\$ --	\$ --
Accrued salaries and benefits	--	--	--	--
Due to other funds	--	956	--	--
Unearned revenue	307,000	26,670	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>307,000</u>	<u>91,695</u>	<u>--</u>	<u>--</u>
Fund Balances				
Restricted	52	--	437	526
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	(17,100)	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>52</u>	<u>(17,100)</u>	<u>437</u>	<u>526</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 307,052</u>	<u>\$ 74,595</u>	<u>\$ 437</u>	<u>\$ 526</u>

continued

COUNTY OF SISKIYOU

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

	<u>Carl Moyer Year 12 Air Pollution</u>	<u>Carl Moyer Year 14 Air Pollution</u>	<u>Local Community Corrections</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	\$ 8,443	\$ 200,586	\$ 198,478	\$ 3,630,474
Accounts receivable	256	153	8,139	233,912
Due from other governments	--	--	--	31,670
Due from other funds	--	--	--	280,905
Loans receivable	--	--	--	2,264,965
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 8,699</u>	<u>\$ 200,739</u>	<u>\$ 206,617</u>	<u>\$ 6,441,926</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ --	\$ --	\$ 4,427	\$ 340,198
Accrued salaries and benefits	--	--	3,623	46,227
Due to other funds	7,627	--	6,122	632,092
Unearned revenue	--	--	--	2,297,633
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>7,627</u>	<u>--</u>	<u>14,172</u>	<u>3,316,150</u>
Fund Balances				
Restricted	1,072	200,739	192,445	2,269,683
Committed	--	--	--	52,668
Assigned	--	--	--	1,019,712
Unassigned	--	--	--	(216,287)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,072</u>	<u>200,739</u>	<u>192,445</u>	<u>3,125,776</u>
Total Liabilities and Fund Balances	<u>\$ 8,699</u>	<u>\$ 200,739</u>	<u>\$ 206,617</u>	<u>\$ 6,441,926</u>

COUNTY OF SISKIYOU

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

	Dept of Child Support Services	Fish and Game	Geothermal	General County Fire	Planning Projects
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ 136,567	\$ --
Licenses and permits	--	--	--	--	--
Fines, forfeitures and penalties	--	3,804	--	--	--
Use of money and property	2,341	65	5,117	6,442	(6)
Intergovernmental	1,953,764	--	70,477	11,341	--
Charges for services	--	--	--	6,975	1,196
Other revenues	228	--	--	49,037	--
Total Revenues	<u>1,956,333</u>	<u>3,869</u>	<u>75,594</u>	<u>210,362</u>	<u>1,190</u>
Expenditures					
General government	--	--	575	--	--
Public protection	1,980,470	2,930	--	257,707	1,197
Health and sanitation	--	--	--	--	--
Public assistance	--	--	--	--	--
Public ways and facilities	--	--	--	--	--
Debt service:					
Principal	--	--	--	--	--
Interest and other charges	--	--	--	--	--
Capital outlay	6,437	--	--	10,000	--
Total Expenditures	<u>1,986,907</u>	<u>2,930</u>	<u>575</u>	<u>267,707</u>	<u>1,197</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,574)</u>	<u>939</u>	<u>75,019</u>	<u>(57,345)</u>	<u>(7)</u>
Other Financing Sources (Uses)					
Capital lease inception	--	--	--	--	--
Transfers in	--	--	--	--	--
Transfers out	(75,818)	--	(52,104)	(121)	--
Total Other Financing Sources (Uses)	<u>(75,818)</u>	<u>--</u>	<u>(52,104)</u>	<u>(121)</u>	<u>--</u>
Net Change in Fund Balances	(106,392)	939	22,915	(57,466)	(7)
Fund Balances - Beginning - As Restated	<u>416,346</u>	<u>9,863</u>	<u>735,319</u>	<u>73,758</u>	<u>306</u>
Fund Balances - End of Year	<u>\$ 309,954</u>	<u>\$ 10,802</u>	<u>\$ 758,234</u>	<u>\$ 16,292</u>	<u>\$ 299</u>

continued

COUNTY OF SISKIYOU

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

	<u>Inmate Health Program</u>	<u>California Children & Families First</u>	<u>HR 2389 Title III</u>	<u>Used Oil Recycling Grant</u>
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	(1,042)	2,331	518	548
Intergovernmental	--	547,486	388,589	36,710
Charges for services	814	--	--	1,115
Other revenues	--	6,000	--	--
Total Revenues	<u>(228)</u>	<u>555,817</u>	<u>389,107</u>	<u>38,373</u>
Expenditures				
General government	--	--	--	--
Public protection	--	--	--	--
Health and sanitation	527,942	652,851	--	51,098
Public assistance	--	--	--	--
Public ways and facilities	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and other charges	--	--	--	--
Capital outlay	--	--	--	14,999
Total Expenditures	<u>527,942</u>	<u>652,851</u>	<u>--</u>	<u>66,097</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(528,170)</u>	<u>(97,034)</u>	<u>389,107</u>	<u>(27,724)</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	--	--
Transfers in	678,460	--	--	--
Transfers out	(112,029)	--	(388,589)	(746)
Total Other Financing Sources (Uses)	<u>566,431</u>	<u>--</u>	<u>(388,589)</u>	<u>(746)</u>
Net Change in Fund Balances	38,261	(97,034)	518	(28,470)
Fund Balances - Beginning - As Restated	<u>(196,124)</u>	<u>382,930</u>	<u>4,314</u>	<u>81,621</u>
Fund Balances - End of Year	<u><u>\$ (157,863)</u></u>	<u><u>\$ 285,896</u></u>	<u><u>\$ 4,832</u></u>	<u><u>\$ 53,151</u></u>

