

**COUNTY OF SISKIYOU,  
CALIFORNIA**



**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2017**

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**COUNTY OF SISKIYOU**  
**Annual Financial Report**  
**For the Year Ended June 30, 2017**

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## **INTRODUCTORY SECTION**

- **County Officials**

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**COUNTY OF SISKIYOU**  
**County Officials**  
**For the Year Ended June 30, 2017**

**ELECTED OFFICIALS**

Supervisor, District 1.....	Brandon Criss
Supervisor, District 2.....	Ed Valenzuela
Supervisor, District 3.....	Michael Kobseff
Supervisor, District 4.....	Lisa Nixon
Supervisor, District 5.....	Ray Haupt

Assessor/Recorder.....	Mike Mallory
Auditor-Controller.....	Jennie Ebejer
County Clerk.....	Colleen Setzer
Coroner/Sheriff.....	Jon Lopey
District Attorney.....	J. Kirk Andrus
Treasurer-Tax Collector.....	Wayne Hammar

**DEPARTMENT DIRECTORS/ADMINISTRATORS**

Agricultural Commissioner.....	James E. Smith
Administrative Office/Grand Jury.....	Terry Barber
General Services.....	Scott Waite
Chief Probation Officer.....	Allison Giannini
Child Support Services.....	Gary Sams
Community Development/Environmental Health.....	Allan Calder
County Counsel.....	Vacant
County Librarian.....	Michael Perry
Farm Advisor.....	Rob Wilson
Health and Human Services Agency.....	Stacey Cryer
Museum Curator.....	Lisa Gioia
Fire Warden.....	Phillip Anzo
Public Defender.....	Lael Kayfetz
Public Works Director.....	Scott Waite
Veteran's Service Officer.....	Thomas Jackson

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## **FINANCIAL SECTION**

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

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Supervisors and Grand Jury  
County of Siskiyou  
Yreka, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Siskiyou, California (County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

To the Board of Supervisors and Grand Jury  
County of Siskiyou  
Yreka, California

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1R to the basic financial statements, in 2016-17, the County implemented Governmental Accounting Standards Board (GASB) Statement Nos. 74, 77, 78, 80 and 82. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

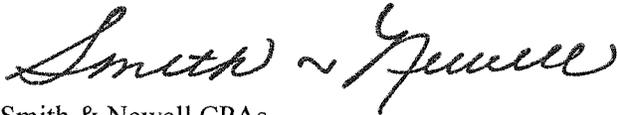
The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the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

To the Board of Supervisors and Grand Jury  
County of Siskiyou  
Yreka, California

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 5, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.



Smith & Newell CPAs  
Yuba City, California  
March 5, 2018

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

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## Management's Discussion & Analysis

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, 2017. 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 \$19,304,558 (net position). Of this amount \$85,266,022 is invested in capital assets net of related debt, \$23,118,850 is restricted for specific purposes and a negative (\$89,080,314) (unrestricted net position) is available to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$1,877,022. This decrease is primarily attributable to an increase in accounts payable and long term liabilities and GASB 68 which required the County to report our pension liability as well as deferred outflows and deferred inflows of resources.
- As of the close of the current fiscal year, the County of Siskiyou's governmental funds reported combined ending fund balances of \$44,819,916 a decrease of \$196,616 in comparison with the prior year. Approximately 60.2% of this total amount, \$26,997,340, is available for spending at the government's discretion (committed, assigned, and unassigned fund balance), which represents a 9.29% decrease over last year.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$2,290,608. The assigned portion of fund balance is \$63,852. The committed portion of fund balance is \$713,617, the restricted portion of fund balance is \$2,128,218, the nonspendable portion of fund balance is \$14,671, for a total General fund balance of \$5,210,966.
- The County of Siskiyou's total governmental activities debt decreased by \$920,702. Of that amount, the County recorded a decrease in the Behavioral Health estimated repayment liability of \$369,640. 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, 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 a California Infrastructure loan to finance landfill closures and transfer station construction as well as the closure/post closure debt, and the liability for compensated absences related to business-type activities. Business-type debt consists of a total increase of \$663,036. The increase in debt was primarily due to the booking of additional 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 required supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, Aviation, and Septage Receiving Facility operations.

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 Flood Control and Water Conservation District, Air Pollution Control District, Local Transportation Administration, Regional Transportation Planning, County Service Areas #3, #4, and #5, Lake Siskiyou Hydroelectric Project and Siskiyou Association of Governmental Entities. 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.

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, and Behavioral Health Services. 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. Budgetary comparison statements have 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 STAGE (Siskiyou Transportation and General Express), Sanitation, Aviation, and Septage Receiving Facilities 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 Fuel Services, Communications, Auto Services, and a variety of insurances, such as Risk Management-Liability, Risk Management-Unemployment, Risk Management-Worker's Compensation, Vision, and Dental. 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), Sanitation, Aviation and Septage Receiving Facilities operations 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.

## Government-Wide Financial Analysis

### County of Siskiyou's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets:</b>						
Current and other assets	\$ 62,467,634	\$ 61,305,981	\$ 10,254,133	\$ 9,923,517	\$ 72,721,767	\$ 71,229,498
Capital assets	80,310,245	83,946,195	6,645,074	6,052,218	86,955,319	89,998,413
Total assets	<u>142,777,879</u>	<u>145,252,176</u>	<u>16,899,207</u>	<u>15,975,735</u>	<u>159,677,086</u>	<u>161,227,911</u>
Deferred Outflows of Resources	17,171,648	5,502,984	509,916	166,655	17,681,564	5,669,639
<b>Liabilities:</b>						
Current and other liabilities	8,880,702	10,182,876	258,344	289,566	9,139,046	10,472,442
Long-term liabilities	27,753,580	28,620,253	14,482,522	13,818,029	42,236,102	42,438,282
Net pension liability	75,543,622	61,174,185	2,225,011	1,868,685	77,768,633	63,042,870
Net OPEB obligation	22,317,141	20,061,825	711,859	686,969	23,029,000	20,748,794
Total liabilities	<u>134,495,045</u>	<u>120,039,139</u>	<u>17,677,736</u>	<u>16,663,249</u>	<u>152,172,781</u>	<u>136,702,388</u>
Deferred Inflows of Resources	5,773,353	8,864,394	107,958	149,188	5,881,311	9,013,582
<b>Net Position:</b>						
Net investment in capital	78,620,948	82,095,082	6,645,074	6,052,218	85,266,022	88,147,300
Restricted	23,118,850	41,398,568	-	-	23,118,850	41,398,568
Unrestricted	(82,058,669)	(101,642,023)	(7,021,645)	(6,722,265)	(89,080,314)	(108,364,288)
Total net position	<u>\$ 19,681,129</u>	<u>\$ 21,851,627</u>	<u>\$ (376,571)</u>	<u>\$ (670,047)</u>	<u>\$ 19,304,558</u>	<u>\$ 21,181,580</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County of Siskiyou, assets exceed liabilities by \$19,304,558 at the close of the most recent fiscal year.

By far the largest portion of the County of Siskiyou's governmental activities net position 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. Over all, net investment in capital assets, net of related debt decreased from \$88,147,300 at June 30, 2016, to \$85,266,022 at June 30, 2017. 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 position, \$23,118,850, represents resources that are subject to external restrictions on how they may be used. The remaining deficit is unrestricted net position (\$89,080,314), which is available to meet the government's ongoing obligations to citizens and creditors.

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

County of Siskiyou's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Change for services	\$ 10,100,074	\$ 7,609,236	\$ 2,491,647	\$ 2,663,845	\$ 12,591,721	\$ 10,273,081
Operating grants and contributions	56,475,998	56,487,289	2,742,225	2,646,375	59,218,223	59,133,664
Capital grants and contributions	35,500	1,100,663	-	-	35,500	1,100,663
General Revenues:						
Property taxes	11,720,168	11,483,451	-	-	11,720,168	11,483,451
Sales and use taxes	5,957,501	6,182,266	-	-	5,957,501	6,182,266
Other taxes	1,484,159	1,286,081	96,531	97,628	1,580,690	1,383,709
Interest and investment earnings	5,364,659	4,189,755	-	-	5,364,659	4,189,755
Miscellaneous	3,486,186	3,218,255	-	-	3,486,186	3,218,255
Total revenues	<u>94,624,245</u>	<u>91,556,996</u>	<u>5,330,403</u>	<u>5,407,848</u>	<u>99,954,648</u>	<u>96,964,844</u>
Expenses:						
General government	7,321,157	8,782,974	-	-	7,321,157	8,782,974
Public protection	35,865,482	32,424,386	-	-	35,865,482	32,424,386
Public ways and facilities	14,006,236	13,074,394	-	-	14,006,236	13,074,394
Health and welfare	15,848,874	14,333,291	-	-	15,848,874	14,333,291
Public assistance	21,878,321	21,137,497	-	-	21,878,321	21,137,497
Education	783,162	740,954	-	-	783,162	740,954
Culture and recreation	128,410	117,585	-	-	128,410	117,585
Interest on long-term debt	963,194	979,606	-	-	963,194	979,606
STAGE	-	-	2,304,601	1,939,509	2,304,601	1,939,509
Sanitation	-	-	2,352,976	1,558,874	2,352,976	1,558,874
Aviation	-	-	369,984	524,306	369,984	524,306
Septage receiving facility	-	-	9,273	171,151	9,273	171,151
Total expenses	<u>96,794,836</u>	<u>91,590,687</u>	<u>5,036,834</u>	<u>4,193,840</u>	<u>101,831,670</u>	<u>95,784,527</u>
Change in net position before transfer:	(2,170,591)	(33,691)	293,569	1,214,008	(1,877,022)	1,180,317
Transfers	93	212,106	(93)	(212,106)	-	-
Change in net position	(2,170,498)	178,415	293,476	1,001,902	(1,877,022)	1,180,317
Net position at beginning year	21,851,627	24,658,522	(670,047)	(1,671,949)	21,181,580	22,986,573
Prior period adjustment	-	(2,985,310)	-	-	-	(2,985,310)
Net position at end of year	<u>\$ 19,681,129</u>	<u>\$ 21,851,627</u>	<u>\$ (376,571)</u>	<u>\$ (670,047)</u>	<u>\$ 19,304,558</u>	<u>\$ 21,181,580</u>

**Governmental Activities.** Governmental activities decreased the County's net position by \$2,170,498.

**Business-Type Activities.** Business-type activities increased the County's net position by \$293,476.

### Financial Analysis of the Government's Funds

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

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

At June 30, 2017, the County's governmental funds reported combined ending fund balances of \$44,819,916 a decrease of \$196,616 in comparison with the prior year. No major governmental funds reflected deficit fund balances at year end.

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

- The Regional Transportation Planning fund had a deficit fund balance of \$32,918, which will need to be covered by the Local Transportation fund.
- The Local Community Corrections fund had a deficit fund balance of \$5,883, which will need to be covered by the County Local Revenue Fund 2011.

**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 net position of (\$376,571). Of the enterprise funds, STAGE has shown a decrease of \$564,023 in net position and a \$2,033,787 operating loss. Non-operating revenues of \$1,469,857 from a variety of sources help to cover this loss. The Aviation fund has reflected a \$288,643 operating loss and \$1,228,754 in non-operating revenues.

Sanitation has reflected a change in net position of (\$75,905) for the fiscal year. The final net position amount for the fund is (\$6,210,262). 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 position of the internal services funds' increased from \$1,486,326 to \$1,623,445. Most of the increase is related to the following;

- The overall operating revenues exceeded the operating expenses.

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

- The Sanitation fund had a net position deficit of \$6,210,262, which is expected to be eliminated in future years through increased user charges and retirement of closure/post closure liability and related debt payoff.

### **General Fund Budgetary Highlights**

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

- \$200,618 in miscellaneous increases in general governmental activities
- \$548,715 in increases allocated to public protection
- \$600 in increases allocated to public assistance
- \$4,072 in increases 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:

- \$928,333 under budget in miscellaneous general governmental activities
- \$4,227,227 under budget in public protection
- \$210 under budget in health and welfare
- \$62,566 under budget in public assistance
- \$224,925 under budget in education, and culture and recreation.

The final revenues for the General fund were lower in total than final budget estimates by \$3,116,630.

### **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, 2017, amounts to \$86,955,319 (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 capital 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 \$44,160,598 of which \$1,924,496 is due within one year and \$42,236,102 is due in more than one year. The County recorded its Net OPEB Obligation of \$23,029,000 as required by GASB 45 and \$77,768,633 in pension liability as required by GASB 68.

### **Economic Factors and Next Year's Budget**

Siskiyou County experienced approximately a 3.71% growth in assessed value of property this year. However, the Assessor-Recorder recently reported that he is projecting an approximate increase in assessed value for this next year at 3%. California's growth has been uneven among regions; Siskiyou County is showing growth, but at a slower pace than other regions. The county continues to experience high pension contribution rates, CalPERS has changed their discount rate from 7% to 7.375% for the upcoming fiscal year and are projecting to move to 7.25% in the subsequent year. The County created a Section 115 Trust to begin funding the employer Pension Liability and Other Post Employment Benefit costs that are associated with labor. The California Department of Fish and Game once again paid a small portion of the payment in lieu of taxes that are owed to Siskiyou County. The Bureau of Reclamation has not paid the County of Siskiyou the sequestered money from Public Law 88-567, since FY13 through FY16. We are continuing to work on getting this money paid to the County of Siskiyou.

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 Position**  
**June 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 47,621,477	\$ 9,223,285	\$ 56,844,762
Restricted cash	405,629	561,290	966,919
Receivables:			
Accounts	2,796,811	38,441	2,835,252
Interest	165,547	31,607	197,154
Taxes	770,495	-	770,495
Intergovernmental	7,133,826	355,227	7,489,053
Deposits	10,671	605	11,276
Inventory	976,375	63,289	1,039,664
Prepaid costs	15,071	-	15,071
Internal balances	19,611	(19,611)	-
Loans receivable	2,552,121	-	2,552,121
Capital assets:			
Non depreciable	9,490,604	917,770	10,408,374
Depreciable, net	70,819,641	5,727,304	76,546,945
Total capital assets	<u>80,310,245</u>	<u>6,645,074</u>	<u>86,955,319</u>
<b>Total Assets</b>	<u>142,777,879</u>	<u>16,899,207</u>	<u>159,677,086</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	17,171,648	509,916	17,681,564
<b>Total Deferred Outflows of Resources</b>	<u>17,171,648</u>	<u>509,916</u>	<u>17,681,564</u>
<b>LIABILITIES</b>			
Accounts payable	2,086,070	38,739	2,124,809
Accrued salaries and benefits	1,779,894	58,425	1,838,319
Accrued interest expense	90,662	18,399	109,061
Deposits payable	1,469,823	-	1,469,823
Due to external parties	61,397	-	61,397
Unearned revenue	1,569,624	41,517	1,611,141
Long-term liabilities:			
Due within one year	1,823,232	101,264	1,924,496
Due in more than one year	27,753,580	14,482,522	42,236,102
Net pension liability	75,543,622	2,225,011	77,768,633
Net OPEB obligation	22,317,141	711,859	23,029,000
<b>Total Liabilities</b>	<u>134,495,045</u>	<u>17,677,736</u>	<u>152,172,781</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	3,228,691	107,958	3,336,649
Deferred housing loan payments	1,055,458	-	1,055,458
Deferred business loan payments	1,489,204	-	1,489,204
<b>Total Deferred Inflows of Resources</b>	<u>5,773,353</u>	<u>107,958</u>	<u>5,881,311</u>

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

Continued (Page 1 of 2)

**COUNTY OF SISKIYOU**  
**Statement of Net Position**  
**June 30, 2017**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>NET POSITION</b>			
Net investment in capital assets	78,620,948	6,645,074	85,266,022
Restricted for			
General government	404,552	-	404,552
Public protection	7,298,553	-	7,298,553
Public assistance	1,483,612	-	1,483,612
Health and welfare	12,609,100	-	12,609,100
Public ways and facilities	1,305,966	-	1,305,966
Capital projects	7,067	-	7,067
Underground storage tank cleanup project	10,000	-	10,000
Unrestricted	<u>(82,058,669)</u>	<u>(7,021,645)</u>	<u>(89,080,314)</u>
<b>Total Net Position</b>	<u>\$ 19,681,129</u>	<u>\$ (376,571)</u>	<u>\$ 19,304,558</u>

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

Continued (Page 2 of 2)

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**COUNTY OF SISKIYOU**  
**Statement of Activities**  
**For the year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 7,321,157	\$ 1,509,137	\$ 10,084,053	\$ -
Public protection	35,865,482	4,747,157	8,853,506	35,500
Health and welfare	15,848,874	3,551,298	12,650,308	-
Public assistance	21,878,321	1,301	20,359,355	-
Education	783,162	18,358	73,010	-
Culture and recreation	128,410	4,302	-	-
Public ways and facilities	14,006,236	268,521	4,455,766	-
Interest on long-term debt	963,194	-	-	-
<b>Total Governmental Activities</b>	<b>96,794,836</b>	<b>10,100,074</b>	<b>56,475,998</b>	<b>35,500</b>
Business-type activities:				
STAGE	2,304,601	270,814	1,456,854	-
Sanitation	2,352,976	2,139,492	56,139	-
Aviation	369,984	81,341	1,229,232	-
Septage receiving facility	9,273	-	-	-
<b>Total Business-Type Activities</b>	<b>5,036,834</b>	<b>2,491,647</b>	<b>2,742,225</b>	<b>-</b>
<b>Total</b>	<b>\$ 101,831,670</b>	<b>\$ 12,591,721</b>	<b>\$ 59,218,223</b>	<b>\$ 35,500</b>

**General revenues:**

Taxes:

- Property taxes
- Sales and use taxes
- Transient occupancy taxes
- Property transfer taxes
- Timber yield taxes
- Franchise taxes
- Interest and investment earnings
- Miscellaneous

