

County of Shasta, California

Comprehensive Annual Financial Report



Photo credit: Shane Hays Photography

For the Year Ended June 30, 2014



Prepared under the direction of,
Brian Muir
Auditor-Controller





County of Shasta, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014

Prepared under the direction of Brian Muir, Auditor-Controller

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COUNTY OF SHASTA

COUNTY OFFICIALS

JUNE 30, 2014

OFFICIALS

David A. Kehoe

Leonard Moty

Pam Giacomini

Bill Schappell

Les Baugh

Leslie Morgan

Brian Muir

Cathy Darling Allen

Stephen S. Carlton

Tom Bosenko

Lori J. Scott

Lawrence G. Lees

POSITION

Supervisor, First District

Supervisor, Second District

Supervisor, Third District

Supervisor, Fourth District

Supervisor, Fifth District

Assessor-Recorder

Auditor-Controller

County Clerk/Registrar of Voters

District Attorney

Sheriff-Coroner

Treasurer-Tax Collector,
Public Administrator

County Executive Officer

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COUNTY OF SHASTA

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INTRODUCTORY SECTION

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Shasta County

OFFICE OF THE AUDITOR-CONTROLLER

1450 Court Street, Suite 238
Redding, California 96001-1671
Phone (530) 225-5771

BRIAN MUIR
AUDITOR-CONTROLLER

NOLDA SHORT
ASST. AUDITOR-CONTROLLER

December 23, 2014

To the Honorable Members of the Board of Supervisors,
Citizens of Shasta County:

In accordance with Sections 25250 and 25253 of the Government Code of California, we are pleased to present the Comprehensive Annual Financial Report (CAFR) of the County of Shasta (the County) for the fiscal year ended June 30, 2014. These statutes require that the County publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The County's employees remain committed to reach and maintain the highest possible standards in financial reporting now and in the future.

This report was prepared by the County Auditor-Controller's staff in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and GAAP.

Management assumes full responsibility for the completeness, accuracy, and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. As the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Management asserts that, to the best of our knowledge, the information presented in this report is accurate in all material respects and presents fairly the financial position of the various funds of the County, including all disclosures necessary to understand the County's activities.

The County's financial statements have been audited by Gallina LLP, a registered public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2014 are fairly presented in conformity with GAAP, and are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates. The independent auditor rendered an unqualified opinion on the County's financial statements for the fiscal year ended June 30, 2014. The independent auditor's report is presented in the first component of the financial section of this report.

The CAFR represents the culmination of all budgeting and accounting activities engaged in by management during the fiscal year. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which is presented after the independent auditor's report. This letter of transmittal is designed to complement the MD&A, and therefore should be read in conjunction with it.

The CAFR is organized into three sections:

- *The Introductory Section* is intended to familiarize the reader with the organizational structure of the County, the nature and scope of the services it provides, and the specifics of its legal operating environment.
- *The Financial Section* includes the independent auditor's report on financial statements, MD&A, audited financial statements, note disclosures and supporting statements, and schedules necessary to provide readers with a comprehensive understanding of the County's financial activities of the past fiscal year.
- *The Statistical Section* provides the reader with additional historic perspective, context, and detail to assist in using the information contained within the financial statements.

Profile of Shasta County

The County of Shasta was established in 1850 as a general law county and was one of the State's original 27 counties. The County is located at the northern end of the Sacramento Valley and covers approximately 3,850 square miles and contains more than 2.46 million acres. The County is the 30th most populous county in the State with a population of approximately 177,823 as of January 1, 2012. The City of Redding is the County seat. The county occupies the northern reaches of the Sacramento Valley, with portions extending into the southern reaches of the Cascade Range. The county was named after Mount Shasta as it was originally within the county, but it is now part of Siskiyou County, to the north. Its 14,179-foot (4,322 m) peak is visible throughout most of Shasta County.

As required by State and federal mandate, the County is responsible at the local level for activities involving public welfare, health and justice (including jails) and for the maintenance of public records. The County also provides services such as law enforcement and public works to cities within the County on a cost-recovery contract basis. The County also operates recreational and cultural facilities serving both the incorporated and unincorporated areas of the County.