continued

COUNTY OF SISKIYOU

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

	Community Services Council	Other Health Services	Library Donations	District Attorney Forfeiture Funds
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	--	--	--	17,134
Use of money and property	--	--	89	333
Intergovernmental	--	--	--	--
Charges for services	--	--	--	--
Other revenues	--	--	--	--
Total Revenues	<u> --</u>	<u> --</u>	<u> 89</u>	<u> 17,467</u>
Expenditures				
General government	--	--	--	--
Public protection	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Public ways and facilities	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and other charges	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u> --</u>	<u> --</u>	<u> --</u>	<u> --</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> --</u>	<u> --</u>	<u> 89</u>	<u> 17,467</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	--	--
Transfers in	--	--	--	--
Transfers out	--	(4)	--	(5,356)
Total Other Financing Sources (Uses)	<u> --</u>	<u> (4)</u>	<u> --</u>	<u> (5,356)</u>
Net Change in Fund Balances	--	(4)	89	12,111
Fund Balances - Beginning - As Restated	<u> 4</u>	<u> 4</u>	<u> 13,771</u>	<u> 32,879</u>
Fund Balances - End of Year	<u>\$ 4</u>	<u>\$ --</u>	<u>\$ 13,860</u>	<u>\$ 44,990</u>

continued

COUNTY OF SISKIYOU

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

	<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, forfeitures and penalties	1,228	3,432	--	--
Use of money and property	25	322	2	3
Intergovernmental	--	--	--	--
Charges for services	5,543	--	--	--
Other revenues	--	--	--	--
Total Revenues	<u>6,796</u>	<u>3,754</u>	<u>2</u>	<u>3</u>
Expenditures				
General government	--	--	--	--
Public protection	5,993	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Public ways and facilities	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and other charges	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>5,993</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>803</u>	<u>3,754</u>	<u>2</u>	<u>3</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	--	--
Transfers in	--	--	--	--
Transfers out	(443)	--	--	--
Total Other Financing Sources (Uses)	<u>(443)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	360	3,754	2	3
Fund Balances - Beginning - As Restated	<u>4,025</u>	<u>47,240</u>	<u>225</u>	<u>421</u>
Fund Balances - End of Year	<u>\$ 4,385</u>	<u>\$ 50,994</u>	<u>\$ 227</u>	<u>\$ 424</u>

continued

COUNTY OF SISKIYOU

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

	<u>Animal Control Facility</u>	<u>Citizens Option for Public Safety Grant</u>	<u>Airport Comprehensive Land Use Plan</u>	<u>Flood Control and Water Conservation District</u>
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ 124,788
Licenses and permits	--	--	--	75,305
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	261	293	22	46,034
Intergovernmental	--	1,313,757	--	1,318
Charges for services	10,282	--	--	32,709
Other revenues	--	--	--	3,248
Total Revenues	<u>10,543</u>	<u>1,314,050</u>	<u>22</u>	<u>283,402</u>
Expenditures				
General government	--	--	--	--
Public protection	4,127	1,124,842	--	475,920
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Public ways and facilities	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and other charges	--	--	--	--
Capital outlay	--	--	--	7,602
Total Expenditures	<u>4,127</u>	<u>1,124,842</u>	<u>--</u>	<u>483,522</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,416</u>	<u>189,208</u>	<u>22</u>	<u>(200,120)</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	--	--
Transfers in	--	--	--	125,000
Transfers out	(4,800)	(122,428)	--	(859)
Total Other Financing Sources (Uses)	<u>(4,800)</u>	<u>(122,428)</u>	<u>--</u>	<u>124,141</u>
Net Change in Fund Balances	1,616	66,780	22	(75,979)
Fund Balances - Beginning - As Restated	<u>37,213</u>	<u>22,112</u>	<u>3,528</u>	<u>296,874</u>
Fund Balances - End of Year	<u>\$ 38,829</u>	<u>\$ 88,892</u>	<u>\$ 3,550</u>	<u>\$ 220,895</u>