**Transfers**

**Total General Revenues and Transfers**

**Change in Net Position**

**Net Position - Beginning**

**Net Position - Ending**

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

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

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
\$ 4,272,033	\$ -	\$ 4,272,033
(22,229,319)	-	(22,229,319)
352,732	-	352,732
(1,517,665)	-	(1,517,665)
(691,794)	-	(691,794)
(124,108)	-	(124,108)
(9,281,949)	-	(9,281,949)
(963,194)	-	(963,194)
<u>(30,183,264)</u>	<u>-</u>	<u>(30,183,264)</u>
-	(576,933)	(576,933)
-	(157,345)	(157,345)
-	940,589	940,589
-	(9,273)	(9,273)
<u>-</u>	<u>197,038</u>	<u>197,038</u>
<u>(30,183,264)</u>	<u>197,038</u>	<u>(29,986,226)</u>
11,720,168	-	11,720,168
5,957,501	-	5,957,501
608,595	-	608,595
249,030	-	249,030
286,402	-	286,402
340,132	-	340,132
5,364,659	96,531	5,461,190
3,486,186	-	3,486,186
93	(93)	-
<u>28,012,766</u>	<u>96,438</u>	<u>28,109,204</u>
(2,170,498)	293,476	(1,877,022)
<u>21,851,627</u>	<u>(670,047)</u>	<u>21,181,580</u>
<u>\$ 19,681,129</u>	<u>\$ (376,571)</u>	<u>\$ 19,304,558</u>

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**COUNTY OF SISKIYOU**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	<u>General Fund</u>	<u>Road</u>	<u>Human Services</u>
<b>ASSETS</b>			
Cash and investments	\$ 7,510,605	\$ 6,464,257	\$ 5,663,520
Restricted cash	405,629	-	-
Receivable:			
Accounts	292,370	60,972	211
Interest	34,798	23,138	16,760
Taxes	254,074	-	285,778
Intergovernmental	1,581,002	743,012	1,371,370
Deposits	1,700	-	2,050
Due from other funds	212,697	115,053	161,451
Prepaid costs	7,212	1,415	1,658
Loans receivable	7,459	-	-
Inventory	-	845,249	-
	<hr/>	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 10,307,546</b>	<b>\$ 8,253,096</b>	<b>\$ 7,502,798</b>
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accounts payable	\$ 581,040	\$ 262,188	\$ 112,243
Accrued salaries and benefits	830,030	226,739	279,457
Deposits payable	1,469,823	-	-
Due to other funds	134,895	10,276	240,542
Unearned revenue	1,264,783	-	304,841
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>4,280,571</b>	<b>499,203</b>	<b>937,083</b>
	<hr/>	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	816,009	102,832	462,263
Deferred housing loan payments	-	-	-
Deferred business loan payments	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total Deferred Inflows of Resources</b>	<b>816,009</b>	<b>102,832</b>	<b>462,263</b>
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES</b>			
Nonspendable	14,671	846,664	1,658
Restricted	2,128,218	86,021	2,515
Committed	713,617	5,225	1,550
Assigned	63,852	6,713,151	6,097,729
Unassigned	2,290,608	-	-
	<hr/>	<hr/>	<hr/>
<b>Total Fund Balances</b>	<b>5,210,966</b>	<b>7,651,061</b>	<b>6,103,452</b>
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 10,307,546</b>	<b>\$ 8,253,096</b>	<b>\$ 7,502,798</b>
	<hr/>	<hr/>	<hr/>

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

<b>Behavioral Health Services</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ 9,726,837	\$ 15,967,810	\$ 45,333,029
-	-	405,629
1,911,535	507,040	2,772,128
34,079	49,710	158,485
135,013	95,630	770,495
2,339,797	1,091,530	7,126,711
6,921	-	10,671
1,049,833	471,999	2,011,033
1,836	1,373	13,494
-	2,544,662	2,552,121
-	-	845,249
<u>\$ 15,205,851</u>	<u>\$ 20,729,754</u>	<u>\$ 61,999,045</u>
\$ 333,532	\$ 583,383	\$ 1,872,386
214,715	213,565	1,764,506
-	-	1,469,823
1,092,887	636,542	2,115,142
-	-	1,569,624
<u>1,641,134</u>	<u>1,433,490</u>	<u>8,791,481</u>
3,707,424	754,458	5,842,986
-	1,055,458	1,055,458
-	1,489,204	1,489,204
<u>3,707,424</u>	<u>3,299,120</u>	<u>8,387,648</u>
1,836	1,373	866,202
7,348,024	7,391,596	16,956,374
11,412	2,190,171	2,921,975
2,496,021	6,452,805	21,823,558
-	(38,801)	2,251,807
<u>9,857,293</u>	<u>15,997,144</u>	<u>44,819,916</u>
<u>\$ 15,205,851</u>	<u>\$ 20,729,754</u>	<u>\$ 61,999,045</u>

**COUNTY OF SISKIYOU**  
**Reconciliation of Governmental Funds Balance Sheet to the**  
**Government-Wide Statement of Net Position - Governmental Activities**  
**June 30, 2017**

<b>Total Fund Balance - Total Governmental Funds</b>	<b>\$ 44,819,916</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds balance sheet.	80,205,861
Other long term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	5,842,986
Interest payable on long-term debt does not require the use of current financial resources and therefore, is not accrued as a liability in the governmental funds balance sheet.	(90,662)
Deferred outflows of resources related to pensions are not reported in the governmental funds.	17,037,985
Deferred inflows of resources related to pensions are not reported in the governmental funds.	(3,195,816)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Bonds payable	(14,495,270)
Loans payable	(1,417,101)
Capital leases payable	(103,596)
Behavioral Health repayment liability	(10,637,183)
Compensated absences	(2,874,166)
Net pension liability	(74,896,332)
Net OPEB obligation	(22,138,938)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.	<u>1,623,445</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 19,681,129</u></u></b>

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

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**COUNTY OF SISKIYOU**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	<u>General Fund</u>	<u>Road</u>	<u>Human Services</u>
<b>REVENUES</b>			
Taxes	\$ 13,425,129	\$ 173,925	\$ 2,916,252
Licenses and permits	743,454	-	-
Fines and forfeitures	1,575,036	-	25
Use of money and property	125,533	87,262	45,323
Intergovernmental	13,754,081	5,044,123	20,340,145
Charges for services	2,953,354	178,563	-
Other revenues	2,004,524	15,671	27,451
<b>Total Revenues</b>	<u>34,581,111</u>	<u>5,499,544</u>	<u>23,329,196</u>
<b>EXPENDITURES</b>			
Current:			
General government	6,877,986	-	-
Public protection	25,823,983	-	-
Health and welfare	31,190	-	-
Public assistance	260,859	-	21,304,504
Education	776,204	-	-
Culture and recreation	121,945	-	-
Public ways and facilities	-	8,915,019	-
Debt service:			
Principal	210,674	-	-
Interest and other charges	11,381	-	-
Capital outlay	860,449	208,785	109,162
<b>Total Expenditures</b>	<u>34,974,671</u>	<u>9,123,804</u>	<u>21,413,666</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(393,560)</u>	<u>(3,624,260)</u>	<u>1,915,530</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	12,508,175	59,797	419,437
Transfers out	(13,292,328)	(2,065)	(490,022)
<b>Total Other Financing Sources (Uses)</b>	<u>(784,153)</u>	<u>57,732</u>	<u>(70,585)</u>
<b>Net Change in Fund Balances</b>	(1,177,713)	(3,566,528)	1,844,945
<b>Fund Balances - Beginning</b>	6,388,679	11,149,323	4,258,507
Change in inventory on purchase method	-	68,266	-
<b>Fund Balances - Ending</b>	<u>\$ 5,210,966</u>	<u>\$ 7,651,061</u>	<u>\$ 6,103,452</u>

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

<b>Behavioral Health Services</b>	<b>Other Governmental Funds</b>	<b>Total</b>
\$ 1,671,235	\$ 530,628	\$ 18,717,169
-	408,243	1,151,697
7,068	122,780	1,704,909
155,233	4,848,507	5,261,858
7,122,018	9,838,402	56,098,769
55,911	2,147,918	5,335,746
300	1,439,429	3,487,375
<u>9,011,765</u>	<u>19,335,907</u>	<u>91,757,523</u>
-	5,634	6,883,620
-	8,132,408	33,956,391
10,016,828	5,574,708	15,622,726
-	17,797	21,583,160
-	-	776,204
-	-	121,945
-	832,979	9,747,998
200,000	461,080	871,754
-	954,584	965,965
29,520	284,819	1,492,735
<u>10,246,348</u>	<u>16,264,009</u>	<u>92,022,498</u>
<u>(1,234,583)</u>	<u>3,071,898</u>	<u>(264,975)</u>
1,624,094	3,549,302	18,160,805
(1,528,729)	(2,847,568)	(18,160,712)
<u>95,365</u>	<u>701,734</u>	<u>93</u>
(1,139,218)	3,773,632	(264,882)
10,996,511	12,223,512	45,016,532
-	-	68,266
<u>\$ 9,857,293</u>	<u>\$ 15,997,144</u>	<u>\$ 44,819,916</u>

**COUNTY OF SISKIYOU**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of the Governmental Funds to the**  
**Government-Wide Statement of Activities - Governmental Activities**  
**For the Year Ended June 30, 2017**

**Net Change in Fund Balances - Total Governmental Funds** \$ (264,882)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital outlay	1,492,735
Less current year depreciation	(5,216,405)
Various adjustments affecting capital assets (including contributions and transfers)	35,500

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the cost of the capital assets disposed. There were no significant proceeds.

(17,185)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Decrease in behavioral health liability	169,640
Decrease in capital leases	1,847
Principal retirements	871,754
Amortization of bond issue costs	(1,667)

Some revenues reported in the statement of activities will not be collected for several months after the County's year end and do not provide current financial resources and therefore, are not reported as revenues in the governmental funds.

Change in unavailable revenue	2,745,606
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Certain changes in deferred outflows and deferred inflows of resources reported in the statement of activities relate to long-term liabilities and are not reported in the governmental funds.

Change in deferred outflows of resources related to pensions	11,585,467
Change in deferred inflows of resources related to pensions	2,918,040

Measurement focus adjustment for inventory reported using the purchases method in the governmental funds and reported using the consumption method in the statement of activities.

68,266

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(149,548)
Change in net pension liability	(14,282,715)
Change in net OPEB obligation	(2,266,841)
Change in accrued interest payable	2,771

Internal service funds are used by management to charge the cost of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

137,119

**Change in Net Position of Governmental Activities** \$ (2,170,498)

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

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**COUNTY OF SISKIYOU**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>STAGE</b>	<b>Sanitation</b>	<b>Aviation</b>	<b>Septage Receiving Facility</b>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 1,238,755	\$ 7,729,847	\$ 8,902	\$ 245,781
Receivables:				
Accounts	310	35,531	2,600	-
Interest	4,662	26,126	-	819
Intergovernmental	285,503	-	69,724	-
Deposits	-	605	-	-
Due from other funds	35,087	69,897	-	-
Prepaid costs	-	-	-	-
Inventory	63,289	-	-	-
<b>Total Current Assets</b>	<b>1,627,606</b>	<b>7,862,006</b>	<b>81,226</b>	<b>246,600</b>
Noncurrent Assets:				
Restricted cash	-	561,290	-	-
Capital assets:				
Non-depreciable	259,518	396,909	261,343	-
Depreciable, net	3,947,626	296,148	1,483,530	-
Total capital assets	4,207,144	693,057	1,744,873	-
<b>Total Noncurrent Assets</b>	<b>4,207,144</b>	<b>1,254,347</b>	<b>1,744,873</b>	<b>-</b>
<b>Total Assets</b>	<b>5,834,750</b>	<b>9,116,353</b>	<b>1,826,099</b>	<b>246,600</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension adjustments	384,949	124,967	-	-
<b>Total Deferred Outflows of Resources</b>	<b>384,949</b>	<b>124,967</b>	<b>-</b>	<b>-</b>

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

<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 9,223,285	\$ 2,288,448
38,441	24,683
31,607	7,062
355,227	7,115
605	-
104,984	74,170
-	1,577
<u>63,289</u>	<u>131,126</u>
<u>9,817,438</u>	<u>2,534,181</u>
561,290	-
917,770	14,050
<u>5,727,304</u>	<u>90,334</u>
<u>6,645,074</u>	<u>104,384</u>
<u>7,206,364</u>	<u>104,384</u>
<u>17,023,802</u>	<u>2,638,565</u>
<u>509,916</u>	<u>133,663</u>
<u>509,916</u>	<u>133,663</u>

**COUNTY OF SISKIYOU**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>STAGE</b>	<b>Sanitation</b>	<b>Aviation</b>	<b>Septage Receiving Facility</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	8,375	28,387	1,977	-
Accrued salaries and benefits	46,058	12,367	-	-
Interest payable	-	18,399	-	-
Due to other funds	24,330	57,090	43,175	-
Unearned revenue	41,517	-	-	-
Compensated absences payable	28,141	6,933	-	-
Loan payable	-	66,190	-	-
Estimated claims liability	-	-	-	-
<b>Total Current Liabilities</b>	<b>148,421</b>	<b>189,366</b>	<b>45,152</b>	<b>-</b>
Noncurrent Liabilities:				
Compensated absences payable	29,431	14,000	-	-
Loan payable	-	1,210,984	-	-
Closure/postclosure liability	-	13,228,107	-	-
Net pension liability	1,620,117	604,894	-	-
Net OPEB obligation	539,935	171,924	-	-
<b>Total Noncurrent Liabilities</b>	<b>2,189,483</b>	<b>15,229,909</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>2,337,904</b>	<b>15,419,275</b>	<b>45,152</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension adjustments	75,651	32,307	-	-
<b>Total Deferred Inflows of Resources</b>	<b>75,651</b>	<b>32,307</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
Investment in capital assets	4,207,144	693,057	1,744,873	-
Restricted for underground storage tank cleanup project	-	-	-	-
Unrestricted	(401,000)	(6,903,319)	36,074	246,600
<b>Total Net Position</b>	<b>\$ 3,806,144</b>	<b>\$ (6,210,262)</b>	<b>\$ 1,780,947</b>	<b>\$ 246,600</b>

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

<u>-</u>	<b>Governmental Activities</b>
<b>Totals</b>	<b>Internal Service Funds</b>
38,739	213,684
58,425	15,388
18,399	-
124,595	11,847
41,517	-
35,074	10,253
66,190	-
-	30,542
<u>382,939</u>	<u>281,714</u>
43,431	8,701
1,210,984	-
13,228,107	-
2,225,011	647,290
711,859	178,203
<u>17,419,392</u>	<u>834,194</u>
<u>17,802,331</u>	<u>1,115,908</u>
<u>107,958</u>	<u>32,875</u>
<u>107,958</u>	<u>32,875</u>
6,645,074	104,384
-	10,000
<u>(7,021,645)</u>	<u>1,509,061</u>
<u>\$ (376,571)</u>	<u>\$ 1,623,445</u>

**COUNTY OF SISKIYOU**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>STAGE</b>	<b>Sanitation</b>	<b>Aviation</b>	<b>Septage Receiving Facility</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 178,002	\$ 2,138,799	\$ 1,725	\$ -
Rental income	-	-	68,256	-
Other revenues	92,812	693	11,360	-
<b>Total Operating Revenues</b>	<b>270,814</b>	<b>2,139,492</b>	<b>81,341</b>	<b>-</b>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,289,292	385,450	-	-
Services and supplies	611,087	1,887,830	173,465	9,273
Depreciation	404,222	29,176	196,519	-
<b>Total Operating Expenses</b>	<b>2,304,601</b>	<b>2,302,456</b>	<b>369,984</b>	<b>9,273</b>
<b>Operating Income (Loss)</b>	<b>(2,033,787)</b>	<b>(162,964)</b>	<b>(288,643)</b>	<b>(9,273)</b>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest income	13,003	81,440	(478)	2,566
Intergovernmental	1,456,854	56,139	1,229,232	-
Interest expense	-	(50,520)	-	-
<b>Total Non-Operating Revenue (Expenses)</b>	<b>1,469,857</b>	<b>87,059</b>	<b>1,228,754</b>	<b>2,566</b>
<b>Income (Loss) Before Transfers</b>	<b>(563,930)</b>	<b>(75,905)</b>	<b>940,111</b>	<b>(6,707)</b>
Transfers out	(93)	-	-	-
<b>Change in Net Position</b>	<b>(564,023)</b>	<b>(75,905)</b>	<b>940,111</b>	<b>(6,707)</b>
<b>Total Net Position (Deficit) - Beginning</b>	<b>4,370,167</b>	<b>(6,134,357)</b>	<b>840,836</b>	<b>253,307</b>
<b>Total Net Position (Deficit) - Ending</b>	<b>\$ 3,806,144</b>	<b>\$ (6,210,262)</b>	<b>\$ 1,780,947</b>	<b>\$ 246,600</b>

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

<b>Totals</b>	<b>Governmental Activities Internal Service Funds</b>
\$ 2,318,526	\$ 5,695,160
68,256	4,024
104,865	324,284
2,491,647	6,023,468
1,674,742	399,608
2,681,655	5,569,044
629,917	16,594
4,986,314	5,985,246
(2,494,667)	38,222
96,531	98,897
2,742,225	-
(50,520)	-
2,788,236	98,897
293,569	137,119
(93)	-
293,476	137,119
(670,047)	1,486,326
\$ (376,571)	\$ 1,623,445

**COUNTY OF SISKIYOU**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>STAGE</b>	<b>Sanitation</b>	<b>Aviation</b>	<b>Septage Receiving Facility</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 304,121	\$ 2,128,199	\$ 81,677	\$ -
Payments to suppliers	(624,691)	(1,116,521)	(220,820)	(9,273)
Payments to employees	(1,274,044)	(457,585)	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,594,614)</b>	<b>554,093</b>	<b>(139,143)</b>	<b>(9,273)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental revenue received	1,277,183	64,389	1,175,719	-
Transfers to other funds	(93)	-	-	-
Interfund loans received	24,330	57,090	43,175	-
Interfund loans made	(35,087)	(69,897)	-	-
Interfund loan repayments received	10,999	92,151	-	-
Interfund loans repaid	(53,042)	(29,340)	(36,754)	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>1,224,290</b>	<b>114,393</b>	<b>1,182,140</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(4,972)	(31,950)	(1,185,851)	-
Principal paid on capital debt	-	(63,952)	-	-
Interest paid on capital debt	-	(51,464)	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(4,972)</b>	<b>(147,366)</b>	<b>(1,185,851)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest earnings	11,830	70,399	(197)	2,070
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>11,830</b>	<b>70,399</b>	<b>(197)</b>	<b>2,070</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(363,466)</b>	<b>591,519</b>	<b>(143,051)</b>	<b>(7,203)</b>
<b>Balances - Beginning</b>	<b>1,602,221</b>	<b>7,699,618</b>	<b>151,953</b>	<b>252,984</b>
<b>Balances - Ending</b>	<b>\$ 1,238,755</b>	<b>\$ 8,291,137</b>	<b>\$ 8,902</b>	<b>\$ 245,781</b>