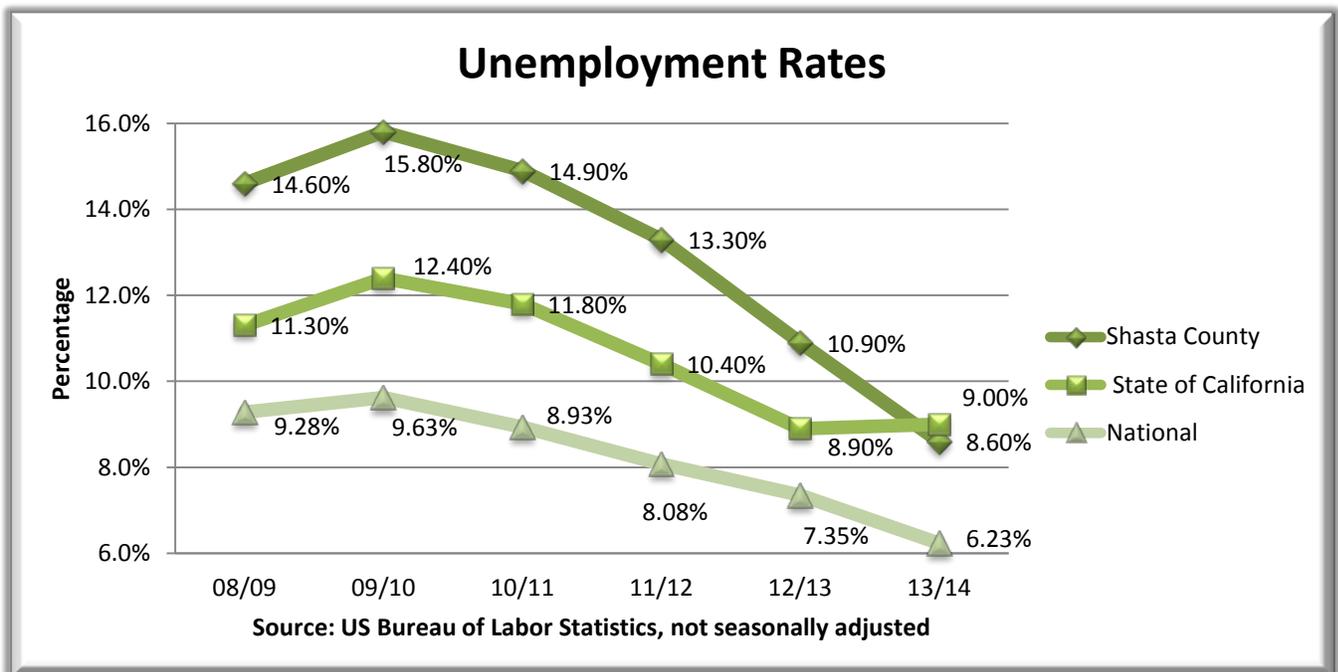
A five-member County Board of Supervisors is the legislative authority and governance for the County. Each supervisor is elected to a four year term in nonpartisan districts. The terms are staggered with two supervisors being elected then three supervisors being elected in alternating election years. The Board is responsible among other things, for establishing ordinances, adopting the budget, appointing committees, and hiring the County Executive Officer and non-elected department heads. The County Executive Officer is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations of the County. The County has six elected department heads responsible for the offices of the Auditor-Controller, Treasurer-Tax Collector-Public Administrator, Assessor-Recorder, County Clerk-Registrar of Voters, District Attorney and Sheriff-Coroner.

The annual budget serves as the foundation for the County’s financial planning and control. The County Budget Act, as presented in California Government Code sections 29000 and 30200, provides the general provisions and requirements for preparing and approving the County budget. All County departments are required to submit budget requests to the County Executive Officer, and compiled into a proposed budget by the Auditor-Controller. The budgets are then submitted for approval by the Board with a recommendation by the County Executive Officer. Public Hearings are set in June with the Board adopting the adopted budget before the start of the next fiscal year. During the year, department heads may make transfers of appropriations within a division with the approval of the County Executive Officer and Auditor-Controller. Transfers of appropriations between departments or increases in the budget from new revenue sources, reserves and/or contingencies require Board of Supervisors approval.