continued

COUNTY OF SISKIYOU

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

	<u>Air Pollution Control District</u>	<u>Air Pollution PM 2.5 Grant</u>	<u>Local Transportation Administration</u>	<u>Regional Transportation Planning</u>
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	34,750	--	--	--
Fines, forfeitures and penalties	114,950	--	--	--
Use of money and property	315	186	437	237
Intergovernmental	63,037	5,100	74,044	166,737
Charges for services	--	--	--	--
Other revenues	348	--	--	--
Total Revenues	<u>213,400</u>	<u>5,286</u>	<u>74,481</u>	<u>166,974</u>
Expenditures				
General government	--	--	--	--
Public protection	--	--	--	--
Health and sanitation	257,575	6,586	--	--
Public assistance	--	--	--	--
Public ways and facilities	--	--	74,038	202,884
Debt service:				
Principal	--	--	--	--
Interest and other charges	--	--	--	--
Capital outlay	77,662	--	--	--
Total Expenditures	<u>335,237</u>	<u>6,586</u>	<u>74,038</u>	<u>202,884</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(121,837)</u>	<u>(1,300)</u>	<u>443</u>	<u>(35,910)</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	--	--
Transfers in	79,731	--	--	--
Transfers out	(4,055)	--	--	--
Total Other Financing Sources (Uses)	<u>75,676</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(46,161)	(1,300)	443	(35,910)
Fund Balances - Beginning - As Restated	<u>130,177</u>	<u>26,688</u>	<u>37,512</u>	<u>(4,550)</u>
Fund Balances - End of Year	<u>\$ 84,016</u>	<u>\$ 25,388</u>	<u>\$ 37,955</u>	<u>\$ (40,460)</u>

continued

COUNTY OF SISKIYOU

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

	Siskiyou Agency for Governmental Entities	County Service Area #3	County Service Area #4	County Service Area #5
Revenues				
Taxes	\$ --	\$ 112,668	\$ 1,664	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	(10)	1,750	76	93
Intergovernmental	--	2,033	31	--
Charges for services	--	31,749	--	1,226
Other revenues	--	--	--	--
Total Revenues	<u>(10)</u>	<u>148,200</u>	<u>1,771</u>	<u>1,319</u>
Expenditures				
General government	--	--	--	--
Public protection	1,789	--	31,987	--
Health and sanitation	--	156,755	--	834
Public assistance	--	--	--	--
Public ways and facilities	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and other charges	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>1,789</u>	<u>156,755</u>	<u>31,987</u>	<u>834</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,799)</u>	<u>(8,555)</u>	<u>(30,216)</u>	<u>485</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	29,287	--
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>29,287</u>	<u>--</u>
Net Change in Fund Balances	(1,799)	(8,555)	(929)	485
Fund Balances - Beginning - As Restated	<u>935</u>	<u>273,464</u>	<u>13,018</u>	<u>14,247</u>
Fund Balances - End of Year	<u>\$ (864)</u>	<u>\$ 264,909</u>	<u>\$ 12,089</u>	<u>\$ 14,732</u>

continued

COUNTY OF SISKIYOU

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

	<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, forfeitures and penalties	--	--	--	--
Use of money and property	811	362	231	167
Intergovernmental	--	--	--	353
Charges for services	6,065	61,328	45,691	20,264
Other revenues	19,374	3,071	--	195
Total Revenues	<u>26,250</u>	<u>64,761</u>	<u>45,922</u>	<u>20,979</u>
Expenditures				
General government	--	--	--	--
Public protection	--	39,970	19,490	16,307
Health and sanitation	--	--	--	--
Public assistance	--	--	--	--
Public ways and facilities	--	--	--	--
Debt service:				
Principal	2,900	10,383	--	--
Interest and other charges	8,399	--	--	--
Capital outlay	--	5,511	--	9,178
Total Expenditures	<u>11,299</u>	<u>55,864</u>	<u>19,490</u>	<u>25,485</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,951</u>	<u>8,897</u>	<u>26,432</u>	<u>(4,506)</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	--	--
Transfers in	--	--	--	--
Transfers out	--	(75)	--	(52)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(75)</u>	<u>--</u>	<u>(52)</u>
Net Change in Fund Balances	14,951	8,822	26,432	(4,558)
Fund Balances - Beginning - As Restated	<u>102,273</u>	<u>43,762</u>	<u>5,863</u>	<u>29,397</u>
Fund Balances - End of Year	<u>\$ 117,224</u>	<u>\$ 52,584</u>	<u>\$ 32,295</u>	<u>\$ 24,839</u>

continued

COUNTY OF SISKIYOU

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

	<u>Pleasant Valley Fire Zone</u>	<u>CDBG Grants</u>	<u>EDBG Grants</u>
Revenues			
Taxes	\$ --	\$ --	\$ --
Licenses and permits	--	--	--
Fines, forfeitures and penalties	--	--	--
Use of money and property	135	101,912	76,497
Intergovernmental	1,608	--	--
Charges for services	18,126	--	--
Other revenues	--	104	--
Total Revenues	<u>19,869</u>	<u>102,016</u>	<u>76,497</u>
Expenditures			
General government	--	--	--
Public protection	19,688	--	--
Health and sanitation	--	--	--
Public assistance	--	216,160	129,315
Public ways and facilities	--	--	--
Debt service:			
Principal	--	--	--
Interest and other charges	--	--	--
Capital outlay	--	--	--
Total Expenditures	<u>19,688</u>	<u>216,160</u>	<u>129,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>181</u>	<u>(114,144)</u>	<u>(52,818)</u>
Other Financing Sources (Uses)			
Capital lease inception	--	--	--
Transfers in	--	200,463	54,284
Transfers out	(104)	(171,627)	(136,584)
Total Other Financing Sources (Uses)	<u>(104)</u>	<u>28,836</u>	<u>(82,300)</u>
Net Change in Fund Balances	77	(85,308)	(135,118)
Fund Balances - Beginning - As Restated	<u>23,077</u>	<u>213,496</u>	<u>358,027</u>
Fund Balances - End of Year	<u>\$ 23,154</u>	<u>\$ 128,188</u>	<u>\$ 222,909</u>