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

<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 2,513,997	\$ 6,014,305
(1,971,305)	(5,441,495)
<u>(1,731,629)</u>	<u>(431,992)</u>
(1,188,937)	140,818
2,517,291	6,076
(93)	-
124,595	11,847
(104,984)	(74,170)
103,150	51,234
<u>(119,136)</u>	<u>(14,350)</u>
<u>2,520,823</u>	<u>(19,363)</u>
(1,222,773)	(85,999)
(63,952)	-
<u>(51,464)</u>	<u>-</u>
<u>(1,338,189)</u>	<u>(85,999)</u>
<u>84,102</u>	<u>95,660</u>
<u>84,102</u>	<u>95,660</u>
77,799	131,116
<u>9,706,776</u>	<u>2,157,332</u>
<u>\$ 9,784,575</u>	<u>\$ 2,288,448</u>

**COUNTY OF SISKIYOU**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>STAGE</b>	<b>Sanitation</b>	<b>Aviation</b>	<b>Septage Receiving Facility</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (2,033,787)	\$ (162,964)	\$ (288,643)	\$ (9,273)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	404,222	29,176	196,519	-
Decrease (increase) in:				
Accounts receivable	818	(11,293)	336	-
Prepaid costs	-	-	-	-
Inventory	(8,929)	-	-	-
Deferred pension adjustments	(267,751)	(75,510)	-	-
Increase (decrease) in:				
Accounts payable	(4,675)	(5,678)	(47,355)	-
Accrued salaries and benefits	(176)	(3,437)	-	-
Unearned revenue	32,489	-	-	-
Compensated absences payable	376	(50,375)	-	-
Estimated claims liability	-	-	-	-
Closure/Postclosure liability	-	776,987	-	-
Net pension liability	281,836	74,490	-	-
Net OPEB obligation	36,539	(11,649)	-	-
Deferred pension adjustments	(35,576)	(5,654)	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,594,614)</b>	<b>\$ 554,093</b>	<b>\$ (139,143)</b>	<b>\$ (9,273)</b>

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

<b>Totals</b>	<b>Governmental Activities Internal Service Funds</b>
\$ (2,494,667)	\$ 38,222
629,917	16,594
(10,139)	(9,163)
-	340
(8,929)	18,012
(343,261)	(83,197)
(57,708)	127,136
(3,613)	(2,732)
32,489	-
(49,999)	(10,737)
-	(17,939)
776,987	-
356,326	86,722
24,890	(11,525)
(41,230)	(10,915)
\$ (1,188,937)	\$ 140,818

**COUNTY OF SISKIYOU**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	<b>Investment Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and investments	\$ 84,120,733	\$ 4,296,599
Taxes receivable	-	3,637,660
Due from other funds	-	61,397
<b>Total Assets</b>	<b>84,120,733</b>	<b>7,995,656</b>
<b>LIABILITIES</b>		
Agency obligations	-	7,995,656
<b>Total Liabilities</b>	<b>-</b>	<b>7,995,656</b>
<b>NET POSITION</b>		
Net position held in trust for pool participants	84,120,733	-
<b>Total Net Position</b>	<b>\$ 84,120,733</b>	<b>\$ -</b>

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

**COUNTY OF SISKIYOU**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2017**

	<u>Investment Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Contributions to investment pool	\$ 15,221,188
<b>Total Additions</b>	<u>15,221,188</u>
<b>DEDUCTIONS</b>	
Distributions from investment pool	9,467,931
<b>Total Deductions</b>	<u>9,467,931</u>
<b>Change in Net Position</b>	5,753,257
<b>Net Position - Beginning</b>	<u>78,367,476</u>
<b>Net Position - Ending</b>	<u><u>\$ 84,120,733</u></u>

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

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**A. 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 services and health, fire protection, road construction, road maintenance, transportation, recreation and cultural facilities, elections and records, communications, planning, zoning, and tax collection.

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

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

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

**Blended Component Units**

*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 County is financially accountable for this entity. Financial accountability is primarily demonstrated by the Board of Supervisors acting as the Board of Directors, and its ability to impose its will. Therefore, the activities of the District are blended with the primary government as a special revenue fund.

*Air Pollution Control District* - The Air Pollution Control District was established to provide better air quality to residents. The County is financially responsible for this entity. Financial accountability is primarily demonstrated by the Board of Supervisors acting as the Board of Directors, and its ability to impose its will. Therefore, the activities of the District are blended with the primary government as a special revenue fund.

*Local Transportation Administration* - The Local Transportation Administration was established to provide local transportation services to County residents. The County is financially accountable for this entity. Financial accountability is primarily demonstrated by the Board of Supervisors appointing the Administration's Board, and also occupying three positions, and its ability to impose its will. Therefore, the activities of the Administration are blended with the primary government as a special revenue fund.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**A. Reporting Entity (Continued)**

**Blended Component Units (Continued)**

*Regional Transportation Planning* - The Regional Transportation Planning was established to provide regional transportation planning to County residents. The County is financially accountable for this entity. Financial accountability is primarily demonstrated by the Board of Supervisors acting as the Board of Directors, and its ability to impose its will. Therefore, the activities of the entity are blended with the primary government as a special revenue fund.

*County Service Areas #3, #4, and #5* - These County Service Areas were established to provide County services. The County is financially accountable for these entities. Financial accountability is primarily demonstrated by the Board of Supervisors acting as the Board of Directors, and its ability to impose its will. Therefore, the activities of the Districts are blended with the primary government as special revenue funds.

*Lake Siskiyou Hydroelectric Project* - The Lake Siskiyou Hydroelectric Project 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. The County is financially accountable for this entity. Financial accountability is primarily demonstrated by the Board of Supervisors acting as the Board of Directors, and its ability to impose its will. Therefore, the activities of the entity are blended with the primary government as a special revenue fund.

*Siskiyou Association of Governmental Entities* - Under State law, all counties and cities are required to be part of a Regional Planning Agency. The Siskiyou Association of Governmental Entities (SAGE) is an agency established by a Joint Powers Agreement (JPA) among City members and the County. The JPA was adopted June 22, 1972, to provide a permanent forum for discussion and study of regional problems of mutual interest to the cities within, and the County of Siskiyou, and for development of policy and action recommendations for each respective member entity. Siskiyou County and its nine cities are one Regional Planning Agency. The activities of the Association are blended with the primary government as a special revenue fund.

**Discretely Presented Component Units**

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

**Joint Agencies**

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC). CSAC is a joint powers authority organized for the purpose of developing and funding excess insurance programs for member counties. CSAC operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice, and the pool purchases excess insurance and services for members. CSAC is under the control and direction of a 62 member board of directors consisting of representatives of each of the member counties and seven members elected by the public entity membership. Complete audited financial statements can be obtained from CSAC's office at 75 Iron Point Circle, Suite 200, Folsom, California 95630. The County is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**B. Basis of Presentation**

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories, each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

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

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

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

**Fund Financial Statements (Continued)**

The County reports the following major proprietary funds:

- The 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 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 aviation facilities and services.
- The Septage Receiving Facilities fund is an enterprise fund used to account for the fees and the cost of operation and maintenance of the septage receiving facilities, including cost of improvements and to meet State regulations regarding septage disposal facilities.

The County reports the following additional fund types:

- Internal Service funds account for the County's fuel services, communications, automotive services, information technology, 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.
- The 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.

**C. Basis of Accounting and Measurement Focus**

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

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**C. Basis of Accounting and Measurement Focus (Continued)**

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

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

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

**D. Non-Current Governmental Assets/Liabilities**

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

**E. Cash and Cash Equivalents**

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

**F. Investments**

The County sponsors an investment pool that is managed by the County Treasurer. The County's pool activity is governed by California Government Code Sections 27000.1 and 53607 as well as the County's investment policy.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**F. Investments (Continued)**

Investment transactions are recorded on the trade date. The fair value of investments is determined monthly. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in the Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. 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.

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. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, 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, 2017, the County Treasurer has not entered into any legally binding guarantees to support the value of participant equity in the investment pool.

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

**G. Receivables**

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

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

**H. Other Assets**

**Inventory**

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

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**H. Other Assets (Continued)**

**Prepaid Items**

Payments made for services that will benefit periods beyond June 30, 2017 are recorded as prepaid costs under both the accrual and modified accrual basis of accounting. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The County records both prepaid costs for expenditures/expenses paid for services that will benefit future periods and prepaid insurance for the net investment in a joint powers self insurance agency.

**I. Loans Receivable**

A total of \$2,552,121 was recorded as loans receivable at June 30, 2017. These represent low interest notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects, home buyer assistance for low income families, as well as business start-up costs. Loan terms are 15 to 55 years with interest rates at 0.00 to 5.00 percent. The primary source of funding for these loans comes from grants from the federal Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs. The CDBG and HOME grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements. Due to the terms of the loans, offsetting deferred inflows of resources of \$2,544,662 have been established in the Governmental Funds Balance Sheet for the housing and business loan principal and interest payments.

**J. Capital Assets**

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer, and similar items) are defined by the County as assets with a cost of more than \$5,000 and an estimated useful life of more than three years. Capital assets are recorded at historical cost, or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

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

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	3-20 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, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**K. Property Tax**

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

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

The County levies, bills and collects taxes as follows:

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

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

The County is legally required to maintain a minimum balance of 1 percent of the annual taxes levied on properties participating in the Teeter Plan. The balance in the TLRF was \$470,142 at June 30, 2017. The County’s management believes that any ownership rights to the TLRF the County may have are effective only upon an Auditor-Controller approved transfer or to the extent of losses related to the sale of tax defaulted property. Amounts in the TLRF are considered to be held in a custodial capacity for the participants in the County’s apportionment methodology and accounted for in an agency fund.

**L. Interfund Transactions**

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

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

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**L. 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.

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

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

**M. Unearned Revenue**

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

**N. Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation leave, comp time and sick leave payout, where applicable. In the government-wide financial statements the accrued compensated absences is 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 the accrued compensated absences is 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.

**O. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's California Public Employees' Retirement system (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**P. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. This item relates to the outflows from changes in the net pension liability and is reportable on the Statement of Net Position.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**P. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items which qualify for reporting in this category. One item, unavailable revenue, is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item relates to inflows from changes in the net pension liability and is reportable on the Statement of Net Position. The third item relates to the total business and housing loan principal and interest receivable amount and is reportable on the Statement of Net Position as well as the governmental funds balance sheet.

**Q. 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.

**R. Implementation of Governmental Accounting Standards Board Statements (GASB)**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

**Statement No. 74**, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement improves the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

**Statement No. 77**, Tax Abatement Disclosures. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenue.

**Statement No. 78**, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans. This statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have certain characteristics.

**Statement No. 80**, Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14. This statement amends the blending requirements for the financial statement presentation of component units of all state and local governments.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**R. Implementation of Governmental Accounting Standards Board Statements (GASB) (Continued)**

**Statement No. 82, Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73.** This statement addresses certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement specifically addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Balance/Net Position**

The following major enterprise fund had a deficit net position balance at June 30, 2017. This deficit is expected to be eliminated through future additional funding.

Sanitation	\$ 6,210,262
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The following non-major governmental funds had deficit fund balances at June 30, 2017. These deficits are expected to be eliminated through future reimbursements and through cost containment.

Local Community Corrections	\$ 5,883
Regional Transportation Planning	32,918

The following internal service funds had deficit net position balances at June 30, 2017. This deficit is expected to be eliminated through future additional funding.

Communications	\$ 194,178
Automotive Services	70,227
Self Fund Dental Insurance	59,371

**B. Rebtable Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. At June 30, 2017, the County does not expect to incur a liability.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 3: CASH AND INVESTMENTS**

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

The Board of Supervisors monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the Board of Supervisors and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. All cash and investments are considered part of the investment pool.

The County sponsored investment pool includes both internal and external participants. The portion of the pool attributable to external pool participants, which are considered involuntary participants, are included in the primary government as an Investment Trust fund which does not have separate financial reports. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer. The investments of involuntary participants in the investment pool totaled \$84,120,733 at June 30, 2017.

**A. Financial Statement Presentation**

As of June 30, 2017, the County's cash and investments are reported in the financial statements as follows:

Primary government	\$ 57,811,681
Investment trust funds	84,120,733
Agency funds	<u>4,296,599</u>
Total Cash and Investments	<u>\$ 146,229,013</u>

As of June 30, 2017, the County's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 56,286
Deposits (less outstanding checks)	3,929,122
Deposits with fiscal agents	<u>20,759</u>
Total Cash in County Pool	<u>4,006,167</u>
Investments:	
In Treasurer's pool	<u>142,222,846</u>
Total Investments	<u>142,222,846</u>
Total Cash and Investments	<u>\$ 146,229,013</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**B. Cash**

At year end, the carrying amount of the County's cash deposits (including amounts in checking accounts and money market accounts) was \$3,949,881 and the bank balance was \$4,878,261. The difference between the bank balance and the carrying amount represents outstanding warrants and deposits in transit. In addition, the County had cash on hand of \$56,286.

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

**C. Investments**

Pursuant to Section 53646 of the Government Code, the County prepares an investment policy annually and presents it to the Board of Supervisors for review and approval. The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

Under the provisions of the County's investment policy the County may invest or deposit in the following:

- Banker's Acceptances
- Commercial Paper
- Local Agency Investment Fund (LAIF)
- Medium Term Notes
- Asset Backed Securities
- Money Market Mutual Funds
- Negotiable Certificates of Deposit
- Repurchase Agreements/Reverse Repurchase Agreements
- Municipal Securities of Local and State Entities within the State of California
- United States Treasury Securities
- United States Government Agency (Direct/Indirect) Securities
- Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivision (a) to (o) inclusive
- United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Fair Value of Investments - The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

The County's position in external investment pools is in its self regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the County's investment in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2017, the County had the following recurring fair value measurements.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments by Fair Value Level</b>				
Government Agencies	\$ 85,258,875	\$ 85,258,875	\$ -	\$ -
Corporate Notes	4,110,914	4,110,914	-	-
Certificates of Deposit	<u>30,582,000</u>	<u>30,582,000</u>	<u>-</u>	<u>-</u>
<b>Total Investments Measured at Fair Value</b>	119,951,789	<u>\$119,951,789</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Investments in External Investment Pool</b>				
California Asset Management Company (CAMP)	18,071,057			
Local Agency Investment Fund (LAIF)	<u>4,200,000</u>			
<b>Total Investments</b>	<u>\$142,222,846</u>			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations. Any investments that mature more than five years from the date of purchase require prior approval of the Board of Supervisors.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

As of June 30, 2017, the County had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
Government Agencies	0.75-2.375%	\$ 15,808,944	\$ 69,449,931	\$ 85,258,875	2.78
Corporate Notes	1.00-1.720%	4,110,914	-	4,110,914	0.91
Certificates of Deposit	0.70-2.300%	9,177,000	21,405,000	30,582,000	2.19
CAMP	Variable	18,071,057	-	18,071,057	-
LAIF	Variable	4,200,000	-	4,200,000	-
Total Investments		<u>\$ 51,367,915</u>	<u>\$ 90,854,931</u>	<u>\$ 142,222,846</u>	<u>2.11</u>

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

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Federal Farm Credit Bank	-	-	-	9.53%
Federal Home Loan Bank	-	-	-	13.85%
Federal National Mortgage Assoc.	-	-	-	15.12%
Federal Home Loan Mortgage Corp.	-	-	-	21.46%
Corporate Notes	A	AA+	-	2.89%
Certificates of Deposit	N/A	Unrated	Unrated	21.50%
CAMP	N/A	AAAm	Unrated	12.71%
LAIF	N/A	Unrated	Unrated	2.94%
Total				<u>100.00%</u>

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

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2017, that represent 5 percent or more of total County investments are as follows:

<u>Investment Type</u>	<u>Amount Invested</u>	<u>% of Investments</u>
Federal Farm Credit Bank	\$ 13,549,931	9.53%
Federal Home Loan Bank	19,693,944	13.85%
Federal National Mortgage Assoc	21,500,000	15.12%
Federal Home Loan Mortgage Corp.	30,515,000	21.46%

**D. Investment in External Investment Pools**

The County of Siskiyou maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2017, the County's investment in LAIF valued at approximately amortized cost was \$4,200,000 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$77.6 billion. Of that amount, 97.11 percent is invested in non-derivative financial products and 2.89 percent in structured notes and asset-backed securities.

The County of Siskiyou also maintains an investment in the California Asset Management Program (CAMP), a California JPA established in 1989 by the treasurers and finance directors of several California agencies. CAMP was created to provide professional investment services to California public agencies at a reasonable cost. The County's investment with CAMP as of June 30, 2017, was \$18,071,057, which approximates fair value.

**E. County Investment Pool Condensed Financial Information**

The following are condensed statements of net position and changes in net position for the Treasurer's pool at June 30, 2017:

	<u>Internal Participants</u>	<u>External Participants</u>	<u>Total Pool</u>
<b>Statement of Net Position</b>			
Cash on hand	\$ 56,286	\$ -	\$ 56,286
Deposits (less outstanding checks)	3,929,122	-	3,929,122
Investments	<u>58,102,113</u>	<u>84,120,733</u>	<u>142,222,846</u>
Net Position at June 30, 2017	<u>\$ 62,087,521</u>	<u>\$ 84,120,733</u>	<u>\$ 146,208,254</u>
<b>Statement of Changes in Net Position</b>			
Net position at July 1, 2016	\$ 64,699,931	\$ 78,374,826	\$ 143,074,757
Net changes in investments by pool participants	( 2,612,410)	<u>5,745,907</u>	<u>3,133,497</u>
Net Position at June 30, 2017	<u>\$ 62,087,521</u>	<u>\$ 84,120,733</u>	<u>\$ 146,208,254</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**F. Restricted Cash and Investments**

The County reflects cash and investments held in safekeeping for planning and jail inmate deposits payable as restricted cash of \$405,629 in the General fund.

The County also reports restricted cash and investments of \$561,290 held in the Sanitation fund to fund closure and post-closure costs of the Yreka landfill.