Economic Overview

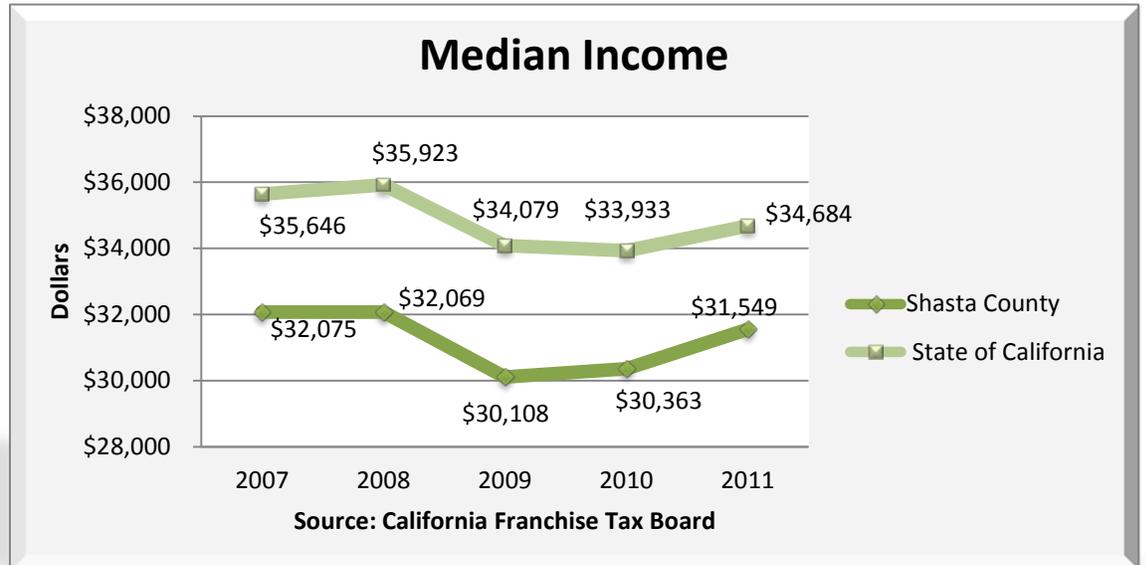
Like other California counties, Shasta County felt the ill effects of the latest economic recession, but overall, has fared relatively better than most of its counterparts due in large part to the conservative budget strategy of the County. The local economy in 2014 continues to be in an economic recovery after signs of stabilization appeared in 2011 for the first time since the economic recession began in 2007.

Employment:



Unemployment in the County as of June 30, 2014 was 8.6%, which is lower than the state rate of 9.0%. Last year at this time unemployment in Shasta County was 10.9%.

Income:



Family average income of \$31,684, as reported to the Franchise Tax Board, increased 3.9% from 2010 to 2011 (the most recent data from FTB) for the residents of Shasta County. Shasta County 2011 median family income was approximately 9.9% lower than the State median. Shasta County ranked 30 out of 58 counties when comparing annual income; in 2010 we were ranked 32nd.

Retail Sales:

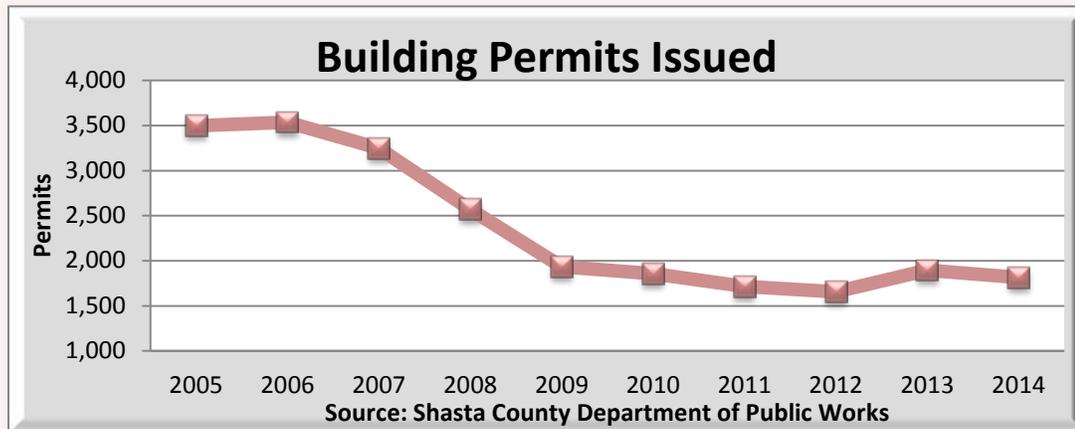
Retail sales for the County as a whole increased by 2.4% from 2012 to 2013 according to the State Board of Equalization.

Real Estate:

- The national, state, and local economic downturn has resulted in a decline in property values, lagging sales of consumer goods and services, and a steep decline in interest rates. Shasta County continues to experience the unprecedented loss of discretionary revenue. Discretionary property tax revenue receipts were \$24.8M in 2013, compared to \$23.1M in 2014, a decrease of 7% over the prior year. A large portion of the decline is due to the County receiving some one-time revenue (\$2.5 million) from the dissolution of the City's Redevelopment Agencies in the

prior fiscal year, in accordance with State Department of Finance directives. It is anticipated that revenue will stabilize in FY 2014-15.