continued

COUNTY OF SISKIYOU

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

	<u>Home Grants</u>	<u>EDEF Grants</u>	<u>Carl Moyer Year 10 Air Pollution</u>	<u>Carl Moyer Year 11 Air Pollution</u>
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures and penalties	--	--	--	--
Use of money and property	--	168	3	(137)
Intergovernmental	--	394,071	--	--
Charges for services	--	--	--	--
Other revenues	--	--	--	--
Total Revenues	<u>--</u>	<u>394,239</u>	<u>3</u>	<u>(137)</u>
Expenditures				
General government	--	--	--	--
Public protection	--	--	--	--
Health and sanitation	--	--	--	--
Public assistance	--	381,597	--	--
Public ways and facilities	--	--	--	--
Debt service:				
Principal	--	--	--	--
Interest and other charges	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>--</u>	<u>381,597</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>12,642</u>	<u>3</u>	<u>(137)</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	--	--
Transfers in	--	--	--	--
Transfers out	--	(2,482)	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>(2,482)</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	--	10,160	3	(137)
Fund Balances - Beginning - As Restated	<u>52</u>	<u>(27,260)</u>	<u>434</u>	<u>663</u>
Fund Balances - End of Year	<u>\$ 52</u>	<u>\$(17,100)</u>	<u>\$ 437</u>	<u>\$ 526</u>

continued

COUNTY OF SISKIYOU

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

	Carl Moyer Year 12 Air Pollution	Carl Moyer Year 14 Air Pollution	Local Community Corrections	Total
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ 375,687
Licenses and permits	--	--	--	110,055
Fines, forfeitures and penalties	--	--	--	140,548
Use of money and property	1,072	739	1,420	250,162
Intergovernmental	288,715	200,000	343,988	5,863,159
Charges for services	--	--	--	243,083
Other revenues	--	--	--	81,605
Total Revenues	<u>289,787</u>	<u>200,739</u>	<u>345,408</u>	<u>7,064,299</u>
Expenditures				
General government	--	--	--	575
Public protection	--	--	145,204	4,127,621
Health and sanitation	261,088	--	--	1,914,729
Public assistance	--	--	--	727,072
Public ways and facilities	--	--	--	276,922
Debt service:				
Principal	--	--	--	13,283
Interest and other charges	--	--	--	8,399
Capital outlay	--	--	--	131,389
Total Expenditures	<u>261,088</u>	<u>--</u>	<u>145,204</u>	<u>7,199,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,699</u>	<u>200,739</u>	<u>200,204</u>	<u>(135,691)</u>
Other Financing Sources (Uses)				
Capital lease inception	--	--	--	29,287
Transfers in	--	--	--	1,137,938
Transfers out	<u>(27,627)</u>	--	<u>(7,759)</u>	<u>(1,113,662)</u>
Total Other Financing Sources (Uses)	<u>(27,627)</u>	<u>--</u>	<u>(7,759)</u>	<u>53,563</u>
Net Change in Fund Balances	1,072	200,739	192,445	(82,128)
Fund Balances - Beginning - As Restated	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,207,904</u>
Fund Balances - End of Year	<u>\$ 1,072</u>	<u>\$ 200,739</u>	<u>\$ 192,445</u>	<u>\$ 3,125,776</u>

COUNTY OF SISKIYOU

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2012

	<u>Accumulated Capital Outlay</u>	<u>Criminal Justice Construction</u>	<u>Courthouse Construction</u>
ASSETS			
Cash and investments	\$ 1,265,025	\$ 242,080	\$ --
Accounts receivable	1,693	24,297	--
Due from other governments	--	--	--
Loans receivable	--	--	--
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,266,718</u>	<u>\$ 266,377</u>	<u>\$ --</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 4,445	\$ --	\$ --
Due to other funds	31,542	11,957	--
Unearned revenue	--	--	--
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>35,987</u>	<u>11,957</u>	<u>--</u>
Fund Balances			
Restricted	--	--	--
Committed	38,721	--	--
Assigned	1,192,010	254,420	--
Unassigned	--	--	--
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,230,731</u>	<u>254,420</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 1,266,718</u>	<u>\$ 266,377</u>	<u>\$ --</u>

continued

COUNTY OF SISKIYOU

Combining Balance Sheet (continued)
 Nonmajor Capital Projects Funds
 June 30, 2012

	<u>Sewer/Water Project</u>	<u>Lake Siskiyou Trail Project</u>	<u>Carrick Water Project</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,018	\$ --	\$ --
Accounts receivable	--	--	--
Due from other governments	--	2,958	--
Loans receivable	<u>23,703</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 29,721</u>	<u>\$ 2,958</u>	<u>\$ --</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ --	\$ --	\$ --
Due to other funds	--	2,382	--
Unearned revenue	<u>--</u>	<u>2,960</u>	<u>--</u>
Total Liabilities	<u>--</u>	<u>5,342</u>	<u>--</u>
Fund Balances			
Restricted	--	--	--
Committed	--	--	--
Assigned	29,721	--	--
Unassigned	<u>--</u>	<u>(2,384)</u>	<u>--</u>
Total Fund Balances	<u>29,721</u>	<u>(2,384)</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 29,721</u>	<u>\$ 2,958</u>	<u>\$ --</u>

continued

COUNTY OF SISKIYOU

Combining Balance Sheet (continued)
 Nonmajor Capital Projects Funds
 June 30, 2012