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2017, was as follows:

	Balance <u>July 1, 2016</u>	Additions	Retirements	Transfers/ Adjustments	Balance <u>June 30, 2017</u>
<b>Governmental Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 5,976,269	\$ -	\$ -	\$ -	\$ 5,976,269
Construction in progress	1,587,252	325,780	-	( 888,899)	1,024,133
Intangibles	<u>2,474,511</u>	<u>15,691</u>	<u>-</u>	<u>-</u>	<u>2,490,202</u>
Total Capital Assets, Not Being Depreciated	<u>10,038,032</u>	<u>341,471</u>	<u>-</u>	<u>( 888,899)</u>	<u>9,490,604</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	30,202,064	270,522	-	848,549	31,321,135
Equipment	28,347,053	1,001,124	( 266,155)	25,524	29,107,546
Infrastructure	<u>182,261,458</u>	<u>1,117</u>	<u>-</u>	<u>-</u>	<u>182,262,575</u>
Total Capital Assets, Being Depreciated	<u>240,810,575</u>	<u>1,272,763</u>	<u>( 266,155)</u>	<u>874,073</u>	<u>242,691,256</u>
Less Accumulated Depreciation For:					
Buildings and improvements	( 11,599,673)	( 537,220)	-	12,962	( 12,123,931)
Equipment	( 25,353,922)	( 842,530)	248,970	1,846	( 25,945,618)
Infrastructure	<u>( 129,948,817)</u>	<u>( 3,853,249)</u>	<u>-</u>	<u>-</u>	<u>( 133,802,066)</u>
Total Accumulated Depreciation	<u>( 166,902,412)</u>	<u>( 5,232,999)</u>	<u>248,970</u>	<u>14,808</u>	<u>( 171,871,615)</u>
Total Capital Assets, Being Depreciated, Net	<u>73,908,163</u>	<u>( 3,960,236)</u>	<u>( 17,185)</u>	<u>888,881</u>	<u>70,819,641</u>
Governmental Activities Capital Assets, Net	<u>\$ 83,946,195</u>	<u>(\$ 3,618,765)</u>	<u>(\$ 17,185)</u>	<u>\$ 2</u>	<u>\$ 80,310,245</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

	Balance July 1, 2016	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2017
<b>Business-Type Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 673,284	\$ 30,486	\$ -	\$ -	\$ 703,770
Construction in progress	317,221	1,187,314	-	( 1,310,233)	194,302
Intangibles	19,698	-	-	-	19,698
Total Capital Assets, Not Being Depreciated	<u>1,010,203</u>	<u>1,217,800</u>	<u>-</u>	<u>( 1,310,233)</u>	<u>917,770</u>
Capital Assets, Being Depreciated:					
Buildings and improvements	5,184,405	-	-	-	5,184,405
Equipment	4,213,691	4,976	( 17,564)	15,415	4,216,518
Infrastructure	11,400,660	-	-	1,310,233	12,710,893
Total Capital Assets, Being Depreciated	<u>20,798,756</u>	<u>4,976</u>	<u>( 17,564)</u>	<u>1,325,648</u>	<u>22,111,816</u>
Less Accumulated Depreciation For:					
Buildings and improvements	( 2,521,559)	( 67,654)	-	-	( 2,589,213)
Equipment	( 2,175,481)	( 372,426)	17,561	( 15,415)	( 2,545,761)
Infrastructure	( 11,059,701)	( 189,837)	-	-	( 11,249,538)
Total Accumulated Depreciation	<u>( 15,756,741)</u>	<u>( 629,917)</u>	<u>17,561</u>	<u>( 15,415)</u>	<u>( 16,384,512)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,042,015</u>	<u>( 624,941)</u>	<u>( 3)</u>	<u>1,310,233</u>	<u>5,727,304</u>
Business-Type Activities Capital Assets, Net	<u>\$ 6,052,218</u>	<u>\$ 592,859</u>	<u>(\$ 3)</u>	<u>\$ -</u>	<u>\$ 6,645,074</u>

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General government	\$ 345,008
Public protection	750,744
Health and welfare	77,030
Public assistance	41,963
Education	6,138
Public ways and facilities	<u>3,995,522</u>
Subtotal Governmental funds	5,216,405
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>16,594</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 5,232,999</u>

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

STAGE	\$ 404,222
Sanitation	29,176
Aviation	<u>196,519</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 629,917</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 4: CAPITAL ASSETS (CONTINUED)**

**Construction In Progress**

Construction in progress for governmental activities relates primarily to work performed on various bridges and roads and vehicles that were obligated prior to June 30 but not received until after year end. Construction in progress for business-type activities relates 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) any items sold in the past two years has resulted in the proceeds being used for operating costs.

**NOTE 5: INTERFUND TRANSACTIONS**

**Due To/From Other Funds**

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2017:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 212,697	\$ 134,895
Road	115,053	10,276
Human Services	161,451	240,542
Behavioral Health Services	1,049,833	1,092,887
Nonmajor Governmental Funds	471,999	636,542
STAGE	35,087	24,330
Sanitation	69,897	57,090
Aviation	-	43,175
Internal Service Funds	74,170	11,847
Agency Funds	<u>61,397</u>	<u>-</u>
Total	<u>\$ 2,251,584</u>	<u>\$ 2,251,584</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)**

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2017:

	Transfer In	Transfer Out
General Fund	\$ 12,508,175	\$ 13,292,328
Road	59,797	2,065
Human Services	419,437	490,022
Behavioral Health Services	1,624,094	1,528,729
Nonmajor Governmental Funds	3,549,302	2,847,568
STAGE	-	93
Total	\$ 18,160,805	\$ 18,160,805

**NOTE 6: UNEARNED REVENUE**

At June 30, 2017, the components of unearned revenue were as follows:

	Unearned
General Fund	
Federal payments in lieu of taxes	\$ 1,264,783
Human Services	
Federal and State grant advances received	304,841
Total	\$ 1,569,624

**NOTE 7: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

Type of Indebtedness	Balance July 1, 2016	Additions	Adjustments/ Retirements	Balance June 30, 2017	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds	\$ 172,200	\$ -	(\$ 3,600)	\$ 168,600	\$ 3,800
Pension Obligation Bonds	14,760,000	-	( 400,000)	14,360,000	450,000
Less: unamortized discount	( 34,997)	-	1,667	( 33,330)	( 1,667)
Pension Obligation Bonds, Net	14,725,003	-	( 398,333)	14,326,670	448,333
Loans	1,474,581	-	( 57,480)	1,417,101	59,331
Court Revenue Repayment Liability	112,077	-	( 112,077)	-	-
Behavioral Health Repayment Liability	11,006,823	-	( 369,640)	10,637,183	200,000
Capital Leases	204,040	-	( 100,444)	103,596	50,363
Estimated Claims Liability	48,481	94,063	( 112,002)	30,542	30,542
Compensated Absences	2,754,309	2,303,965	( 2,165,154)	2,893,120	1,030,863
Total Governmental Activities	\$ 30,497,514	\$ 2,398,028	(\$ 3,318,730)	\$ 29,576,812	\$ 1,823,232

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

<u>Type of Indebtedness</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2017</u>	<u>Amounts Due Within One Year</u>
<b>Business-Type Activities</b>					
Loans	\$ 1,341,126	\$ -	(\$ 63,952)	\$ 1,277,174	\$ 66,190
Closure/Postclosure	12,451,120	776,987	-	13,228,107	-
Compensated Absences	<u>128,504</u>	<u>63,019</u>	<u>( 113,018)</u>	<u>78,505</u>	<u>35,074</u>
Total Business-Type Activities	<u>\$ 13,920,750</u>	<u>\$ 840,006</u>	<u>(\$ 176,970)</u>	<u>\$ 14,583,786</u>	<u>\$ 101,264</u>

Internal Service funds predominately serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the above totals for governmental activities. The capital lease liability is liquidated by lease payments made by the departments leasing the equipment. Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred. The closure/postclosure liability will be liquidated by the Sanitation fund.

Individual issues of debt payable outstanding at June 30, 2017, are as follows:

**Governmental Activities**

Bonds:

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, 2042. Bond proceeds were used to finance construction of the water distribution system improvements.

\$ 168,600

Total Bonds

168,600

Pension Obligation Bonds:

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.

14,360,000

Total Pension Obligation Bonds

14,360,000

Loans:

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.

1,417,101

Total Loans

1,417,101

Total Governmental Activities

\$ 15,945,701

**Business-Type Activities**

Loans:

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.

\$ 1,277,174

Total Loans

1,277,174

Total Business-Type Activities

\$ 1,277,174

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

Following is a schedule of debt payment requirements of governmental activities and business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, capital leases which are reported in Note 8 and landfill postclosure costs which are reported in Note 9.

**Governmental Activities**

Year Ended June 30	Bonds		
	Principal	Interest	Total
2018	\$ 3,800	\$ 7,502	\$ 11,302
2019	4,000	7,326	11,326
2020	4,100	7,144	11,244
2021	4,300	6,955	11,255
2022	4,500	6,757	11,257
2023-2027	25,800	30,479	56,279
2028-2032	32,100	23,987	56,087
2033-2037	40,100	15,896	55,996
2038-2042	49,900	5,816	55,716
Total	<u>\$ 168,600</u>	<u>\$ 111,862</u>	<u>\$ 280,462</u>

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Total
2018	\$ 450,000	\$ 875,960	\$ 1,325,960
2019	505,000	848,510	1,353,510
2020	565,000	817,705	1,382,705
2021	625,000	783,240	1,408,240
2022	695,000	745,115	1,440,115
2023-2027	3,485,000	3,031,700	6,516,700
2028-2032	3,230,000	2,089,555	5,319,555
2033-2037	4,805,000	924,150	5,729,150
Total	<u>\$ 14,360,000</u>	<u>\$10,115,935</u>	<u>\$ 24,475,935</u>

Year Ended June 30	Loans		
	Principal	Interest	Total
2018	\$ 59,331	\$ 44,675	\$ 104,006
2019	61,241	42,734	103,975
2020	63,213	40,731	103,944
2021	65,249	38,662	103,911
2022	67,350	36,527	103,877
2023-2027	370,710	148,130	518,840
2028-2032	434,363	83,451	517,814
2033-2035	295,644	14,481	310,125
Total	<u>\$ 1,417,101</u>	<u>\$ 449,391</u>	<u>\$ 1,866,492</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 7: LONG-TERM LIABILITIES (CONTINUED)**

**Business-Type Activities**

Year Ended <u>June 30</u>	<u>Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 66,190	\$ 44,701	\$ 110,891
2019	68,506	42,385	110,891
2020	70,904	39,987	110,891
2021	73,386	37,505	110,891
2022	75,954	34,937	110,891
2023-2027	421,558	132,898	554,456
2028-2032	<u>500,676</u>	<u>53,780</u>	<u>554,456</u>
Total	<u>\$ 1,277,174</u>	<u>\$ 386,193</u>	<u>\$ 1,663,367</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. The County negotiated a repayment plan with the State of \$200,000 per year until the balance is paid in full. The liability is expected to be liquidated by the Behavioral Health Services fund.

**NOTE 8: LEASES**

**Operating Leases**

The County leases an office building and equipment under non-cancellable operating leases. Total cost for these leases was \$897,345 for the year ended June 30, 2017. The future minimum lease payments are as follows:

Year Ended <u>June 30</u>	<u>Lease Obligations</u>
2018	\$ 784,315
2019	453,216
2020	277,302
2021	267,218
2022	<u>66,842</u>
Total	<u>\$ 1,848,893</u>

**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>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2017</u>
Governmental activities	0.00%-4.70%	\$ 103,596
Total		<u>\$ 103,596</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 8: LEASES (CONTINUED)**

**Capital Leases (Continued)**

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

	Governmental Activities
Equipment	\$ 216,558
Less: accumulated depreciation	( 56,977)
Net Value	\$ 159,581

As of June 30, 2017, capital lease annual amortization is as follows:

Year Ended June 30	Governmental Activities
2018	\$ 56,268
2019	56,268
Total requirements	112,536
Less interest	( 8,940)
Present Value of Remaining Payments	\$ 103,596

**NOTE 9: CLOSURE/POSTCLOSURE**

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 \$13,228,107 reported as closure/post-closure liability at June 30, 2017, represents 100 percent of the total closure/post-closure care liability estimate for all landfills reduced by amortization of the liabilities related to landfills that are in the post-closure phase. These amounts are based on what it would cost to perform all closure and post-closure care in 2017. 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 post-closure care costs in the future. At June 30, 2017, cash and investments of \$561,290 were held to fund closure and post-closure costs of the Yreka landfill and \$0 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.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 10: NET POSITION**

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

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

**Net Position Restricted by Enabling Legislation**

The government-wide statement of net position reports \$23,118,850 of restricted net position, of which \$18,178,948 is restricted by enabling legislation.

**Net Position Flow Assumption**

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

**NOTE 11: FUND BALANCES**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2017, fund balance for governmental funds is made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 11: FUND BALANCES (CONTINUED)**

- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the County's highest level of decision-making authority. The Board of Supervisors is the highest level of decision making authority for the County that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the County's General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all major and nonmajor governmental funds as of June 30, 2017 were distributed as follows:

	General Fund	Road	Human Services	Behavioral Health Services	Other Governmental Funds	Total
<b>Nonspendable:</b>						
Prepaid costs	\$ 7,212	\$ 1,415	\$ 1,658	\$ 1,836	\$ 1,373	\$ 13,494
Loans receivable	7,459	-	-	-	-	7,459
Inventory	-	845,249	-	-	-	845,249
Subtotal	<u>14,671</u>	<u>846,664</u>	<u>1,658</u>	<u>1,836</u>	<u>1,373</u>	<u>866,202</u>
<b>Restricted for:</b>						
General Government	404,552	-	-	-	-	404,552
Public Safety Programs	1,697,538	-	-	-	571,558	2,269,096
Welfare Services	128	-	-	-	-	128
Water Projects	26,000	-	-	-	-	26,000
Road Projects and Services	-	86,021	-	-	12,243	98,264
Human Services	-	-	2,515	-	-	2,515
Behavioral Health Services	-	-	-	7,348,024	1,362	7,349,386
Geothermal	-	-	-	-	277,443	277,443
Building and Planning Services	-	-	-	-	161	161
Airport Programs	-	-	-	-	3,680	3,680
Air Pollution Programs	-	-	-	-	528,146	528,146
Transportation	-	-	-	-	124,634	124,634
County Service Areas	-	-	-	-	376,873	376,873
Fire Programs	-	-	-	-	530,876	530,876
HUD Programs	-	-	-	-	1,017,048	1,017,048
Hydroelectric Project	-	-	-	-	3,940,505	3,940,505
Capital Projects	-	-	-	-	7,067	7,067
Subtotal	<u>2,128,218</u>	<u>86,021</u>	<u>2,515</u>	<u>7,348,024</u>	<u>7,391,596</u>	<u>16,956,374</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 11: FUND BALANCES (CONTINUED)**

The fund balances for all major and nonmajor governmental funds as of June 30, 2017 were distributed as follows: (Continued)

	General Fund	Road	Human Services	Behavioral Health Services	Other Governmental Funds	Total
<b>Committed to:</b>						
General Government	624,757	-	-	-	-	624,757
Public Safety Programs	88,860	-	-	-	-	88,860
Road Projects and Services	-	5,225	-	-	20,630	25,855
Welfare Services	-	-	1,550	-	-	1,550
Behavioral Health Services	-	-	-	11,412	-	11,412
Child Support Services	-	-	-	-	100	100
Fire Programs	-	-	-	-	40,330	40,330
Health Services	-	-	-	-	2,650	2,650
Library Services	-	-	-	-	13,410	13,410
Air Pollution Programs	-	-	-	-	50	50
Hydroelectric Project	-	-	-	-	2,000,000	2,000,000
Capital Projects	-	-	-	-	113,001	113,001
Subtotal	<u>713,617</u>	<u>5,225</u>	<u>1,550</u>	<u>11,412</u>	<u>2,190,171</u>	<u>2,921,975</u>
<b>Assigned to:</b>						
Public Safety Programs	63,852	-	-	-	-	63,852
Road Projects and Services	-	6,713,151	-	-	7,325	6,720,476
Welfare Services	-	-	6,097,729	-	-	6,097,729
Health Services	-	-	-	-	4,283,503	4,283,503
Behavioral Health Services	-	-	-	2,496,021	-	2,496,021
Child Support Programs	-	-	-	-	312,354	312,354
Fish and Game	-	-	-	-	24,022	24,022
Fire Programs	-	-	-	-	365,485	365,485
Public Safety Programs	-	-	-	-	161,261	161,261
Flood Control	-	-	-	-	238,108	238,108
Air Pollution Programs	-	-	-	-	61,191	61,191
Debt Services	-	-	-	-	685,637	685,637
Capital Projects	-	-	-	-	313,919	313,919
Subtotal	<u>63,852</u>	<u>6,713,151</u>	<u>6,097,729</u>	<u>2,496,021</u>	<u>6,452,805</u>	<u>21,823,558</u>
<b>Unassigned</b>	<u>2,290,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 38,801)</u>	<u>2,251,807</u>
Total Fund Balance	<u>\$ 5,210,966</u>	<u>\$ 7,651,061</u>	<u>\$ 6,103,452</u>	<u>\$ 9,857,293</u>	<u>\$15,997,144</u>	<u>\$44,819,916</u>

**Fund Balance Flow Assumption**

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

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 11: FUND BALANCES (CONTINUED)**

**Fund Balance Policy**

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

**NOTE 12: PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description**

All qualified permanent and probationary employees of Siskiyou County and Siskiyou Court, are eligible to participate in the County's Safety agent multiple-employer and Miscellaneous agent multiple-employer defined benefit pension plan, administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

**Summary of Rate Tiers and Eligible Participants**

Open for New Enrollment

Miscellaneous PEPRA  
Safety PEPRA

Miscellaneous members hired on or after January 1, 2013  
Safety employees hired on or after January 1, 2013

Closed to New Enrollment

Miscellaneous  
Safety

Miscellaneous employees hired before January 1, 2013  
Safety employees hired before January 1, 2013

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 12: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 55 for Miscellaneous employees and 50 for Safety employees with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2017, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 55	55	2.000%
Miscellaneous PEPRA	2.0% @ 62	62	2.000%
Safety	3.0% @ 50	50	3.000%
Safety PEPRA	2.7% @ 57	57	2.700%

**Employees Covered**

At June 30, 2017, the following employees were covered by the benefit terms for the Miscellaneous and Safety Rate Tiers including independent entities (courts):

	<u>Inactive Employees or Beneficiaries Currently Receiving Benefits</u>	<u>Inactive Employees Entitled to But Not Yet Receiving Benefits</u>	<u>Active Employees</u>
Miscellaneous	839	464	530
Safety	179	58	110

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for all Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 12: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Contributions (Continued)**

	Employer Contribution Rates	Employee Contribution Rates	Employer Paid Member Contribution Rates
Miscellaneous	19.893%	7.000%	3.500%
Miscellaneous PEPRA	19.893%	6.250%	0.000%
Safety	29.780%	9.000%	4.500%
Safety PEPRA	29.780%	10.750%	0.000%