- The median home prices increased from \$180,000 to \$189,300 from 2012 to 2013, an increase of 5.1%.
- Building permits issued decreased from 2013 to 2014 with 1895 and 1813 issued, respectively.



Tourism:

Among the tourist attractions in Shasta County are Shasta Lake, Lassen Peak, Burney Falls, Castle Crags, Whiskeytown Lake and the Sundial Bridge.

According to the California Department of Water Resources, “California’s Water Year 2014 (October 1, 2013 through September 30, 2014) has been one of the driest in decades and follows two consecutive dry years throughout the state... The drought has no end in sight.” Nearly the entire state is in severe drought and over two-thirds in extreme drought. All of California’s eight major reservoirs are below historical levels, water department data showed. This includes Lake Shasta, the largest reservoir in the State, and one of the largest tourist attractions within the County. As of the end of April 2014, Lake Shasta reservoir was at 53 percent capacity compared to an historical average of 62 percent. Data from the President of the Shasta Lake Business Owners Association shows houseboat reservations down approximately 45 percent over the previous year.

Transient occupancy tax within the County increased in 2014 by 5.1% in the unincorporated area.

Long Term Financial Planning:

There has been no significant improvement to revenues, and the County continues to adhere to conservative spending due to the continued economic downturn. Taking a proactive approach to spending reductions in the past several fiscal years has helped keep the County solvent; but, absent sustained annual revenue growth more reductions may be necessary in future fiscal years.

Balancing service delivery with available resources will continue to be a challenge to the County for many years.

Relevant Financial Policies:

Balanced Budget: The County Executive Officer shall present a balanced budget for all County operating funds on an annual basis.

Budget Cuts: County Departments have been able to absorb the decreases in revenue through budget cuts without having to create furlough days or implement staff layoffs of filled permanent full-time positions.

Awards and Acknowledgments

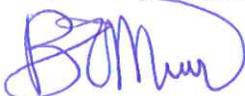
Awards: In recognition of the professionalism demonstrated by the County in preparing accurate and timely financial reports, the State of California Office of the Controller bestowed Shasta County with their Award for Counties Financial Transactions Reporting for meeting the rigorous criteria of their award program for the year ended June 30, 2013. The County has received this award for 16 consecutive years, since the State implemented the award program in 1997.

Acknowledgements:

The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the staff of the Auditor-Controller's Office. We would also like to thank the Information Technology department, and the various County departments who assisted in the preparation of this report. Additionally, we would like to acknowledge the efforts of our independent auditor, Gallina LLP.

Additionally, we would like to thank the Board of Supervisors, the County Administrator's Office, and the County departments and agencies for their continued efforts in planning and conducting the County's financial operations in a responsible and conservative manner.