	Wagon Creek Bridge McConnell	Wagon Creek Bridge ARRA	Lake Siskiyou Hydroelectric Project	Total
ASSETS				
Cash and investments	\$ --	\$ --	\$ 3,733,901	\$ 5,247,024
Accounts receivable	3	--	147,643	173,636
Due from other governments	--	--	--	2,958
Loans receivable	--	--	--	23,703
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 3	\$ --	\$ 3,881,544	\$ 5,447,321
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ --	\$ --	\$ 25,062	\$ 29,507
Due to other funds	2,352	--	10,586	58,819
Unearned revenue	--	--	--	2,960
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	2,352	--	35,648	91,286
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Restricted	--	--	3,845,896	3,845,896
Committed	--	--	--	38,721
Assigned	--	--	--	1,476,151
Unassigned	(2,349)	--	--	(4,733)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	(2,349)	--	3,845,896	5,356,035
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 3	\$ --	\$ 3,881,544	\$ 5,447,321
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF SISKIYOU

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

	Accumulated Capital Outlay	Criminal Justice Construction	Courthouse Construction
Revenues			
Fines, forfeitures and penalties	\$ --	\$ 157,240	\$ --
Use of money and property	6,847	2,000	--
Intergovernmental	1,197,000	--	--
Charges for services	--	--	--
Other revenues	--	--	--
Total Revenues	<u>1,203,847</u>	<u>159,240</u>	<u>--</u>
Expenditures			
Current:			
General government	6,894	--	--
Public protection	--	--	--
Capital outlay	1,256,805	--	--
Total Expenditures	<u>1,263,699</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(59,852)</u>	<u>159,240</u>	<u>--</u>
Other Financing Sources (Uses)			
Sale of capital assets	357,519	--	--
Transfers in	20,000	--	--
Transfers out	--	(156,217)	--
Total Other Financing Sources (Uses)	<u>377,519</u>	<u>(156,217)</u>	<u>--</u>
Net Change in Fund Balances	317,667	3,023	--
Fund Balances - Beginning - As Restated	<u>913,064</u>	<u>251,397</u>	<u>--</u>
Fund Balances - Ending	<u>\$ 1,230,731</u>	<u>\$ 254,420</u>	<u>\$ --</u>

continued

COUNTY OF SISKIYOU

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

	<u>Sewer/Water Project</u>	<u>Lake Siskiyou Trail Project</u>	<u>Carrick Water Project</u>
Revenues			
Fines, forfeitures and penalties	\$ --	\$ --	\$ --
Use of money and property	9	214	(86)
Intergovernmental	--	68,760	--
Charges for services	--	--	--
Other revenues	1,163	--	--
Total Revenues	<u>1,172</u>	<u>68,974</u>	<u>(86)</u>
Expenditures			
Current:			
General government	--	--	19,374
Public protection	--	--	--
Capital outlay	--	2,960	--
Total Expenditures	<u>--</u>	<u>2,960</u>	<u>19,374</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,172</u>	<u>66,014</u>	<u>(19,460)</u>
Other Financing Sources (Uses)			
Sale of capital assets	--	--	--
Transfers in	--	--	--
Transfers out	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	1,172	66,014	(19,460)
Fund Balances - Beginning - As Restated	<u>28,549</u>	<u>(68,398)</u>	<u>19,460</u>
Fund Balances - Ending	<u>\$ 29,721</u>	<u>\$ (2,384)</u>	<u>\$ --</u>

continued

COUNTY OF SISKIYOU

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

	Wagon Creek Bridge McConnell	Wagon Creek Bridge ARRA	Lake Siskiyou Hydroelectric Project	Total
Revenues				
Fines, forfeitures and penalties	\$ --	\$ --	\$ --	\$ 157,240
Use of money and property	(29)	15	2,250,770	2,259,740
Intergovernmental	--	--	--	1,265,760
Charges for services	--	--	155	155
Other revenues	--	--	--	1,163
Total Revenues	<u>(29)</u>	<u>15</u>	<u>2,250,925</u>	<u>3,684,058</u>
Expenditures				
Current:				
General government	--	--	--	26,268
Public protection	--	--	719,755	719,755
Capital outlay	9,180	--	--	1,268,945
Total Expenditures	<u>9,180</u>	<u>--</u>	<u>719,755</u>	<u>2,014,968</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,209)</u>	<u>15</u>	<u>1,531,170</u>	<u>1,669,090</u>
Other Financing Sources (Uses)				
Sale of capital assets	--	--	--	357,519
Transfers in	--	--	--	20,000
Transfers out	--	--	(125,000)	(281,217)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>(125,000)</u>	<u>96,302</u>
Net Change in Fund Balances	(9,209)	15	1,406,170	1,765,392
Fund Balances - Beginning - As Restated	<u>6,860</u>	<u>(15)</u>	<u>2,439,726</u>	<u>3,590,643</u>
Fund Balances - Ending	<u><u>\$ (2,349)</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 3,845,896</u></u>	<u><u>\$ 5,356,035</u></u>