**B. Net Pension Liability**

The County's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increase	Varies by entry-age and service
Mortality	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period 1997 to 2011 including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

**Change of Assumptions**

There were no changes in assumptions during the measurement period ended June 30, 2016. Deferred inflows for changes in assumptions presented represents the unamortized portion of the changes in assumptions related to prior measurement periods.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 12: PENSION PLAN (CONTINUED)**

**B. Net Pension Liability (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Debt Securities	20.0%	0.99%	2.43%
Inflation Assets	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
Total	<u>100.0%</u>		

- (a) An expected inflation of 2.5% used for this period  
(b) An expected inflation of 3.0% used for this period

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 12: PENSION PLAN (CONTINUED)**

**C. Changes in the Net Pension Liability**

As of June 30, 2017, the changes in the net pension liability of the agent multiple-employer defined benefit pension plan including independent entities (courts), is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous:			
Balance at June 30, 2015	\$ 211,674,448	\$ 159,501,272	\$ 52,173,176
Changes in the year:			
Service cost	3,814,642	-	3,814,642
Interest on the total pension liability	15,662,138	-	15,662,138
Difference between expected and actual experience	( 2,612,807)	-	( 2,612,807)
Plan to plan resource movement	-	( 1,562)	1,562
Contribution - employer	-	4,453,500	( 4,453,500)
Contribution - employee	-	1,797,938	( 1,797,938)
Net investment income	-	922,883	( 922,883)
Benefit payments, including refunds of employee contributions	( 12,470,253)	( 12,470,253)	-
Administrative expense	-	( 97,208)	97,208
Net changes	4,393,720	( 5,394,702)	9,788,422
Balance at June 30, 2016	\$ 216,068,168	\$ 154,106,570	61,961,598
Less: amount allocated to independent entities			( 4,965,672)
Balance at June 30, 2016			\$ 56,995,926

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Safety:			
Balance at June 30, 2015	\$ 81,429,087	\$ 66,268,353	\$ 15,160,734
Changes in the year:			
Service cost	1,623,369	-	1,623,369
Interest on the total pension liability	6,162,216	-	6,162,216
Difference between expected and actual experience	321,880	-	321,880
Plan to plan resource movement	-	1,562	( 1,562)
Contribution - employer	-	1,583,594	( 1,583,594)
Contribution - employee	-	612,784	( 612,784)
Net investment income	-	337,939	( 337,939)
Benefit payments, including refunds of employee contributions	( 4,021,585)	( 4,021,585)	-
Administrative expense	-	( 40,387)	40,387
Net changes	4,085,880	( 1,526,093)	5,611,973
Balance at June 30, 2016	\$ 85,514,967	\$ 64,742,260	\$ 20,772,707

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 12: PENSION PLAN (CONTINUED)**

**C. Changes in the Net Pension Liability (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the Plan, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>6.65%</u>	Discount Rate <u>7.65%</u>	1% Increase <u>8.65%</u>
Miscellaneous	\$ 87,288,502	\$ 61,961,598	\$ 40,671,212
Safety	32,486,075	20,772,707	11,164,589

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2017, the County recognized pension expense of \$6,470,301. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 6,782,771	\$ -
Change of assumptions	-	( 1,534,911)
Difference between expected and actual experience	-	( 2,040,737)
Net differences between projected and actual earnings on plan investments	<u>11,862,416</u>	<u>-</u>
Total	18,645,187	( 3,575,648)
Less: amount allocated to independent entities	( <u>963,623</u> )	( <u>238,999</u> )
Total	<u>\$ 17,681,564</u>	<u>(\$ 3,336,649)</u>

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 12: PENSION PLAN (CONTINUED)**

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

\$6,782,771 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended <u>June 30</u>	
2017	(\$ 1,090,520)
2018	668,729
2019	5,581,115
2020	3,127,444
Thereafter	<u>-</u>
Total	<u>\$ 8,286,768</u>

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

**A. 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.

**B. Funding Policy**

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

**C. Annual OPEB Cost and Net OPEB Obligation**

The County’s annual other post-employment 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**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**C. 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	\$ 4,858,000
Interest on Net OPEB Obligation	750,000
Amortization Net OPEB Obligation	( 1,868,000)
Annual OPEB Cost/Expense	3,740,000
Contributions made	( 1,078,000)
Adjustment	( 382,000)
Increase in net OPEB obligation	2,280,000
Net OPEB Obligation - Beginning of Year	<u>20,749,000</u>
Net OPEB Obligation - Ending of Year	<u>\$ 23,029,000</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, 2015, 2016, and 2017 is as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Actual</u> <u>Contribution</u>	<u>% of Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
June 30, 2015	\$ 3,358,000	\$ 856,000	25.00%	\$ 18,647,000
June 30, 2016	3,099,000	997,000	32.17%	20,749,000
June 30, 2017	3,740,000	1,078,000	28.82%	23,029,000

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

**D. Funded Status and Funding Progress**

Annual accrued liability (AAL)	\$ 43,381,000
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability	<u>\$ 43,381,000</u>
Funded ratio	0.00%
Covered payroll (active Plan members)	\$ 27,914,000
UAAL as a percentage of covered payroll	155.40%

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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

**D. Funded Status and Funding Progress (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (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 liabilities for benefits.

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the 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, 2016. The assumptions used for this valuation are in accordance with the CalPERS “OPEB Assumption Model”, which describes guidelines to be used for retiree healthcare valuations for plans intending to pre-fund benefits through California Employers’ Retiree Benefit Trust (CERBT).

In the June 30, 2016 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 2.75 percent inflation factor, and assumed medical inflation of 7.2 percent graded down to 5.0 percent over 5 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, 2017 was 22 years.

**NOTE 14: RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has Risk Management Funds (internal service funds) to account for and finance its risk management programs. The County is self insured for unemployment and is covered by the California State Association of Counties (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.

**COUNTY OF SISKIYOU**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2017**

**NOTE 14: RISK MANAGEMENT (CONTINUED)**

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, 2017 was as follows:

Unemployment	\$ 30,542
Total	<u>\$ 30,542</u>

Changes in the County's estimated claims liability amount for the fiscal years 2015, 2016, and 2017 were as follows:

Fiscal Year Ended	Estimated Claims Beginning of Fiscal Year	Claims and Changes in Estimates	Balance of Claims Payments	Estimated Claims End of Fiscal Year
2015	\$ 62,462	\$ 86,462	\$ 120,719	\$ 28,205
2016	28,205	160,982	140,706	48,481
2017	48,481	166,584	184,523	30,542

**NOTE 15: OTHER INFORMATION**

**A. Commitments and Contingencies**

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

The County is involved in several lawsuits. Due to the nature of the cases, County Counsel believes that there are no unfavorable outcomes at this time. Therefore, no provision has been made in the financial statements for a loss contingency.

The County had the following encumbrances at June 30, 2017, General fund \$736,324, Road \$99,249, Human Services \$333,498, Behavioral Health Services \$961,737, and nonmajor governmental funds \$749,844.

**B. Subsequent Events**

Management has evaluated events subsequent to June 30, 2017 through March 5, 2018, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

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**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**County Pension Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2017**  
**Last 10 Years\***

Measurement Date	2013/14	2014/15	2015/16
<b>Miscellaneous</b>			
<b>Total Pension Liability</b>			
Service cost	\$ 4,032,057	\$ 3,921,365	\$ 3,814,642
Interest	14,785,256	15,306,635	15,662,138
Change in assumptions	-	(3,373,129)	-
Differences between expected and actual experience	-	(1,400,398)	(2,612,807)
Benefit payments, including refunds of employee contributions	(10,717,760)	(11,359,175)	(12,470,253)
<b>Net Change in Total Pension Liability</b>	8,099,553	3,095,298	4,393,720
<b>Total Pension Liability - Beginning</b>	200,479,597	208,579,150	211,674,448
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 208,579,150</u>	<u>\$ 211,674,448</u>	<u>\$ 216,068,168</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 3,798,118	\$ 4,123,125	\$ 4,453,500
Contributions - employee	1,760,122	1,712,785	1,797,938
Net investment income	24,399,010	3,603,472	922,883
Benefit payments, including refunds of employee contributions	(10,717,760)	(11,359,175)	(12,470,253)
Net plan to plan resource movement	-	-	(1,562)
Administrative expense	-	(180,686)	(97,208)
<b>Net Change in Plan Fiduciary Net Position</b>	19,239,490	(2,100,479)	(5,394,702)
<b>Plan Fiduciary Net Position - Beginning</b>	142,362,261	161,601,751	159,501,272
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 161,601,751</u>	<u>\$ 159,501,272</u>	<u>\$ 154,106,570</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 46,977,399</u>	<u>\$ 52,173,176</u>	<u>\$ 61,961,598</u>
Plan fiduciary net position as a percentage of the total pension liability	77.48%	75.35%	71.32%
Covered employee payroll	\$ 25,341,316	\$ 25,688,599	\$ 25,527,947
Net pension liability as a percentage of covered employee payroll	185.38%	203.10%	242.72%

\*The County implemented GASB 68 for the fiscal year June 30, 2015, therefore only three years are shown.

Continued (Page 1 of 2)

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**County Pension Plan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2017**  
**Last 10 Years\***

Measurement Date	2013/14	2014/15	2015/16
<b>Safety</b>			
<b>Total Pension Liability</b>			
Service cost	\$ 1,726,020	\$ 1,707,413	\$ 1,623,369
Interest	5,617,226	5,858,239	6,162,216
Change in assumptions	-	(1,485,890)	-
Differences between expected and actual experience	-	(596,337)	321,880
Benefit payments, including refunds of employee contributions	(3,417,214)	(3,722,316)	(4,021,585)
<b>Net Change in Total Pension Liability</b>	3,926,032	1,761,109	4,085,880
<b>Total Pension Liability - Beginning</b>	75,741,946	79,667,978	81,429,087
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 79,667,978</u>	<u>\$ 81,429,087</u>	<u>\$ 85,514,967</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 1,417,277	\$ 1,474,826	\$ 1,583,594
Contributions - employee	626,305	582,501	612,784
Net investment income	9,932,161	1,497,440	337,939
Benefit payments, including refunds of employee contributions	(3,417,214)	(3,722,316)	(4,021,585)
Net plan to plan resource movement	-	-	1,562
Administrative expense	-	(74,598)	(40,387)
<b>Net Change in Plan Fiduciary Net Position</b>	8,558,529	(242,147)	(1,526,093)
<b>Plan Fiduciary Net Position - Beginning</b>	57,951,971	66,510,500	66,268,353
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 66,510,500</u>	<u>\$ 66,268,353</u>	<u>\$ 64,742,260</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 13,157,478</u>	<u>\$ 15,160,734</u>	<u>\$ 20,772,707</u>
Plan fiduciary net position as a percentage of the total pension liability	83.48%	81.38%	75.71%
Covered employee payroll	\$ 6,050,903	\$ 6,244,883	\$ 6,075,030
Net pension liability as a percentage of covered employee payroll	217.45%	242.77%	341.94%

\*The County implemented GASB 68 for the fiscal year June 30, 2015, therefore only three years are shown.

Continued (Page 2 of 2)

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**County Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2017**  
**Last 10 Years\***

<b>Fiscal Year</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
<b>Miscellaneous</b>			
Contractually required contributions (actuarially determined)	\$ 4,123,125	\$ 4,453,500	\$ 4,993,144
Contributions in relation to the actuarially determined contributions	<u>(4,123,125)</u>	<u>(4,453,500)</u>	<u>(4,993,144)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 25,688,599	\$ 25,527,947	\$ 26,012,216
Contributions as a percentage of covered employee payroll	16.05%	17.45%	19.20%
<b>Safety</b>			
Contractually required contributions (actuarially determined)	\$ 1,474,826	\$ 1,583,594	\$ 1,789,627
Contributions in relation to the actuarially determined contributions	<u>(1,474,826)</u>	<u>(1,583,594)</u>	<u>(1,789,627)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 6,244,883	\$ 6,075,030	\$ 6,735,665
Contributions as a percentage of covered employee payroll	23.62%	26.07%	26.57%

\*The County implemented GASB 68 for the fiscal year June 30, 2015, therefore only three years are shown.

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**Notes to County Pension Plan**  
**For the Year Ended June 30, 2017**

**NOTE 1: SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Benefit changes: The figures do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change of assumptions: There were no changes in assumptions.

**NOTE 2: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Change of Assumptions: In 2016, there were not changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**NOTE 3: SCHEDULE OF CONTRIBUTIONS**

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	6/30/2013
Actuarial cost method	Entry-Age Normal
Amortization method/period	For details, see June 30, 2013 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.75%
Salary increases	Varies by entry-age and service
Payroll growth	3.00%
Investment rate of return	7.5%, net of pension plan investment and administrative expense, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using scale AA published by the Society of Actuaries.

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**County OPEB Plan**  
**Schedule of Funding Progress**  
**For the Year Ended June 30, 2017**

**SCHEDULE OF FUNDING PROGRESS**

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

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

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
July 1, 2012	\$ -	\$ 31,072,000	\$ 31,072,000	0.00%	\$ 33,357,000	93.1%
July 1, 2014	-	34,124,000	34,124,000	0.00%	29,372,000	116.2%
July 1, 2016	-	43,381,000	43,381,000	0.00%	27,914,000	155.4%

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 13,223,819	\$ 13,223,819	\$ 13,425,129	\$ 201,310
Licenses and permits	770,094	770,094	743,454	(26,640)
Fines and forfeitures	1,178,931	1,258,239	1,575,036	316,797
Use of money and property	76,333	75,599	125,533	49,934
Intergovernmental	16,579,439	16,986,301	13,754,081	(3,232,220)
Charges for services	2,809,019	2,852,959	2,953,354	100,395
Other revenues	2,433,055	2,530,730	2,004,524	(526,206)
<b>Total Revenues</b>	<u>37,070,690</u>	<u>37,697,741</u>	<u>34,581,111</u>	<u>(3,116,630)</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,605,701	7,806,319	6,877,986	928,333
Public protection	29,502,495	30,051,210	25,823,983	4,227,227
Health and welfare	31,400	31,400	31,190	210
Public assistance	322,825	323,425	260,859	62,566
Education	981,793	985,865	776,204	209,661
Culture and recreation	122,709	137,209	121,945	15,264
Debt service:				
Principal	211,582	211,582	210,674	908
Interest and other charges	11,514	11,514	11,381	133
Capital outlay	647,862	976,312	860,449	115,863
Appropriation for contingencies	500,000	283,008	-	283,008
<b>Total Expenditures</b>	<u>39,937,881</u>	<u>40,817,844</u>	<u>34,974,671</u>	<u>5,843,173</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,867,191)</u>	<u>(3,120,103)</u>	<u>(393,560)</u>	<u>2,726,543</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,698,013	12,966,610	12,508,175	(458,435)
Transfers out	(13,082,400)	(13,368,672)	(13,292,328)	76,344
<b>Total Other Financing Sources (Uses)</b>	<u>(384,387)</u>	<u>(402,062)</u>	<u>(784,153)</u>	<u>(382,091)</u>
<b>Net Change in Fund Balances</b>	<u>(3,251,578)</u>	<u>(3,522,165)</u>	<u>(1,177,713)</u>	<u>2,344,452</u>
<b>Fund Balances - Beginning</b>	<u>6,388,679</u>	<u>6,388,679</u>	<u>6,388,679</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 3,137,101</u>	<u>\$ 2,866,514</u>	<u>\$ 5,210,966</u>	<u>\$ 2,344,452</u>

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Road - Major Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 150,000	\$ 150,000	\$ 173,925	\$ 23,925
Use of money and property	45,000	45,000	87,262	42,262
Intergovernmental	5,034,065	5,044,065	5,044,123	58
Charges for services	134,000	134,000	178,563	44,563
Other revenues	500	500	15,671	15,171
<b>Total Revenues</b>	<u>5,363,565</u>	<u>5,373,565</u>	<u>5,499,544</u>	<u>125,979</u>
<b>EXPENDITURES</b>				
Current:				
Public ways and facilities	9,836,151	9,798,390	8,915,019	883,371
Capital outlay	671,257	681,258	208,785	472,473
<b>Total Expenditures</b>	<u>10,507,408</u>	<u>10,479,648</u>	<u>9,123,804</u>	<u>1,355,844</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(5,143,843)</u>	<u>(5,106,083)</u>	<u>(3,624,260)</u>	<u>1,481,823</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	49,550	61,514	59,797	(1,717)
Transfers out	(2,165)	(2,165)	(2,065)	100
<b>Total Other Financing Sources (Uses)</b>	<u>47,385</u>	<u>59,349</u>	<u>57,732</u>	<u>(1,617)</u>
<b>Net Change in Fund Balances</b>	<u>(5,096,458)</u>	<u>(5,046,734)</u>	<u>(3,566,528)</u>	<u>1,480,206</u>
<b>Fund Balances - Beginning</b>	11,149,323	11,149,323	11,149,323	-
Change in inventory on purchase method	-	-	68,266	68,266
<b>Fund Balances - Ending</b>	<u>\$ 6,052,865</u>	<u>\$ 6,102,589</u>	<u>\$ 7,651,061</u>	<u>\$ 1,548,472</u>

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Human Services - Major Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 3,014,161	\$ 3,014,161	\$ 2,916,252	\$ (97,909)
Fines and forfeitures	-	-	25	25
Use of money and property	33,167	33,167	45,323	12,156
Intergovernmental	22,001,678	22,001,678	20,340,145	(1,661,533)
Other revenues	39,071	39,071	27,451	(11,620)
<b>Total Revenues</b>	<u>25,088,077</u>	<u>25,088,077</u>	<u>23,329,196</u>	<u>(1,758,881)</u>
<b>EXPENDITURES</b>				
Current:				
Public assistance	25,166,991	24,868,720	21,304,504	3,564,216
Capital outlay	113,125	113,125	109,162	3,963
<b>Total Expenditures</b>	<u>25,280,116</u>	<u>24,981,845</u>	<u>21,413,666</u>	<u>3,568,179</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(192,039)</u>	<u>106,232</u>	<u>1,915,530</u>	<u>1,809,298</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	323,665	428,911	419,437	(9,474)
Transfers out	(522,272)	(522,272)	(490,022)	32,250
<b>Total Other Financing Sources (Uses)</b>	<u>(198,607)</u>	<u>(93,361)</u>	<u>(70,585)</u>	<u>22,776</u>
<b>Net Change in Fund Balances</b>	<u>(390,646)</u>	<u>12,871</u>	<u>1,844,945</u>	<u>1,832,074</u>
<b>Fund Balances - Beginning</b>	<u>4,258,507</u>	<u>4,258,507</u>	<u>4,258,507</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 3,867,861</u>	<u>\$ 4,271,378</u>	<u>\$ 6,103,452</u>	<u>\$ 1,832,074</u>