Respectfully submitted,

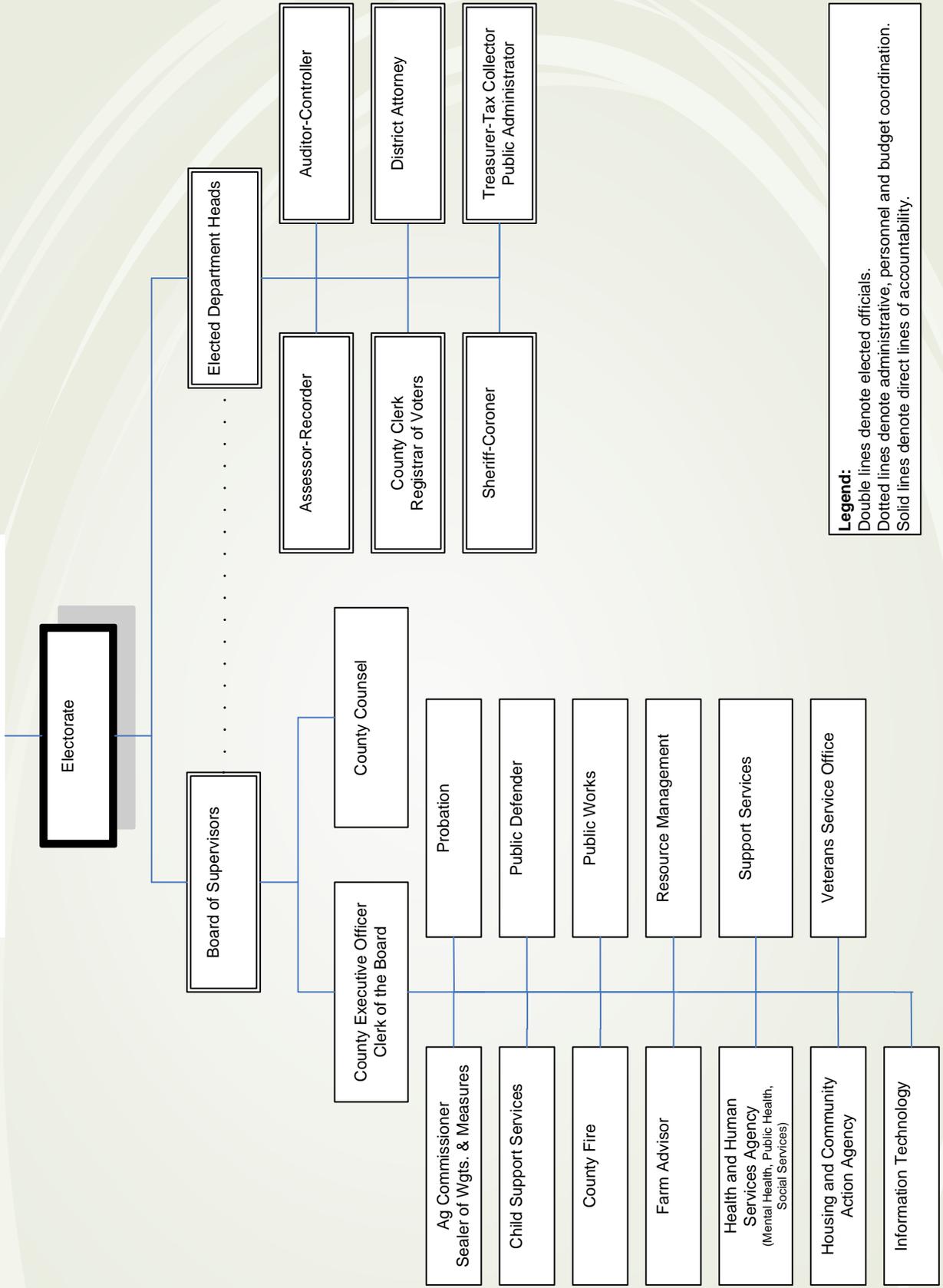


Brian Muir
Auditor-Controller



Lawrence G. Lees
County Executive Officer

County of Shasta
Organizational Chart
December 2014



Legend:
 Double lines denote elected officials.
 Dotted lines denote administrative, personnel and budget coordination.
 Solid lines denote direct lines of accountability.

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors and Grand Jury
County of Shasta
Redding, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Shasta, California (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Children and Families First Commission (Commission), which represents 100 percent of the assets, net position, and revenue of the County's discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Commission, is based solely on the report of the other auditors. 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.

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, 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 County of Shasta's internal control over financial reporting and compliance.



Roseville, California
December 19, 2014

MANAGEMENT'S DISCUSSION & ANALYSIS (MD & A)

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COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2014

Within this section of Shasta County's annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. Readers are encouraged to consider the information presented here in conjunction with the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, does not include separately reported component units.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the most recent fiscal year by \$278,344,722 (*net position*). Of this amount, \$40,422,373 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designation and fiscal policies. The remaining net position is \$88,525,216 restricted for specific purpose (*restricted net position*), and \$149,397,133 net investment in capital assets. The government's total net position increased by \$18,205,710 in comparison with the prior year.
- The County's net position net investment in capital assets, increased by \$7,117,753.
- The County's governmental funds reported combined fund balances of \$159,993,758 an increase of \$19,259,268 in comparison with the prior year.
- The County's unrestricted fund balance for the governmental funds was \$79,601,819, or 50% of total governmental funds expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other **Supplementary Information** in addition to the basic financial statements.

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, recreation and interest expense. The business-type activities of the County include the Fall River Mills Airport, Solid Waste Disposal, West Central Landfill and County Service Areas that provide water and sewer services. Fiduciary activities are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and organizations for which the County is accountable (component units). Most of these legally separated organizations operate like County departments, serve as financing vehicles for County services (revenue bond issuers), or are governed by a board that is substantively identical to the County's board. These organizations are blended into the primary government for financial reporting purposes and include: lighting districts, permanent road divisions, county

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2014

service areas, the Shasta County Water Agency, the Shasta County Air Quality Management District, the Shasta County Fire Protection District, the Successor Agency to the Shasta County Redevelopment Agency, the Shasta Joint Financing Authority, the In-Home Supportive Services Public Authority, and the Sheriff's Inmate Welfare Fund. Other organizations operate more independently or provide services directly to the citizens, though the County remains accountable for their activities. The Shasta Children and Families First Commission is included in the County's overall reporting entity but is reported separately from the primary government. More complete information about the County's component units can be found in Note 1.