COUNTY OF SISKIYOU

Combining Balance Sheet
 Nonmajor Debt Service Funds
 June 30, 2012

	<u>Juvenile Hall Ibank Debt Service</u>	<u>Pension Obligation Bonds 2007</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 125,208	\$ 417,534	\$ 542,742
Accounts receivable	86	17,901	17,987
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 125,294</u>	<u>\$ 435,435</u>	<u>\$ 560,729</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ --	\$ --	\$ --
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Assigned	125,294	435,435	560,729
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>125,294</u>	<u>435,435</u>	<u>560,729</u>
Total Liabilities and Fund Balances	<u>\$ 125,294</u>	<u>\$ 435,435</u>	<u>\$ 560,729</u>

COUNTY OF SISKIYOU

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

	<u>Juvenile Hall Ibank Debt Service</u>	<u>Pension Obligation Bonds 2007</u>	<u>Total</u>
Revenues			
Use of money and property	\$ 156	\$ 4,128	\$ 4,284
Other revenues	--	54,993	54,993
Total Revenues	<u>156</u>	<u>59,121</u>	<u>59,277</u>
Expenditures			
Current:			
General government	5,209	1,100	6,309
Debt service:			
Principal	49,057	190,000	239,057
Interest and other charges	55,115	981,795	1,036,910
Total Expenditures	<u>109,381</u>	<u>1,172,895</u>	<u>1,282,276</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(109,225)</u>	<u>(1,113,774)</u>	<u>(1,222,999)</u>
Other Financing Sources (Uses)			
Transfers in	<u>109,381</u>	<u>881,048</u>	<u>990,429</u>
Total Other Financing Sources (Uses)	<u>109,381</u>	<u>881,048</u>	<u>990,429</u>
Net Change in Fund Balances	156	(232,726)	(232,570)
Fund Balances - Beginning	<u>125,138</u>	<u>668,161</u>	<u>793,299</u>
Fund Balances - Ending	<u><u>\$ 125,294</u></u>	<u><u>\$ 435,435</u></u>	<u><u>\$ 560,729</u></u>

COUNTY OF SISKIYOU

Combining Balance Sheet
Internal Service Funds
June 30, 2012

ASSETS	Fuel Services	Communications	Liability	Unemployment
Current Assets:				
Cash and investments	\$ --	\$ 166,401	\$ 339,449	\$ --
Accounts receivable	--	4,241	562	--
Inventory	42,497	--	--	--
Due from other funds	44,807	15,435	--	--
Total Current Assets	<u>87,304</u>	<u>186,077</u>	<u>340,011</u>	<u>--</u>
Noncurrent Assets:				
Net OPEB asset	636	--	--	--
Capital assets:				
Depreciable, net	7,122	65,283	3,962	--
Total Assets	<u>\$ 95,062</u>	<u>\$ 251,360</u>	<u>\$ 343,973</u>	<u>\$ --</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	74,283	30,705	43,607	18
Accrued salaries and benefits	149	6,526	--	--
Due to other funds	150,237	1,598	1,834	10,456
Compensated absences payable	209	7,561	--	--
Estimated claims liability	--	--	--	40,725
Total Current Liabilities	<u>224,878</u>	<u>46,390</u>	<u>45,441</u>	<u>51,199</u>
Noncurrent Liabilities:				
Net OPEB obligation	--	53,478	--	--
Compensated absences payable	329	9,218	--	--
Total Noncurrent Liabilities	<u>329</u>	<u>62,696</u>	<u>--</u>	<u>--</u>
Total Liabilities	<u>225,207</u>	<u>109,086</u>	<u>45,441</u>	<u>51,199</u>
NET ASSETS				
Invested in capital assets, net of related debt	7,122	65,283	3,962	--
Unrestricted	(137,267)	76,991	294,570	(51,199)
Total Net Assets	<u>\$ (130,145)</u>	<u>\$ 142,274</u>	<u>\$ 298,532</u>	<u>\$ (51,199)</u>

continued

COUNTY OF SISKIYOU

Combining Balance Sheet (continued)
Internal Service Funds
June 30, 2012

	Workers' Compensation	Vision Insurance	Self Insurance Dental Fund	Automotive Service	Total
ASSETS					
Current Assets:					
Cash and investments	\$ 272,702	\$132,624	\$260,852	\$ 60,076	\$1,232,104
Accounts receivable	303	240	8,468	223	14,037
Inventory	--	--	--	124,544	167,041
Due from other funds	--	--	--	303	60,545
Total Current Assets	<u>273,005</u>	<u>132,864</u>	<u>269,320</u>	<u>185,146</u>	<u>1,473,727</u>
Noncurrent Assets:					
Net OPEB asset	--	--	--	--	636
Capital assets:					
Depreciable, net	--	--	--	--	76,367
Total Assets	<u>\$ 273,005</u>	<u>\$132,864</u>	<u>\$269,320</u>	<u>\$ 185,146</u>	<u>\$1,550,730</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	--	5,075	27,192	11,905	192,785
Accrued salaries and benefits	--	--	--	4,081	10,756
Due to other funds	16	--	--	10,298	174,439
Compensated absences payable	--	--	--	3,819	11,589
Estimated claims liability	--	--	--	--	40,725
Total Current Liabilities	<u>16</u>	<u>5,075</u>	<u>27,192</u>	<u>30,103</u>	<u>430,294</u>
Noncurrent Liabilities:					
Net OPEB obligation	--	--	--	11,121	64,599
Compensated absences payable	--	--	--	4,875	14,422
Total Noncurrent Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,996</u>	<u>79,021</u>
Total Liabilities	<u>16</u>	<u>5,075</u>	<u>27,192</u>	<u>46,099</u>	<u>509,315</u>
NET ASSETS					
Invested in capital assets, net of related debt	--	--	--	--	76,367
Unrestricted	272,989	127,789	242,128	139,047	965,048
Total Net Assets	<u>\$ 272,989</u>	<u>\$127,789</u>	<u>\$242,128</u>	<u>\$ 139,047</u>	<u>\$1,041,415</u>