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Behavioral Health Services - Major Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 1,644,446	\$ 1,644,446	\$ 1,671,235	\$ 26,789
Fines and forfeitures	13,477	13,477	7,068	(6,409)
Use of money and property	112,897	112,897	155,233	42,336
Intergovernmental	8,776,313	8,726,313	7,122,018	(1,604,295)
Charges for services	33,447	33,447	55,911	22,464
Other revenues	-	300	300	-
<b>Total Revenues</b>	<u>10,580,580</u>	<u>10,530,880</u>	<u>9,011,765</u>	<u>(1,519,115)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	12,415,367	11,970,213	10,016,828	1,953,385
Debt service:				
Principal	200,000	200,000	200,000	-
Capital outlay	67,000	67,000	29,520	37,480
<b>Total Expenditures</b>	<u>12,682,367</u>	<u>12,237,213</u>	<u>10,246,348</u>	<u>1,990,865</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,101,787)</u>	<u>(1,706,333)</u>	<u>(1,234,583)</u>	<u>471,750</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,593,315	2,607,340	1,624,094	(983,246)
Transfers out	(2,515,359)	(2,614,291)	(1,528,729)	1,085,562
<b>Total Other Financing Sources (Uses)</b>	<u>77,956</u>	<u>(6,951)</u>	<u>95,365</u>	<u>102,316</u>
<b>Net Change in Fund Balances</b>	<u>(2,023,831)</u>	<u>(1,713,284)</u>	<u>(1,139,218)</u>	<u>574,066</u>
<b>Fund Balances - Beginning</b>	<u>10,996,511</u>	<u>10,996,511</u>	<u>10,996,511</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 8,972,680</u>	<u>\$ 9,283,227</u>	<u>\$ 9,857,293</u>	<u>\$ 574,066</u>

**COUNTY OF SISKIYOU**  
**Required Supplementary Information**  
**Note to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2017**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

Formal budgetary integration is employed as a management control device during the year. The County presents a comparison of annual budgets to actual results for the County's General and Major Special Revenue funds. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

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

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

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. Encumbrances outstanding at year end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

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## **Combining Nonmajor Fund Statements**

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## **Nonmajor Governmental Funds**

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**COUNTY OF SISKIYOU**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and investments	\$ 14,910,141	\$ 426,373	\$ 631,296	\$ 15,967,810
Receivables:				
Accounts	439,537	15,832	51,671	507,040
Interest	45,340	1,700	2,670	49,710
Taxes	95,630	-	-	95,630
Intergovernmental	1,091,530	-	-	1,091,530
Due from other funds	471,999	-	-	471,999
Prepaid costs	1,373	-	-	1,373
Loans receivable	2,544,662	-	-	2,544,662
<b>Total Assets</b>	<b>\$ 19,600,212</b>	<b>\$ 443,905</b>	<b>\$ 685,637</b>	<b>\$ 20,729,754</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 574,443	\$ 8,940	\$ -	\$ 583,383
Accrued salaries and benefits	213,565	-	-	213,565
Due to other funds	635,564	978	-	636,542
<b>Total Liabilities</b>	<b>1,423,572</b>	<b>9,918</b>	<b>-</b>	<b>1,433,490</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	754,458	-	-	754,458
Deferred housing loan payments	1,055,458	-	-	1,055,458
Deferred business loan payments	1,489,204	-	-	1,489,204
<b>Total Deferred Inflows of Resources</b>	<b>3,299,120</b>	<b>-</b>	<b>-</b>	<b>3,299,120</b>
<b>FUND BALANCES</b>				
Nonspendable	1,373	-	-	1,373
Restricted	7,384,529	7,067	-	7,391,596
Committed	2,077,170	113,001	-	2,190,171
Assigned	5,453,249	313,919	685,637	6,452,805
Unassigned	(38,801)	-	-	(38,801)
<b>Total Fund Balances</b>	<b>14,877,520</b>	<b>433,987</b>	<b>685,637</b>	<b>15,997,144</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 19,600,212</b>	<b>\$ 443,905</b>	<b>\$ 685,637</b>	<b>\$ 20,729,754</b>

**COUNTY OF SISKIYOU**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2017**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>Totals</b>
<b>REVENUES</b>				
Taxes	\$ 530,628	\$ -	\$ -	\$ 530,628
Licenses and permits	408,243	-	-	408,243
Fines and forfeitures	31,219	91,561	-	122,780
Use of money and property	4,835,314	5,264	7,929	4,848,507
Intergovernmental	9,838,402	-	-	9,838,402
Charges for services	2,146,918	1,000	-	2,147,918
Other revenues	27,891	-	1,411,538	1,439,429
<b>Total Revenues</b>	<b>17,818,615</b>	<b>97,825</b>	<b>1,419,467</b>	<b>19,335,907</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	5,634	5,634
Public protection	8,099,438	32,970	-	8,132,408
Health and welfare	5,574,708	-	-	5,574,708
Public assistance	17,797	-	-	17,797
Public ways and facilities	832,979	-	-	832,979
Debt service				
Principal	3,600	-	457,480	461,080
Interest and other charges	7,668	-	946,916	954,584
Capital outlay	206,224	78,595	-	284,819
<b>Total Expenditures</b>	<b>14,742,414</b>	<b>111,565</b>	<b>1,410,030</b>	<b>16,264,009</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,076,201</b>	<b>(13,740)</b>	<b>9,437</b>	<b>3,071,898</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,459,749	-	89,553	3,549,302
Transfers out	(2,758,015)	(89,553)	-	(2,847,568)
<b>Total Other Financing Sources (Uses)</b>	<b>701,734</b>	<b>(89,553)</b>	<b>89,553</b>	<b>701,734</b>
<b>Net Change in Fund Balances</b>	<b>3,777,935</b>	<b>(103,293)</b>	<b>98,990</b>	<b>3,773,632</b>
<b>Fund Balances - Beginning</b>	<b>11,099,585</b>	<b>537,280</b>	<b>586,647</b>	<b>12,223,512</b>
<b>Fund Balances - Ending</b>	<b>\$ 14,877,520</b>	<b>\$ 433,987</b>	<b>\$ 685,637</b>	<b>\$ 15,997,144</b>

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## **Nonmajor Governmental Funds**

- **Special Revenue Funds**

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**COUNTY OF SISKIYOU**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

	<b>Dept of Child Support Services</b>	<b>Fish and Game</b>	<b>Geothermal</b>	<b>General County Fire</b>
<b>ASSETS</b>				
Cash and investments	\$ 369,583	\$ 23,875	\$ 297,936	\$ 399,964
Receivables:				
Accounts	-	117	-	1,480
Interest	1,547	80	1,033	1,458
Taxes	-	-	-	109
Intergovernmental	-	-	-	3,732
Due from other funds	-	-	-	-
Prepaid costs	-	-	-	413
Loans receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 371,130</b>	<b>\$ 24,072</b>	<b>\$ 298,969</b>	<b>\$ 407,156</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,899	\$ 50	\$ -	\$ -
Accrued salaries and benefits	52,545	-	-	-
Due to other funds	1,232	-	21,526	-
<b>Total Liabilities</b>	<b>58,676</b>	<b>50</b>	<b>21,526</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	677
Deferred housing loan payments	-	-	-	-
Deferred business loan payments	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>677</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	413
Restricted	-	-	277,443	251
Committed	100	-	-	40,330
Assigned	312,354	24,022	-	365,485
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>312,454</b>	<b>24,022</b>	<b>277,443</b>	<b>406,479</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 371,130</b>	<b>\$ 24,072</b>	<b>\$ 298,969</b>	<b>\$ 407,156</b>

<b>Planning Projects</b>	<b>Inmate Health Program</b>	<b>Local Community Corrections</b>	<b>HR 2389 Title III</b>	<b>Used Oil Recycling Grant</b>	<b>Library Donations</b>	<b>District Attorney Forfeiture Funds</b>	<b>Domestic Violence</b>
\$ 3,289	\$ 322,980	\$ -	\$ 7,301	\$ 30,149	\$ 13,365	\$ 190,929	\$ 4,515
-	57	-	-	-	-	-	319
-	904	-	24	138	45	557	15
-	-	-	-	-	-	-	-
117,137	1,381	57,802	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	735	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 120,426</u>	<u>\$ 325,322</u>	<u>\$ 57,802</u>	<u>\$ 7,325</u>	<u>\$ 31,022</u>	<u>\$ 13,410</u>	<u>\$ 191,486</u>	<u>\$ 4,849</u>
\$ 120,265	\$ 48,888	\$ 6,474	\$ -	\$ 10,865	\$ -	\$ -	\$ -
-	6,902	31,896	-	-	-	-	-
-	67,013	19,432	-	7,179	-	-	-
<u>120,265</u>	<u>122,803</u>	<u>57,802</u>	<u>-</u>	<u>18,044</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,381	5,883	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>1,381</u>	<u>5,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	735	-	-	-
161	-	-	-	12,243	-	191,486	4,849
-	-	-	-	-	13,410	-	-
-	201,138	-	7,325	-	-	-	-
-	-	(5,883)	-	-	-	-	-
<u>161</u>	<u>201,138</u>	<u>(5,883)</u>	<u>7,325</u>	<u>12,978</u>	<u>13,410</u>	<u>191,486</u>	<u>4,849</u>
<u>\$ 120,426</u>	<u>\$ 325,322</u>	<u>\$ 57,802</u>	<u>\$ 7,325</u>	<u>\$ 31,022</u>	<u>\$ 13,410</u>	<u>\$ 191,486</u>	<u>\$ 4,849</u>

**COUNTY OF SISKIYOU**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

	<u>Environmental Health</u>	<u>Public Health</u>	<u>Community Corrections Performance</u>	<u>Animal Control Facility</u>
<b>ASSETS</b>				
Cash and investments	\$ 187,089	\$ 4,020,409	\$ 224,710	\$ 20,922
Receivables:				
Accounts	2,178	140	-	30
Interest	749	13,209	880	78
Taxes	-	95,362	-	-
Intergovernmental	18,093	728,728	50,000	-
Due from other funds	28,419	398,758	-	-
Prepaid costs	-	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 236,528</u>	<u>\$ 5,256,606</u>	<u>\$ 275,590</u>	<u>\$ 21,030</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,331	\$ 142,003	\$ 15,485	\$ 400
Accrued salaries and benefits	30,595	72,463	4,994	-
Due to other funds	21,013	325,196	-	-
<b>Total Liabilities</b>	<u>53,939</u>	<u>539,662</u>	<u>20,479</u>	<u>400</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	1,430	631,737	-	-
Deferred housing loan payments	-	-	-	-
Deferred business loan payments	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>1,430</u>	<u>631,737</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	19,898	192	255,111	-
Committed	-	2,650	-	20,630
Assigned	161,261	4,082,365	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>181,159</u>	<u>4,085,207</u>	<u>255,111</u>	<u>20,630</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 236,528</u>	<u>\$ 5,256,606</u>	<u>\$ 275,590</u>	<u>\$ 21,030</u>

<b>Citizens Options for Public Safety Grant</b>	<b>Airport Comprehensive Land Use Plan</b>	<b>Flood Control and Water Conservation District</b>	<b>Air Pollution Control District</b>	<b>Air Pollution PM 2.5 Grant</b>	<b>Local Transportation Administration</b>	<b>Regional Transportation Planning</b>	<b>Siskiyou Association of Governmental Entities</b>
\$ 217,447	\$ 3,668	\$ 300,521	\$ 46,623	\$ 39,358	\$ 126,159	\$ 53,679	\$ 1,189
-	-	32,103	168	-	-	-	-
-	12	1,489	219	132	408	222	4
-	-	66	-	-	-	-	-
-	-	-	168	-	-	108,515	-
-	-	23,296	21,526	-	-	-	-
-	-	-	150	75	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 217,447</u>	<u>\$ 3,680</u>	<u>\$ 357,475</u>	<u>\$ 68,854</u>	<u>\$ 39,565</u>	<u>\$ 126,567</u>	<u>\$ 162,416</u>	<u>\$ 1,193</u>
\$ 42,141	\$ -	\$ 36,530	\$ 343	\$ 14	\$ 2,582	\$ 80,859	\$ -
-	-	7,543	6,627	-	-	-	-
75,284	-	75,294	157	-	544	5,960	-
<u>117,425</u>	<u>-</u>	<u>119,367</u>	<u>7,127</u>	<u>14</u>	<u>3,126</u>	<u>86,819</u>	<u>-</u>
-	-	-	336	-	-	108,515	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	336	-	-	108,515	-
-	-	-	150	75	-	-	-
100,022	3,680	-	-	39,476	123,441	-	1,193
-	-	-	50	-	-	-	-
-	-	238,108	61,191	-	-	-	-
-	-	-	-	-	-	(32,918)	-
<u>100,022</u>	<u>3,680</u>	<u>238,108</u>	<u>61,391</u>	<u>39,551</u>	<u>123,441</u>	<u>(32,918)</u>	<u>1,193</u>
<u>\$ 217,447</u>	<u>\$ 3,680</u>	<u>\$ 357,475</u>	<u>\$ 68,854</u>	<u>\$ 39,565</u>	<u>\$ 126,567</u>	<u>\$ 162,416</u>	<u>\$ 1,193</u>

**COUNTY OF SISKIYOU**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

	County Service Area #3	County Service Area #4	County Service Area #5	CSA # 5 Special Assessment
<b>ASSETS</b>				
Cash and investments	\$ 246,313	\$ 20,592	\$ 12,914	\$ 97,215
Receivables:				
Accounts	210	-	-	-
Interest	820	68	45	324
Taxes	92	1	-	-
Intergovernmental	-	-	662	-
Due from other funds	-	-	-	-
Prepaid costs	-	-	-	-
Loans receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 247,435</b>	<b>\$ 20,661</b>	<b>\$ 13,621</b>	<b>\$ 97,539</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,717	\$ -	\$ -	\$ 4
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,717</b>	<b>-</b>	<b>-</b>	<b>4</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	662	-
Deferred housing loan payments	-	-	-	-
Deferred business loan payments	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>662</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	245,718	20,661	12,959	97,535
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>245,718</b>	<b>20,661</b>	<b>12,959</b>	<b>97,535</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 247,435</b>	<b>\$ 20,661</b>	<b>\$ 13,621</b>	<b>\$ 97,539</b>

<b>Hammond Ranch Fire Zone</b>	<b>McCloud Fire Zone</b>	<b>Mt. Shasta Vista Fire Zone</b>	<b>Pleasant Valley Fire Zone</b>	<b>CDBG Grants</b>	<b>EDBG Grants</b>	<b>HOME Grants</b>	<b>EDEF Grants</b>
\$ 208,731	\$ 145,331	\$ 90,209	\$ 82,916	\$ 598,146	\$ 419,372	\$ 54	\$ 157
933	389	411	565	1,944	756	-	-
700	497	296	275	2,058	1,354	-	1
-	-	-	-	-	-	-	-
4,329	145	-	838	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	748,458	526,451	307,000	-
<u>\$ 214,693</u>	<u>\$ 146,362</u>	<u>\$ 90,916</u>	<u>\$ 84,594</u>	<u>\$ 1,350,606</u>	<u>\$ 947,933</u>	<u>\$ 307,054</u>	<u>\$ 158</u>
\$ 2,009	\$ 23	\$ -	\$ 71	\$ 1,353	\$ 5,360	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	81	-	-	-
<u>2,009</u>	<u>23</u>	<u>-</u>	<u>71</u>	<u>1,434</u>	<u>5,360</u>	<u>-</u>	<u>-</u>
2,854	145	-	838	-	-	-	-
-	-	-	-	748,458	-	307,000	-
-	-	-	-	-	526,451	-	-
<u>2,854</u>	<u>145</u>	<u>-</u>	<u>838</u>	<u>748,458</u>	<u>526,451</u>	<u>307,000</u>	<u>-</u>
-	-	-	-	-	-	-	-
209,830	146,194	90,916	83,685	600,714	416,122	54	158
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>209,830</u>	<u>146,194</u>	<u>90,916</u>	<u>83,685</u>	<u>600,714</u>	<u>416,122</u>	<u>54</u>	<u>158</u>
<u>\$ 214,693</u>	<u>\$ 146,362</u>	<u>\$ 90,916</u>	<u>\$ 84,594</u>	<u>\$ 1,350,606</u>	<u>\$ 947,933</u>	<u>\$ 307,054</u>	<u>\$ 158</u>

**COUNTY OF SISKIYOU**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

	<u>STBG Grants</u>	<u>Carl Moyer Year 16 Air Pollution</u>	<u>Carl Moyer Year 17 Air Pollution</u>	<u>Carl Moyer Year 18 Air Pollution</u>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 45,915	\$ 441,591
Receivables:				
Accounts	-	-	-	-
Interest	35	-	208	956
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Due from other funds	-	-	-	-
Prepaid costs	-	-	-	-
Loans receivable	962,753	-	-	-
<b>Total Assets</b>	<u>\$ 962,788</u>	<u>\$ -</u>	<u>\$ 46,123</u>	<u>\$ 442,547</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 35	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
Deferred housing loan payments	-	-	-	-
Deferred business loan payments	962,753	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>962,753</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	46,123	442,547
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>46,123</u>	<u>442,547</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 962,788</u>	<u>\$ -</u>	<u>\$ 46,123</u>	<u>\$ 442,547</u>

<b>Local Innovation Subaccount</b>	<b>Lake Siskiyou Hydroelectric Project</b>	<b>Totals</b>
\$ 1,362	\$ 5,593,663	\$ 14,910,141
-	397,737	439,537
-	14,500	45,340
-	-	95,630
-	-	1,091,530
-	-	471,999
-	-	1,373
-	-	2,544,662
<u>\$ 1,362</u>	<u>\$ 6,005,900</u>	<u>\$ 19,600,212</u>
\$ -	\$ 49,742	\$ 574,443
-	-	213,565
-	15,653	635,564
-	65,395	1,423,572
-	-	754,458
-	-	1,055,458
-	-	1,489,204
-	-	3,299,120
-	-	1,373
1,362	3,940,505	7,384,529
-	2,000,000	2,077,170
-	-	5,453,249
-	-	(38,801)
<u>1,362</u>	<u>5,940,505</u>	<u>14,877,520</u>
<u>\$ 1,362</u>	<u>\$ 6,005,900</u>	<u>\$ 19,600,212</u>