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, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *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 funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

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

The County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund; the Roads Administration Fund; the Public Safety Fund; and the other governmental funds combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the supplementary information.

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the airport, solid waste disposal, landfill, water and sewer operations. *Internal services funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses five internal service funds to account for its fleet maintenance, risk management, information systems, facilities management, and County utilities functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Solid Waste Disposal, County Service Area #6 (Jones Valley), West Central Landfill, Shasta County Transit and the Fall River Mills Airport operations are considered to be major funds of the County; and are separately presented with combined other enterprise funds and combined internal service funds in the proprietary funds financial statements. Individual fund data for the other enterprise and internal service funds is provided in the form of *combining statements* in the supplementary information.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

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

COUNTY OF SHASTA

Management's Discussion and Analysis
June 30, 2014

Required Supplementary Information provides the schedule of funding progress for the County Employees Retirement Plan and Other Post-Employment Benefits. Also presented are the County's General Fund and Major Special Revenue Funds budgetary schedules. The County adopts an annual appropriated budget for each fiscal year. A budgetary comparison schedule has been provided for the General Fund, Road Administration Fund, and the Public Safety Fund to demonstrate compliance with this budget.

Other Supplementary Information presented is the combining statements referred to earlier in connection with the non-major governmental, enterprise, and internal service funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, combined assets exceeded liabilities by \$278,344,722 at the close of the most recent fiscal year. Of these combined net position 54% reflects the County's net investment in capital assets. Another 32% of the County's net position is subject to external restrictions on how they may be used. In addition, a portion of the remaining 14%, referred to as unrestricted, is dedicated for spending on specific programs or services.

The County's Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Current and Other Assets	\$ 229,365	\$ 211,287	\$ 27,822	\$ 24,008	\$ 257,187	\$ 235,295
Capital Assets	151,785	147,436	41,829	42,544	193,614	189,980
Total Assets	<u>381,150</u>	<u>358,723</u>	<u>69,651</u>	<u>66,552</u>	<u>450,801</u>	<u>425,275</u>
Current and Other Liabilities	27,688	19,005	3,888	255	31,576	19,260
Long-Term Liabilities	122,151	126,784	18,729	19,092	140,880	145,876
Total Liabilities	<u>149,839</u>	<u>145,789</u>	<u>22,617</u>	<u>19,347</u>	<u>172,456</u>	<u>165,136</u>
Net Investment in Capital Assets	113,574	106,550	35,823	35,730	149,397	142,280
Restricted	88,525	78,246	-	-	88,525	78,246
Unrestricted	29,212	28,138	11,211	11,475	40,423	39,613
Total Net Assets	<u>\$ 231,311</u>	<u>\$ 212,934</u>	<u>\$ 47,034</u>	<u>\$ 47,205</u>	<u>\$ 278,345</u>	<u>\$ 260,139</u>

A significant portion of the County's net position, \$40,422,373, represents unrestricted net position, which may be used to meet the County's ongoing obligations to citizens and creditors. The majority of this net position has been designated for specific purposes and is not available for general use.

Another significant portion of the County's net position, \$149,397,133, reflects the amount invested in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the County's net position, \$88,525,216, represent resources that are subject to external restrictions on how they may be used. At the end of the current fiscal year, the County reported positive balances in all three categories of net position, both for the County as a whole, as well as for its separate governmental activities and business-type activities.