COUNTY OF SISKIYOU

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

	<u>Fuel Services</u>	<u>Communications</u>	<u>Liability</u>	<u>Unemployment</u>
Operating Revenues				
Charges for services	\$ 838,026	\$ 402,480	\$ 600,000	\$ 490,000
Other revenues	--	179	1,532	--
Total Revenues	<u>838,026</u>	<u>402,659</u>	<u>601,532</u>	<u>490,000</u>
Operating Expenses				
Salaries and benefits	8,457	282,150	--	--
Services and supplies	820,909	132,229	787,210	496,082
Depreciation	2,848	7,045	1,133	--
Total Operating Expenses	<u>832,214</u>	<u>421,424</u>	<u>788,343</u>	<u>496,082</u>
Operating Income (Loss)	<u>5,812</u>	<u>(18,765)</u>	<u>(186,811)</u>	<u>(6,082)</u>
Non-Operating Revenues (Expenses)				
Intergovernmental	--	--	2,450	--
Interest income (expense)	(1,087)	5,375	237	102
Total Non-Operating Revenue (Expenses)	<u>(1,087)</u>	<u>5,375</u>	<u>2,687</u>	<u>102</u>
Income (loss) before transfers	4,725	(13,390)	(184,124)	(5,980)
Transfers out	(156)	(5,214)	--	--
Change in Net Assets	<u>4,569</u>	<u>(18,604)</u>	<u>(184,124)</u>	<u>(5,980)</u>
Net Assets - Beginning	<u>(134,714)</u>	<u>160,878</u>	<u>482,656</u>	<u>(45,219)</u>
Net Assets - Ending	<u>\$ (130,145)</u>	<u>\$ 142,274</u>	<u>\$ 298,532</u>	<u>\$ (51,199)</u>

continued

COUNTY OF SISKIYOU

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

	<u>Workers'</u> <u>Compensation</u>	<u>Vision</u> <u>Insurance</u>	<u>Self</u> <u>Insurance</u> <u>Dental Fund</u>	<u>Automotive</u> <u>Service</u>	<u>Total</u>
Operating Revenues					
Charges for services	\$ 1,000,000	\$ 97,157	\$ 549,202	\$ 502,903	\$ 4,479,768
Other revenues	--	--	--	130	1,841
Total Revenues	<u>1,000,000</u>	<u>97,157</u>	<u>549,202</u>	<u>503,033</u>	<u>4,481,609</u>
Operating Expenses					
Salaries and benefits	--	--	--	164,750	455,357
Services and supplies	1,211,418	88,756	757,742	197,064	4,491,410
Depreciation	--	--	--	--	11,026
Total Operating Expenses	<u>1,211,418</u>	<u>88,756</u>	<u>757,742</u>	<u>361,814</u>	<u>4,957,793</u>
Operating Income (Loss)	<u>(211,418)</u>	<u>8,401</u>	<u>(208,540)</u>	<u>141,219</u>	<u>(476,184)</u>
Non-Operating Revenues (Expenses)					
Intergovernmental	--	--	--	--	2,450
Interest income (expense)	(2,795)	834	1,482	873	5,021
Total Non-Operating Revenue (Expenses)	<u>(2,795)</u>	<u>834</u>	<u>1,482</u>	<u>873</u>	<u>7,471</u>
Income (loss) before transfers	<u>(214,213)</u>	<u>9,235</u>	<u>(207,058)</u>	<u>142,092</u>	<u>(468,713)</u>
Transfers out	--	--	--	(3,045)	(8,415)
Change in Net Assets	<u>(214,213)</u>	<u>9,235</u>	<u>(207,058)</u>	<u>139,047</u>	<u>(477,128)</u>
Net Assets - Beginning	<u>487,202</u>	<u>118,554</u>	<u>449,186</u>	<u>--</u>	<u>1,518,543</u>
Net Assets - Ending	<u>\$ 272,989</u>	<u>\$ 127,789</u>	<u>\$ 242,128</u>	<u>\$ 139,047</u>	<u>\$ 1,041,415</u>