**COUNTY OF SISKIYOU**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2017**

	<u>Dept of Child Support Services</u>	<u>Fish and Game</u>	<u>Geothermal</u>	<u>General County Fire</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 146,279
License and permits	-	-	-	-
Fines and forfeitures	-	1,013	-	-
Use of money and property	5,081	250	3,675	57,756
Intergovernmental	1,951,472	-	5,486	86,029
Charges for services	-	-	-	18,966
Other revenues	-	-	-	118
<b>Total Revenues</b>	<u>1,956,553</u>	<u>1,263</u>	<u>9,161</u>	<u>309,148</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	1,866,629	3,100	(2,122)	388,055
Health and welfare	-	-	-	-
Public assistance	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	52,367
<b>Total Expenditures</b>	<u>1,866,629</u>	<u>3,100</u>	<u>(2,122)</u>	<u>440,422</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>89,924</u>	<u>(1,837)</u>	<u>11,283</u>	<u>(131,274)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	390,455
Transfers out	(3,240)	-	(120,763)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(3,240)</u>	<u>-</u>	<u>(120,763)</u>	<u>390,455</u>
<b>Net Change in Fund Balances</b>	86,684	(1,837)	(109,480)	259,181
<b>Fund Balances - Beginning</b>	<u>225,770</u>	<u>25,859</u>	<u>386,923</u>	<u>147,298</u>
<b>Fund Balances - Ending</b>	<u>\$ 312,454</u>	<u>\$ 24,022</u>	<u>\$ 277,443</u>	<u>\$ 406,479</u>

<b>Planning Projects</b>	<b>Inmate Health Program</b>	<b>Local Community Corrections</b>	<b>HR 2389 Title III</b>	<b>Used Oil Recycling Grant</b>	<b>Library Donations</b>	<b>District Attorney Forfeiture Funds</b>	<b>Domestic Violence</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	58	-	-	-	-	27,569	1,233
(146)	2,218	-	592	581	138	1,708	49
-	-	1,553,847	-	(10,505)	-	-	-
653,317	15,203	-	-	-	-	-	5,888
-	-	-	-	-	-	-	-
<u>653,171</u>	<u>17,479</u>	<u>1,553,847</u>	<u>592</u>	<u>(9,924)</u>	<u>138</u>	<u>29,277</u>	<u>7,170</u>
-	-	1,448,436	-	-	-	1,500	4,434
-	562,102	-	-	44,045	-	-	-
-	-	-	-	-	-	-	-
653,317	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	14,280	-	-	-	-	-
<u>653,317</u>	<u>562,102</u>	<u>1,462,716</u>	<u>-</u>	<u>44,045</u>	<u>-</u>	<u>1,500</u>	<u>4,434</u>
<u>(146)</u>	<u>(544,623)</u>	<u>91,131</u>	<u>592</u>	<u>(53,969)</u>	<u>138</u>	<u>27,777</u>	<u>2,736</u>
-	782,318	30,000	-	-	-	-	-
-	(124,079)	(137,013)	-	(450)	-	-	(449)
-	658,239	(107,013)	-	(450)	-	-	(449)
(146)	113,616	(15,882)	592	(54,419)	138	27,777	2,287
307	87,522	9,999	6,733	67,397	13,272	163,709	2,562
<u>\$ 161</u>	<u>\$ 201,138</u>	<u>\$ (5,883)</u>	<u>\$ 7,325</u>	<u>\$ 12,978</u>	<u>\$ 13,410</u>	<u>\$ 191,486</u>	<u>\$ 4,849</u>

**COUNTY OF SISKIYOU**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2017**

	<b>Environmental Health</b>	<b>Public Health</b>	<b>Community Corrections Performance</b>	<b>Animal Control Facility</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 143,199	\$ -	\$ -
License and permits	261,475	-	-	-
Fines and forfeitures	682	664	-	-
Use of money and property	1,900	35,220	2,521	277
Intergovernmental	77,357	3,665,180	200,000	-
Charges for services	64,619	1,112,737	-	-
Other revenues	64	772	-	6,050
<b>Total Revenues</b>	<b>406,097</b>	<b>4,957,772</b>	<b>202,521</b>	<b>6,327</b>
<b>EXPENDITURES</b>				
Current:				
Public protection	-	-	175,667	13,807
Health and welfare	957,492	3,090,623	-	-
Public assistance	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	11,933	44,681	-	-
<b>Total Expenditures</b>	<b>969,425</b>	<b>3,135,304</b>	<b>175,667</b>	<b>13,807</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(563,328)</b>	<b>1,822,468</b>	<b>26,854</b>	<b>(7,480)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	813,303	838,680	-	-
Transfers out	(232,476)	(1,446,626)	(15,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>580,827</b>	<b>(607,946)</b>	<b>(15,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>17,499</b>	<b>1,214,522</b>	<b>11,854</b>	<b>(7,480)</b>
<b>Fund Balances - Beginning</b>	<b>163,660</b>	<b>2,870,685</b>	<b>243,257</b>	<b>28,110</b>
<b>Fund Balances - Ending</b>	<b>\$ 181,159</b>	<b>\$ 4,085,207</b>	<b>\$ 255,111</b>	<b>\$ 20,630</b>

<b>Citizens Options for Public Safety Grant</b>	<b>Airport Comprehensive Land Use Plan</b>	<b>Flood Control and Water Conservation District</b>	<b>Air Pollution Control District</b>	<b>Air Pollution PM 2.5 Grant</b>	<b>Local Transportation Administration</b>	<b>Regional Transportation Planning</b>	<b>Siskiyou Association of Governmental Entities</b>
\$ -	\$ -	\$ 100,686	\$ -	\$ -	\$ 19,078	\$ -	\$ -
-	-	102,780	43,988	-	-	-	-
-	-	-	-	-	-	-	-
-	37	87,480	479	386	1,354	519	17
1,455,407	-	1,409	69,953	22,100	-	116,056	-
-	-	87,293	-	-	-	-	-
-	-	18,176	-	-	-	-	-
<u>1,455,407</u>	<u>37</u>	<u>397,824</u>	<u>114,420</u>	<u>22,486</u>	<u>20,432</u>	<u>116,575</u>	<u>17</u>
1,293,237	-	747,324	-	-	-	-	826
-	-	-	208,385	7,561	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	30,587	149,075	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	39,262	-	-	-	-	-
<u>1,293,237</u>	<u>-</u>	<u>786,586</u>	<u>208,385</u>	<u>7,561</u>	<u>30,587</u>	<u>149,075</u>	<u>826</u>
<u>162,170</u>	<u>37</u>	<u>(388,762)</u>	<u>(93,965)</u>	<u>14,925</u>	<u>(10,155)</u>	<u>(32,500)</u>	<u>(809)</u>
-	-	387,500	90,763	-	-	-	-
(123,691)	-	-	-	-	-	-	-
<u>(123,691)</u>	<u>-</u>	<u>387,500</u>	<u>90,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
38,479	37	(1,262)	(3,202)	14,925	(10,155)	(32,500)	(809)
61,543	3,643	239,370	64,593	24,626	133,596	(418)	2,002
<u>\$ 100,022</u>	<u>\$ 3,680</u>	<u>\$ 238,108</u>	<u>\$ 61,391</u>	<u>\$ 39,551</u>	<u>\$ 123,441</u>	<u>\$ (32,918)</u>	<u>\$ 1,193</u>

**COUNTY OF SISKIYOU**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2017**

	County Service Area #3	County Service Area #4	County Service Area #5	CSA # 5 Special Assessment
<b>REVENUES</b>				
Taxes	\$ 119,702	\$ 1,684	\$ -	\$ -
License and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	2,410	202	159	1,003
Intergovernmental	1,965	29	-	-
Charges for services	31,836	-	1,307	7,006
Other revenues	16	-	-	-
<b>Total Revenues</b>	<u>155,929</u>	<u>1,915</u>	<u>1,466</u>	<u>8,009</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	-	235	-	-
Health and welfare	99,004	-	5,496	-
Public assistance	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service				
Principal	-	-	-	3,600
Interest and other charges	-	-	-	7,668
Capital outlay	43,701	-	-	-
<b>Total Expenditures</b>	<u>142,705</u>	<u>235</u>	<u>5,496</u>	<u>11,268</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>13,224</u>	<u>1,680</u>	<u>(4,030)</u>	<u>(3,259)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	13,224	1,680	(4,030)	(3,259)
<b>Fund Balances - Beginning</b>	<u>232,494</u>	<u>18,981</u>	<u>16,989</u>	<u>100,794</u>
<b>Fund Balances - Ending</b>	<u>\$ 245,718</u>	<u>\$ 20,661</u>	<u>\$ 12,959</u>	<u>\$ 97,535</u>

<b>Hammond Ranch Fire Zone</b>	<b>McCloud Fire Zone</b>	<b>Mt. Shasta Vista Fire Zone</b>	<b>Pleasant Valley Fire Zone</b>	<b>CDBG Grants</b>	<b>EDBG Grants</b>	<b>HOME Grants</b>	<b>EDEF Grants</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,593	1,428	840	797	118,973	20,280	1	3
3,987	-	-	2,420	-	-	-	-
64,445	44,064	22,615	17,622	-	-	-	-
2,684	-	-	-	-	-	-	-
<u>73,709</u>	<u>45,492</u>	<u>23,455</u>	<u>20,839</u>	<u>118,973</u>	<u>20,280</u>	<u>1</u>	<u>3</u>
26,550	20,970	5,621	8,644	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,242	14,555	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>26,550</u>	<u>20,970</u>	<u>5,621</u>	<u>8,644</u>	<u>3,242</u>	<u>14,555</u>	<u>-</u>	<u>-</u>
<u>47,159</u>	<u>24,522</u>	<u>17,834</u>	<u>12,195</u>	<u>115,731</u>	<u>5,725</u>	<u>1</u>	<u>3</u>
-	-	-	-	73,915	52,815	-	-
-	-	-	-	(122,184)	(18,963)	-	-
-	-	-	-	(48,269)	33,852	-	-
<u>47,159</u>	<u>24,522</u>	<u>17,834</u>	<u>12,195</u>	<u>67,462</u>	<u>39,577</u>	<u>1</u>	<u>3</u>
<u>162,671</u>	<u>121,672</u>	<u>73,082</u>	<u>71,490</u>	<u>533,252</u>	<u>376,545</u>	<u>53</u>	<u>155</u>
<u>\$ 209,830</u>	<u>\$ 146,194</u>	<u>\$ 90,916</u>	<u>\$ 83,685</u>	<u>\$ 600,714</u>	<u>\$ 416,122</u>	<u>\$ 54</u>	<u>\$ 158</u>

**COUNTY OF SISKIYOU**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2017**

	<u>STBG Grants</u>	<u>Carl Moyer Year 16 Air Pollution</u>	<u>Carl Moyer Year 17 Air Pollution</u>	<u>Carl Moyer Year 18 Air Pollution</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	25,581	126	2,267	1,828
Intergovernmental	-	-	-	628,571
Charges for services	-	-	-	-
Other revenues	-	-	-	-
<b>Total Revenues</b>	<u>25,581</u>	<u>126</u>	<u>2,267</u>	<u>630,399</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	-	-	-	-
Health and welfare	-	26,026	386,122	187,852
Public assistance	-	-	-	-
Public ways and facilities	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>26,026</u>	<u>386,122</u>	<u>187,852</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>25,581</u>	<u>(25,900)</u>	<u>(383,855)</u>	<u>442,547</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(25,581)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(25,581)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	-	(25,900)	(383,855)	442,547
<b>Fund Balances - Beginning</b>	<u>-</u>	<u>25,900</u>	<u>429,978</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,123</u>	<u>\$ 442,547</u>

<b>Innovation Subaccount</b>	<b>Lake Siskiyou Hydroelectric Project</b>	<b>Totals</b>
\$ -	\$ -	\$ 530,628
-	-	408,243
-	-	31,219
-	4,454,731	4,835,314
7,639	-	9,838,402
-	-	2,146,918
-	11	27,891
<u>7,639</u>	<u>4,454,742</u>	<u>17,818,615</u>
6,277	2,090,248	8,099,438
-	-	5,574,708
-	-	17,797
-	-	832,979
-	-	3,600
-	-	7,668
-	-	206,224
<u>6,277</u>	<u>2,090,248</u>	<u>14,742,414</u>
<u>1,362</u>	<u>2,364,494</u>	<u>3,076,201</u>
-	-	3,459,749
-	(387,500)	(2,758,015)
-	(387,500)	701,734
1,362	1,976,994	3,777,935
-	3,963,511	11,099,585
<u>\$ 1,362</u>	<u>\$ 5,940,505</u>	<u>\$ 14,877,520</u>

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## **Nonmajor Governmental Funds**

- **Capital Projects Funds**

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**COUNTY OF SISKIYOU**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2017**

	<u>Accumulated Capital Outlay</u>	<u>Criminal Justice Construction</u>	<u>Courthouse Construction</u>	<u>Lake Siskiyou Trail Project</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and investments	\$ 404,568	\$ 12,064	\$ 6,516	\$ 3,225	\$ 426,373
Receivables:					
Accounts	-	15,305	527	-	15,832
Interest	1,349	301	39	11	1,700
<b>Total Assets</b>	<u>\$ 405,917</u>	<u>\$ 27,670</u>	<u>\$ 7,082</u>	<u>\$ 3,236</u>	<u>\$ 443,905</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 8,910	\$ 15	\$ 15	\$ -	\$ 8,940
Due to other funds	978	-	-	-	978
<b>Total Liabilities</b>	<u>9,888</u>	<u>15</u>	<u>15</u>	<u>-</u>	<u>9,918</u>
<b>FUND BALANCES</b>					
Restricted	-	-	7,067	-	7,067
Committed	113,001	-	-	-	113,001
Assigned	283,028	27,655	-	3,236	313,919
<b>Total Fund Balances</b>	<u>396,029</u>	<u>27,655</u>	<u>7,067</u>	<u>3,236</u>	<u>433,987</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 405,917</u>	<u>\$ 27,670</u>	<u>\$ 7,082</u>	<u>\$ 3,236</u>	<u>\$ 443,905</u>

**COUNTY OF SISKIYOU**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2017**

	<u>Accumulated Capital Outlay</u>	<u>Criminal Justice Construction</u>	<u>Courthouse Construction</u>	<u>Lake Siskiyou Trail Project</u>	<u>Totals</u>
<b>REVENUES</b>					
Fines and forfeitures	\$ -	\$ 88,277	\$ 3,284	\$ -	\$ 91,561
Use of money and property	4,418	629	184	33	5,264
Charges for services	1,000	-	-	-	1,000
<b>Total Revenues</b>	<u>5,418</u>	<u>88,906</u>	<u>3,468</u>	<u>33</u>	<u>97,825</u>
<b>EXPENDITURES</b>					
Current:					
Public protection	-	-	32,970	-	32,970
Capital outlay	78,595	-	-	-	78,595
<b>Total Expenditures</b>	<u>78,595</u>	<u>-</u>	<u>32,970</u>	<u>-</u>	<u>111,565</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(73,177)</u>	<u>88,906</u>	<u>(29,502)</u>	<u>33</u>	<u>(13,740)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	(89,553)	-	-	(89,553)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(89,553)</u>	<u>-</u>	<u>-</u>	<u>(89,553)</u>
<b>Net Change in Fund Balances</b>	(73,177)	(647)	(29,502)	33	(103,293)
<b>Fund Balances - Beginning</b>	<u>469,206</u>	<u>28,302</u>	<u>36,569</u>	<u>3,203</u>	<u>537,280</u>
<b>Fund Balances - Ending</b>	<u>\$ 396,029</u>	<u>\$ 27,655</u>	<u>\$ 7,067</u>	<u>\$ 3,236</u>	<u>\$ 433,987</u>

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## **Nonmajor Governmental Funds**

- **Debt Service Funds**

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**COUNTY OF SISKIYOU**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2017**

	<b>Juvenile Hall Ibank Debt Service</b>	<b>Pension Obligation Bonds 2007</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 108,258	\$ 523,038	\$ 631,296
Receivables:			
Accounts	-	51,671	51,671
Interest	69	2,601	2,670
<b>Total Assets</b>	<b>\$ 108,327</b>	<b>\$ 577,310</b>	<b>\$ 685,637</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	-	-	-
<b>FUND BALANCES</b>			
Assigned	108,327	577,310	685,637
<b>Total Fund Balances</b>	108,327	577,310	685,637
<b>Total Liabilities and Fund Balances</b>	<b>\$ 108,327</b>	<b>\$ 577,310</b>	<b>\$ 685,637</b>

**COUNTY OF SISKIYOU**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2017**

	<b>Juvenile Hall Ibank Debt Service</b>	<b>Pension Obligation Bonds 2007</b>	<b>Totals</b>
<b>REVENUES</b>			
Use of money and property	\$ 401	\$ 7,528	\$ 7,929
Other revenues	-	1,411,538	1,411,538
<b>Total Revenues</b>	<b>401</b>	<b>1,419,066</b>	<b>1,419,467</b>
<b>EXPENDITURES</b>			
Current:			
General government	4,424	1,210	5,634
Debt service:			
Principal	57,480	400,000	457,480
Interest and other charges	46,556	900,360	946,916
<b>Total Expenditures</b>	<b>108,460</b>	<b>1,301,570</b>	<b>1,410,030</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(108,059)</b>	<b>117,496</b>	<b>9,437</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	89,553	-	89,553
<b>Total Other Financing Sources (Uses)</b>	<b>89,553</b>	<b>-</b>	<b>89,553</b>
<b>Net Change in Fund Balances</b>	<b>(18,506)</b>	<b>117,496</b>	<b>98,990</b>
<b>Fund Balances - Beginning</b>	<b>126,833</b>	<b>459,814</b>	<b>586,647</b>
<b>Fund Balances - Ending</b>	<b>\$ 108,327</b>	<b>\$ 577,310</b>	<b>\$ 685,637</b>

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## **Internal Service Funds**

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**COUNTY OF SISKIYOU**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2017**