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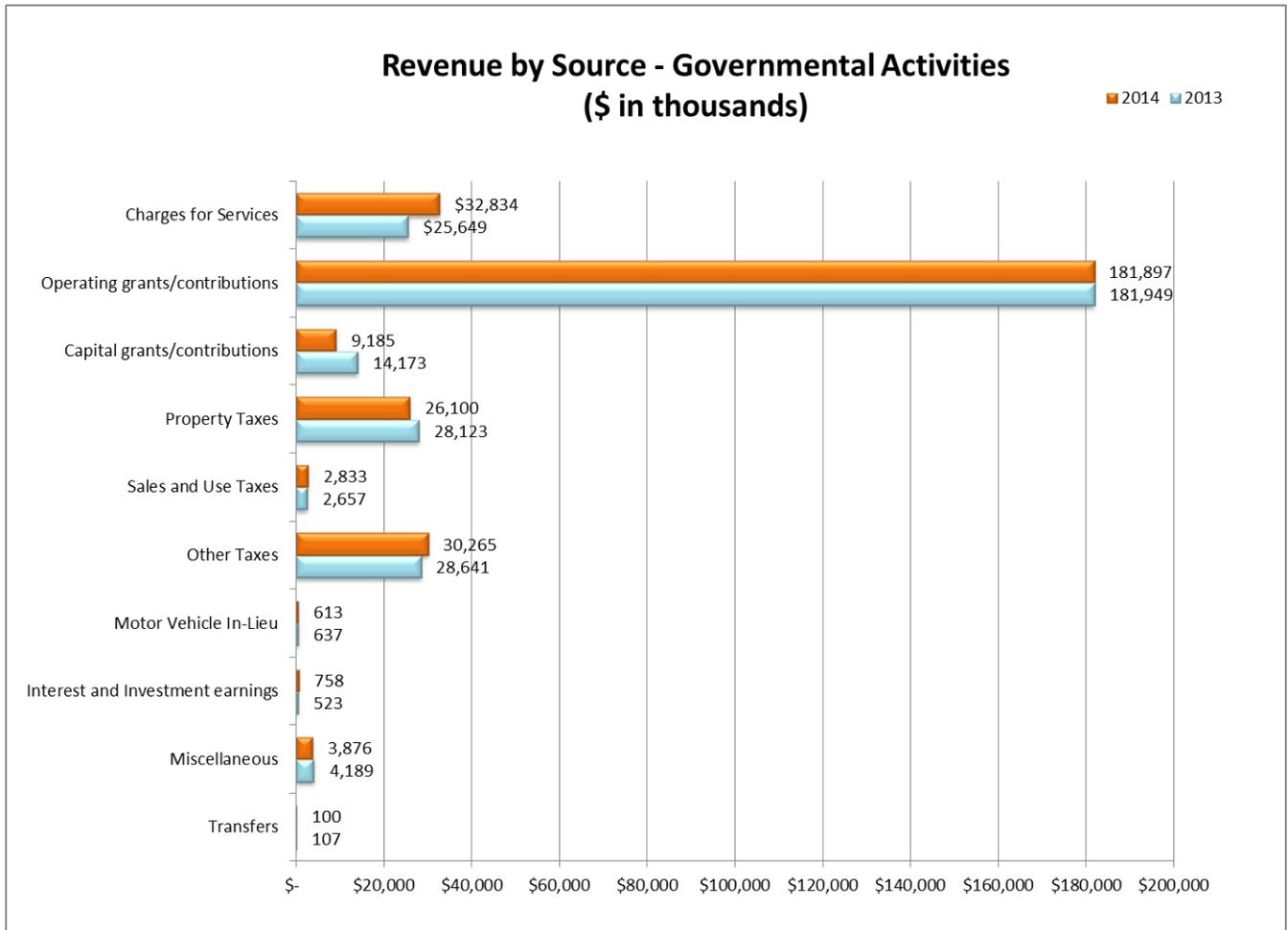
The County's net position increased by \$18,205,710 during the current fiscal year. The net increase in net position represents the degree to which increases in ongoing revenues exceeded ongoing expenses.

The County's Changes in Net Position (in thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Revenues						
Program Revenues:						
Charges for Services	\$ 32,834	\$ 25,649	\$ 4,086	\$ 5,867	\$ 36,920	\$ 31,516
Operating grants/contributions	181,897	181,949	481	10	182,378	181,959
Capital grants/contributions	9,185	14,173	557	4,297	9,742	18,470
Property Taxes	26,100	28,123	27	27	26,127	28,150
Sales and Use Taxes	2,833	2,657	-	-	2,833	2,657
Other Taxes	30,265	28,641	-	-	30,265	28,641
Motor Vehicle In-Lieu	613	637	-	-	613	637
Interest and Investment earnings	758	523	89	53	847	576
Miscellaneous	3,876	4,189	654	31	4,530	4,220
Transfers	100	107	(100)	(107)	-	-
Total Revenues	288,461	286,648	5,794	10,178	294,255	296,826
Expenses						
General Government	11,967	14,187	-	-	11,967	14,187
Public Protection	85,407	87,906	-	-	85,407	87,906
Public Ways and Facilities	19,036	19,910	-	-	19,036	19,910
Health and Sanitation	49,614	54,333	-	-	49,614	54,333
Public Assistance	101,083	100,273	-	-	101,083	100,273
Education	1,593	1,486	-	-	1,593	1,486
Recreation	161	182	-	-	161	182
Interest on Debt	1,223	1,927	-	-	1,223	1,927
Fall River Mills Airport	-	-	103	91	103	91
Solid Waste Disposal	-	-	1,935	1,012	1,935	1,012
West Central Landfill	-	-	722	1,214	722	1,214
Shasta County Transit	-	-	420	335	420	335
County Service Areas (Water/Sewer)	-	-	2,785	1,861	2,785	1,861
Total Expenses	270,084	280,204	5,965	4,513	276,050	284,717
Change in Position	18,378	6,444	(171)	5,665	18,205	12,109
Net Position - Beginning	212,934	209,110	47,205	41,540	260,139	250,650
Prior Period Adjustment	-	(2,620)	-	-	-	(2,620)
Net Position - Ending	\$ 231,312	\$ 212,934	\$ 47,034	\$ 47,205	\$ 278,344	\$ 260,139