COUNTY OF SISKIYOU

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

	Fuel Services	Communications	Liability	Unemployment
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 838,026	\$ 418,092	\$ 600,978	\$ 490,000
Payments to suppliers	(828,926)	(113,694)	(762,491)	(515,907)
Payments to employees	(9,287)	(271,937)	--	--
	<u>(187)</u>	<u>32,461</u>	<u>(161,513)</u>	<u>(25,907)</u>
Net Cash Provided (Used) by Operating Activities				
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenue	--	--	2,450	--
Interfund loans received and made	1,430	17,682	(1,223)	10,456
Transfers to other funds	(156)	(5,214)	--	--
	<u>1,274</u>	<u>12,468</u>	<u>1,227</u>	<u>10,456</u>
Net Cash Provided (Used) by Investing Activities				
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	--	(66,007)	--	--
	<u>--</u>	<u>(66,007)</u>	<u>--</u>	<u>--</u>
Net Cash Provided (Used) by Capital and Related Financing Activities				
	<u>--</u>	<u>(66,007)</u>	<u>--</u>	<u>--</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received (paid)	(1,087)	6,272	2,102	193
Net Cash Provided (Used) by Investing Activities	<u>(1,087)</u>	<u>6,272</u>	<u>2,102</u>	<u>193</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>--</u>	<u>(14,806)</u>	<u>(158,184)</u>	<u>(15,258)</u>
Cash and Cash Equivalents, Beginning of Year	<u>--</u>	<u>181,207</u>	<u>497,633</u>	<u>15,258</u>
Cash and Cash Equivalents, End of Year	<u>\$ --</u>	<u>\$ 166,401</u>	<u>\$ 339,449</u>	<u>\$ --</u>
Reconciliation of Operating Income (Loss) to Net Provided (Used) by Operating Activities				
Operating income (loss)	\$ 5,812	\$ (18,765)	\$ (186,811)	\$ (6,082)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,848	7,045	1,133	--
Decrease (increase) in:				
Accounts receivable	--	15,433	(554)	--
Inventory	(7,734)	--	--	--
Net OPEB Asset	597	--	--	--
Increase (decrease) in:				
Accounts payable	(283)	18,535	24,719	18
Accrued salaries and benefits	(728)	(8,916)	--	--
Compensate absences payable	(699)	(360)	--	--
Estimated claims liability	--	--	--	(19,843)
Net OPEB obligation	--	19,489	--	--
Net Cash Provided (Used) by Operating Activities	<u>\$ (187)</u>	<u>\$ 32,461</u>	<u>\$ (161,513)</u>	<u>\$ (25,907)</u>

continued

COUNTY OF SISKIYOU

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

	Workers' Compensation	Vision Insurance	Self Insurance Dental Fund	Automotive Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers	\$ 999,697	\$ 100,065	\$ 568,702	\$ 502,810	\$ 4,518,370
Payments to suppliers	(1,211,854)	(83,681)	(730,550)	(298,582)	(4,545,685)
Payments to employees	--	--	--	(151,975)	(433,199)
	<u>(212,157)</u>	<u>16,384</u>	<u>(161,848)</u>	<u>52,253</u>	<u>(460,514)</u>
Net Cash Provided (Used) by Operating Activities					
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental revenue	--	--	--	--	2,450
Interfund loans received and made	(17)	--	--	9,995	38,323
Transfers to other funds	--	--	--	(3,045)	(8,415)
	<u>(17)</u>	<u>--</u>	<u>--</u>	<u>6,950</u>	<u>32,358</u>
Net Cash Provided (Used) by Investing Activities					
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	--	--	--	--	(66,007)
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(66,007)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities					
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received (paid)	(1,195)	1,317	3,230	873	11,705
Net Cash Provided (Used) by Investing Activities	<u>(1,195)</u>	<u>1,317</u>	<u>3,230</u>	<u>873</u>	<u>11,705</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(213,369)</u>	<u>17,701</u>	<u>(158,618)</u>	<u>60,076</u>	<u>(482,458)</u>
Cash and Cash Equivalents, Beginning of Year	<u>486,071</u>	<u>114,923</u>	<u>419,470</u>	<u>--</u>	<u>1,714,562</u>
Cash and Cash Equivalents, End of Year	<u>\$ 272,702</u>	<u>\$ 132,624</u>	<u>\$ 260,852</u>	<u>\$ 60,076</u>	<u>\$ 1,232,104</u>
Reconciliation of Operating Income (Loss) to Net Provided (Used) by Operating Activities					
Operating income (loss)	\$ (211,418)	\$ 8,401	\$ (208,540)	\$ 141,219	\$ (476,184)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	--	--	--	--	11,026
Decrease (increase) in:					
Accounts receivable	(303)	2,908	19,500	(223)	36,761
Inventory	--	--	--	(124,544)	(132,278)
Net OPEB Asset	--	--	--	--	597
Increase (decrease) in:					
Accounts payable	(436)	5,075	27,192	11,905	86,725
Accrued salaries and benefits	--	--	--	4,081	(5,563)
Compensate absences payable	--	--	--	8,694	7,635
Estimated claims liability	--	--	--	--	(19,843)
Net OPEB obligation	--	--	--	11,121	30,610
	<u>--</u>	<u>--</u>	<u>--</u>	<u>11,121</u>	<u>30,610</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (212,157)</u>	<u>\$ 16,384</u>	<u>\$ (161,848)</u>	<u>\$ 52,253</u>	<u>\$ (460,514)</u>