	<b>Fuel Services</b>	<b>Communi- cations</b>	<b>Automotive Services</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 87,688	\$ 267,901	\$ 94,689
Receivables:			
Accounts	-	1,432	2,144
Interest	413	818	441
Intergovernmental	140	6,975	-
Due from other funds	54,647	19,523	-
Prepaid costs	-	-	-
Inventory	29,520	-	101,606
	<b>172,408</b>	<b>296,649</b>	<b>198,880</b>
Noncurrent Assets:			
Capital assets:			
Non-depreciable	-	1,055	-
Depreciable, net	-	32,117	4,514
	<b>-</b>	<b>33,172</b>	<b>4,514</b>
	<b>172,408</b>	<b>329,821</b>	<b>203,394</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	2,907	78,931	51,825
	<b>2,907</b>	<b>78,931</b>	<b>51,825</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	6,873	34,950	8,179
Accrued salaries and benefits	338	8,980	6,070
Due to other funds	1,223	2,230	8,105
Compensated absences payable	263	5,687	4,303
Estimated claims liability	-	-	-
	<b>8,697</b>	<b>51,847</b>	<b>26,657</b>
Noncurrent Liabilities:			
Compensated absences payable	-	8,617	84
Net pension liability	12,618	421,590	213,082
Net OPEB obligation	3,964	99,075	75,164
	<b>16,582</b>	<b>529,282</b>	<b>288,330</b>
	<b>25,279</b>	<b>581,129</b>	<b>314,987</b>

**Risk Management**

<b>Information Technology</b>	<b>Liability</b>	<b>Unemployment</b>	<b>Workers' Compensation</b>	<b>Vision Insurance</b>	<b>Self Funded Dental Insurance</b>	<b>Totals</b>
\$ 7,663	\$ 732,993	\$ 638,337	\$ 348,710	\$ 103,131	\$ 7,336	\$ 2,288,448
-	-	-	-	-	21,107	24,683
115	2,334	2,187	351	365	38	7,062
-	-	-	-	-	-	7,115
-	-	-	-	-	-	74,170
1,577	-	-	-	-	-	1,577
-	-	-	-	-	-	131,126
<u>9,355</u>	<u>735,327</u>	<u>640,524</u>	<u>349,061</u>	<u>103,496</u>	<u>28,481</u>	<u>2,534,181</u>
12,995	-	-	-	-	-	14,050
53,703	-	-	-	-	-	90,334
<u>66,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,384</u>
<u>76,053</u>	<u>735,327</u>	<u>640,524</u>	<u>349,061</u>	<u>103,496</u>	<u>28,481</u>	<u>2,638,565</u>
-	-	-	-	-	-	133,663
-	-	-	-	-	-	133,663
4,815	21,103	43,965	-	5,947	87,852	213,684
-	-	-	-	-	-	15,388
283	3	-	3	-	-	11,847
-	-	-	-	-	-	10,253
-	-	30,542	-	-	-	30,542
<u>5,098</u>	<u>21,106</u>	<u>74,507</u>	<u>3</u>	<u>5,947</u>	<u>87,852</u>	<u>281,714</u>
-	-	-	-	-	-	8,701
-	-	-	-	-	-	647,290
-	-	-	-	-	-	178,203
-	-	-	-	-	-	834,194
<u>5,098</u>	<u>21,106</u>	<u>74,507</u>	<u>3</u>	<u>5,947</u>	<u>87,852</u>	<u>1,115,908</u>

**COUNTY OF SISKIYOU**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2017**

	<b>Fuel Services</b>	<b>Communi- cations</b>	<b>Automotive Services</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	615	21,801	10,459
<b>Total Deferred Inflows of Resources</b>	615	21,801	10,459
<b>NET POSITION</b>			
Investment in capital assets	-	33,172	4,514
Restricted for underground storage tank cleanup project	-	-	-
Unrestricted	149,421	(227,350)	(74,741)
<b>Total Net Position</b>	\$ 149,421	\$ (194,178)	\$ (70,227)

**Risk Management**

<b>Information Technology</b>	<b>Liability</b>	<b>Unemployment</b>	<b>Workers' Compensation</b>	<b>Vision Insurance</b>	<b>Self Funded Dental Insurance</b>	<b>Totals</b>
-	-	-	-	-	-	32,875
-	-	-	-	-	-	32,875
66,698	-	-	-	-	-	104,384
-	10,000	-	-	-	-	10,000
4,257	704,221	566,017	349,058	97,549	(59,371)	1,509,061
<u>\$ 70,955</u>	<u>\$ 714,221</u>	<u>\$ 566,017</u>	<u>\$ 349,058</u>	<u>\$ 97,549</u>	<u>\$ (59,371)</u>	<u>\$ 1,623,445</u>

**COUNTY OF SISKIYOU**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2017**

	<u>Fuel Services</u>	<u>Communi- cations</u>	<u>Automotive Services</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 521,839	\$ 460,353	\$ 514,988
Rental income	-	3,904	120
Other revenues	91	19,895	-
<b>Total Operating Revenues</b>	<u>521,930</u>	<u>484,152</u>	<u>515,108</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	9,465	207,789	182,354
Services and supplies	520,990	82,269	321,395
Depreciation	-	6,614	502
<b>Total Operating Expenses</b>	<u>530,455</u>	<u>296,672</u>	<u>504,251</u>
<b>Operating Income (Loss)</b>	<u>(8,525)</u>	<u>187,480</u>	<u>10,857</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>			
Interest income	1,162	1,505	1,020
<b>Total Non-Operating Revenue (Expenses)</b>	<u>1,162</u>	<u>1,505</u>	<u>1,020</u>
<b>Change in Net Position</b>	(7,363)	188,985	11,877
<b>Total Net Position - Beginning</b>	<u>156,784</u>	<u>(383,163)</u>	<u>(82,104)</u>
<b>Total Net Position - Ending</b>	<u>\$ 149,421</u>	<u>\$ (194,178)</u>	<u>\$ (70,227)</u>

**Risk Management**

<b>Information Technology</b>	<b>Liability</b>	<b>Unemployment</b>	<b>Workers' Compensation</b>	<b>Vision Insurance</b>	<b>Self Funded Dental Insurance</b>	<b>Totals</b>
\$ 841,091	\$ 500,000	\$ 100,000	\$ 2,101,000	\$ 33,198	\$ 622,691	\$ 5,695,160
-	-	-	-	-	-	4,024
-	250,000	-	54,248	-	50	324,284
841,091	750,000	100,000	2,155,248	33,198	622,741	6,023,468
-	-	-	-	-	-	399,608
789,296	814,781	166,584	2,091,409	70,692	711,628	5,569,044
9,478	-	-	-	-	-	16,594
798,774	814,781	166,584	2,091,409	70,692	711,628	5,985,246
42,317	(64,781)	(66,584)	63,839	(37,494)	(88,887)	38,222
242	39,103	6,922	47,475	1,206	262	98,897
242	39,103	6,922	47,475	1,206	262	98,897
42,559	(25,678)	(59,662)	111,314	(36,288)	(88,625)	137,119
28,396	739,899	625,679	237,744	133,837	29,254	1,486,326
\$ 70,955	\$ 714,221	\$ 566,017	\$ 349,058	\$ 97,549	\$ (59,371)	\$ 1,623,445

**COUNTY OF SISKIYOU**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year Ended June 30, 2017**

	<b>Fuel Services</b>	<b>Communi- cations</b>	<b>Automotive Services</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 522,169	\$ 482,777	\$ 512,964
Payments to suppliers	(513,303)	(58,604)	(303,310)
Payments to employees	(9,394)	(245,621)	(176,977)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(528)</b>	<b>178,552</b>	<b>32,677</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental revenues	(55)	6,101	30
Interfund loans received	1,223	2,230	8,105
Interfund loans made	(54,647)	(19,523)	-
Interfund loans repayments received	17,909	33,325	-
Interfund loans repaid	(1,152)	(4,806)	(7,897)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(36,722)</b>	<b>17,327</b>	<b>238</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	-	(27,964)	(5,016)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(27,964)</b>	<b>(5,016)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	749	843	760
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>749</b>	<b>843</b>	<b>760</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(36,501)</b>	<b>168,758</b>	<b>28,659</b>
<b>Balances - Beginning of year</b>	<b>124,189</b>	<b>99,143</b>	<b>66,030</b>
<b>Balances - End of year</b>	<b>\$ 87,688</b>	<b>\$ 267,901</b>	<b>\$ 94,689</b>

**Risk Management**

<b>Information Technology</b>	<b>Liability</b>	<b>Unemployment</b>	<b>Workers' Compensation</b>	<b>Vision Insurance</b>	<b>Self Funded Dental Insurance</b>	<b>Totals</b>
\$ 841,091 (785,363)	\$ 750,390 (810,319)	\$ 100,000 (140,802)	\$ 2,155,248 (2,091,409)	\$ 33,198 (71,165)	\$ 616,468 (667,220)	\$ 6,014,305 (5,441,495)
-	-	-	-	-	-	(431,992)
55,728	(59,929)	(40,802)	63,839	(37,967)	(50,752)	140,818
-	-	-	-	-	-	6,076
283	3	-	3	-	-	11,847
-	-	-	-	-	-	(74,170)
-	-	-	-	-	-	51,234
(491)	(2)	-	(2)	-	-	(14,350)
(208)	1	-	1	-	-	(19,363)
(53,019)	-	-	-	-	-	(85,999)
(53,019)	-	-	-	-	-	(85,999)
190	38,256	6,183	47,159	1,149	371	95,660
190	38,256	6,183	47,159	1,149	371	95,660
2,691	(21,672)	(34,619)	110,999	(36,818)	(50,381)	131,116
4,972	754,665	672,956	237,711	139,949	57,717	2,157,332
<u>\$ 7,663</u>	<u>\$ 732,993</u>	<u>\$ 638,337</u>	<u>\$ 348,710</u>	<u>\$ 103,131</u>	<u>\$ 7,336</u>	<u>\$ 2,288,448</u>

**COUNTY OF SISKIYOU**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year Ended June 30, 2017**

	<b>Fuel Services</b>	<b>Communi- cations</b>	<b>Automotive Services</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (8,525)	\$ 187,480	\$ 10,857
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	6,614	502
Decrease (increase) in:			
Accounts receivable	239	(1,375)	(2,144)
Prepaid cost	-	-	-
Inventory	4,751	-	13,261
Deferred pension adjustments	(1,958)	(45,576)	(35,663)
Increase (decrease) in:			
Accounts payable	2,936	23,665	4,824
Accrued salaries and benefits	20	(2,728)	(24)
Compensated absences payable	(103)	(10,208)	(426)
Estimated claims liability	-	-	-
Net pension liability	2,020	48,869	35,833
Net OPEB obligation	315	(20,467)	8,627
Deferred pension adjustments	(223)	(7,722)	(2,970)
 <b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (528)</b>	<b>\$ 178,552</b>	<b>\$ 32,677</b>

**Risk Management**

<b>Information Technology</b>	<b>Liability</b>	<b>Unemployment</b>	<b>Workers' Compensation</b>	<b>Vision Insurance</b>	<b>Self Funded Dental Insurance</b>	<b>Totals</b>
\$ 42,317	\$ (64,781)	\$ (66,584)	\$ 63,839	\$ (37,494)	\$ (88,887)	\$ 38,222
9,478	-	-	-	-	-	16,594
-	390	-	-	-	(6,273)	(9,163)
340	-	-	-	-	-	340
-	-	-	-	-	-	18,012
-	-	-	-	-	-	(83,197)
3,593	4,462	43,721	-	(473)	44,408	127,136
-	-	-	-	-	-	(2,732)
-	-	-	-	-	-	(10,737)
-	-	(17,939)	-	-	-	(17,939)
-	-	-	-	-	-	86,722
-	-	-	-	-	-	(11,525)
-	-	-	-	-	-	(10,915)
<u>\$ 55,728</u>	<u>\$ (59,929)</u>	<u>\$ (40,802)</u>	<u>\$ 63,839</u>	<u>\$ (37,967)</u>	<u>\$ (50,752)</u>	<u>\$ 140,818</u>

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## **Fiduciary Funds**

- **Trust and Agency Funds**

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**COUNTY OF SISKIYOU**  
**Combining Statement of Net Position**  
**Investment Trust Funds**  
**June 30, 2017**

	<b>Special Districts Governed by Local Boards</b>	<b>School Funds</b>	<b>Debt Service Funds</b>	<b>College Funds</b>	<b>Trial Court and LAFCO</b>
<b>ASSETS</b>					
Cash and investments	\$ 6,878,538	\$ 54,748,376	\$ 6,544,131	\$ 12,476,111	\$ 219,476
<b>Total Assets</b>	<u>6,878,538</u>	<u>54,748,376</u>	<u>6,544,131</u>	<u>12,476,111</u>	<u>219,476</u>
<b>LIABILITIES</b>					
Accounts payable	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net position held in trust for pool participants	6,878,538	54,748,376	6,544,131	12,476,111	219,476
<b>Total Net Position</b>	<u>\$ 6,878,538</u>	<u>\$ 54,748,376</u>	<u>\$ 6,544,131</u>	<u>\$ 12,476,111</u>	<u>\$ 219,476</u>

<u>Warrants</u>	<u>Totals</u>
<u>\$ 3,254,101</u>	<u>\$ 84,120,733</u>
<u>3,254,101</u>	<u>84,120,733</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>3,254,101</u>	<u>84,120,733</u>
<u>\$ 3,254,101</u>	<u>\$ 84,120,733</u>

**COUNTY OF SISKIYOU**  
**Combining Statement of Changes in Net Position**  
**Investment Trust Funds**  
**For the Year Ended June 30, 2017**

	<b>Special Districts Governed by Local Boards</b>	<b>School Funds</b>	<b>Debt Service Funds</b>	<b>College Funds</b>	<b>Trial Court and LAFCO</b>
<b>ADDITIONS</b>					
Contributions:					
Contributions to investment pool	\$ 566,485	\$ 8,118,201	\$ 729,609	\$ 4,723,416	\$ 35,364
<b>Total Additions</b>	<u>566,485</u>	<u>8,118,201</u>	<u>729,609</u>	<u>4,723,416</u>	<u>35,364</u>
<b>DEDUCTIONS</b>					
Distributions from investment pool	17,267	8,786,572	-	193,413	19,512
<b>Total Deductions</b>	<u>17,267</u>	<u>8,786,572</u>	<u>-</u>	<u>193,413</u>	<u>19,512</u>
<b>Change in Net Position</b>	549,218	(668,371)	729,609	4,530,003	15,852
<b>Net Position - Beginning</b>	<u>6,329,320</u>	<u>55,416,747</u>	<u>5,814,522</u>	<u>7,946,108</u>	<u>203,624</u>
<b>Net Position - Ending</b>	<u>\$ 6,878,538</u>	<u>\$ 54,748,376</u>	<u>\$ 6,544,131</u>	<u>\$ 12,476,111</u>	<u>\$ 219,476</u>

<u>Warrants</u>	<u>Totals</u>
<u>1,048,113</u>	<u>15,221,188</u>
<u>1,048,113</u>	<u>15,221,188</u>
<u>451,167</u>	<u>9,467,931</u>
<u>451,167</u>	<u>9,467,931</u>
596,946	5,753,257
<u>2,657,155</u>	<u>78,367,476</u>
<u>\$ 3,254,101</u>	<u>\$ 84,120,733</u>

**COUNTY OF SISKIYOU**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2017**

	Accrued Unapportioned Interest Trust Fund	Accrued Unapportioned Tax Trust Fund	County Departmental Agency Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 490,745	\$ 500,333	\$ 3,305,521	\$ 4,296,599
Taxes receivable	-	3,637,660	-	3,637,660
Due from other funds	-	-	61,397	61,397
<b>Total Assets</b>	<b>\$ 490,745</b>	<b>\$ 4,137,993</b>	<b>\$ 3,366,918</b>	<b>\$ 7,995,656</b>
<b>LIABILITIES</b>				
Agency obligations	490,745	4,137,993	3,366,918	7,995,656
<b>Total Liabilities</b>	<b>\$ 490,745</b>	<b>\$ 4,137,993</b>	<b>\$ 3,366,918</b>	<b>\$ 7,995,656</b>

**COUNTY OF SISKIYOU**  
**Combining Statement of Changes**  
**in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2017**

	<u>Balance June 30, 2016</u>	<u>Additions &amp; Adjustments</u>	<u>Deductions &amp; Adjustments</u>	<u>Balance June 30, 2017</u>
<b>Accrued Unapportioned Interest Trust Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 307,362	\$ 490,745	\$ 307,362	\$ 490,745
<b>Total Assets</b>	<u>\$ 307,362</u>	<u>\$ 490,745</u>	<u>\$ 307,362</u>	<u>\$ 490,745</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 307,362	\$ 490,745	\$ 307,362	\$ 490,745
<b>Total Liabilities</b>	<u>\$ 307,362</u>	<u>\$ 490,745</u>	<u>\$ 307,362</u>	<u>\$ 490,745</u>
<b>Accrued Unapportioned Tax Trust Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 495,515	\$ 18,223	\$ 13,405	\$ 500,333
Taxes receivable	3,469,168	3,637,660	3,469,168	3,637,660
<b>Total Assets</b>	<u>\$ 3,964,683</u>	<u>\$ 3,655,883</u>	<u>\$ 3,482,573</u>	<u>\$ 4,137,993</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 3,964,683	\$ 3,655,883	\$ 3,482,573	\$ 4,137,993
<b>Total Liabilities</b>	<u>\$ 3,964,683</u>	<u>\$ 3,655,883</u>	<u>\$ 3,482,573</u>	<u>\$ 4,137,993</u>
<b>County Departmental Agency Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 4,289,370	\$ 621,164	\$ 1,605,013	\$ 3,305,521
Due from other funds	323,937	61,397	323,937	61,397
<b>Total Assets</b>	<u>\$ 4,613,307</u>	<u>\$ 682,561</u>	<u>\$ 1,928,950</u>	<u>\$ 3,366,918</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 4,613,307	\$ 682,561	\$ 1,928,950	\$ 3,366,918
<b>Total Liabilities</b>	<u>\$ 4,613,307</u>	<u>\$ 682,561</u>	<u>\$ 1,928,950</u>	<u>\$ 3,366,918</u>
<b>Total</b>				
<b>ASSETS</b>				
Cash and investments	\$ 5,092,247	\$ 1,130,132	\$ 1,925,780	\$ 4,296,599
Taxes receivable	3,469,168	3,637,660	3,469,168	3,637,660
Due from other funds	323,937	61,397	323,937	61,397
<b>Total Assets</b>	<u>\$ 8,885,352</u>	<u>\$ 4,829,189</u>	<u>\$ 5,718,885</u>	<u>\$ 7,995,656</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 8,885,352	\$ 4,829,189	\$ 5,718,885	\$ 7,995,656
<b>Total Liabilities</b>	<u>\$ 8,885,352</u>	<u>\$ 4,829,189</u>	<u>\$ 5,718,885</u>	<u>\$ 7,995,656</u>

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