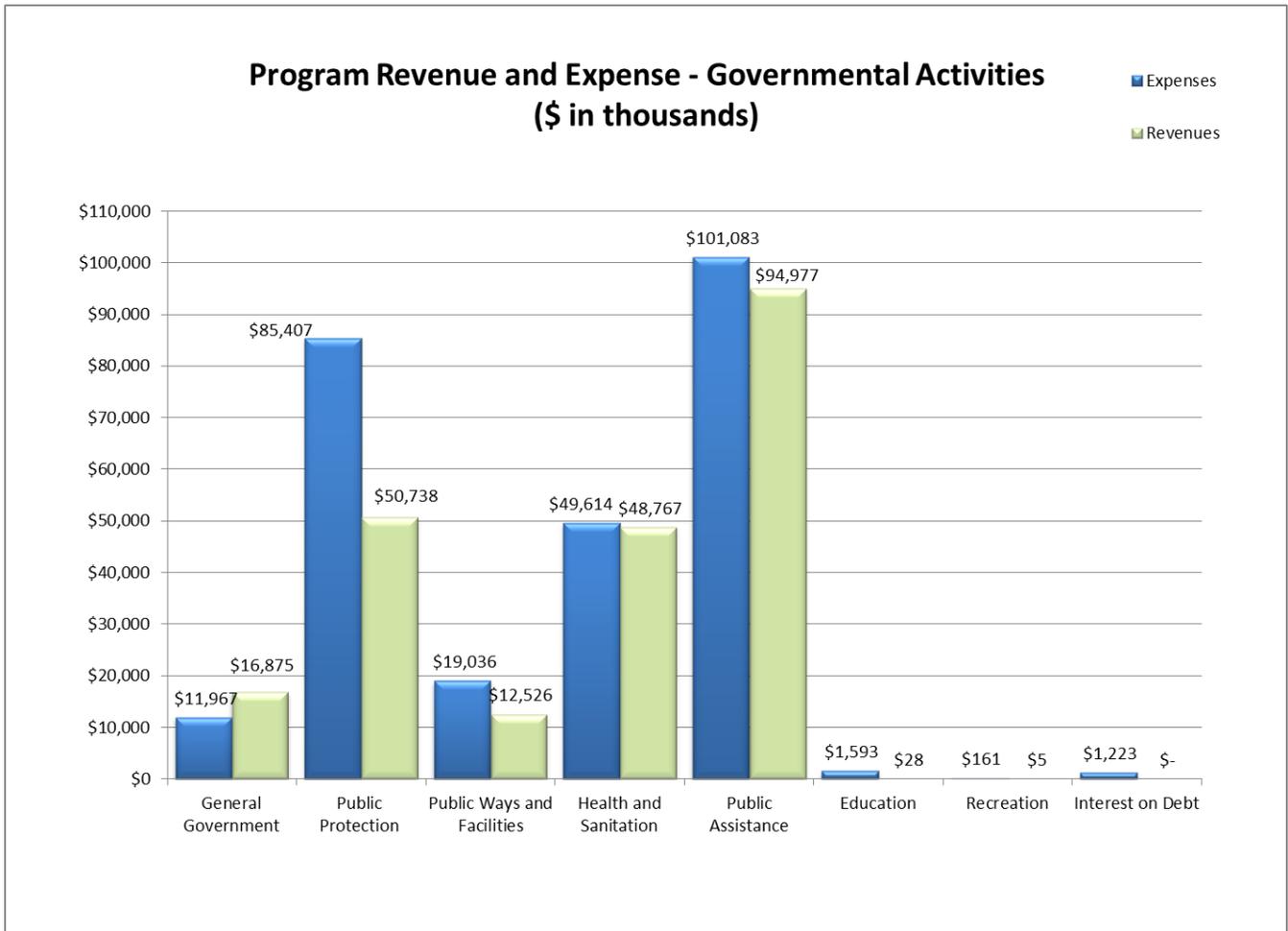
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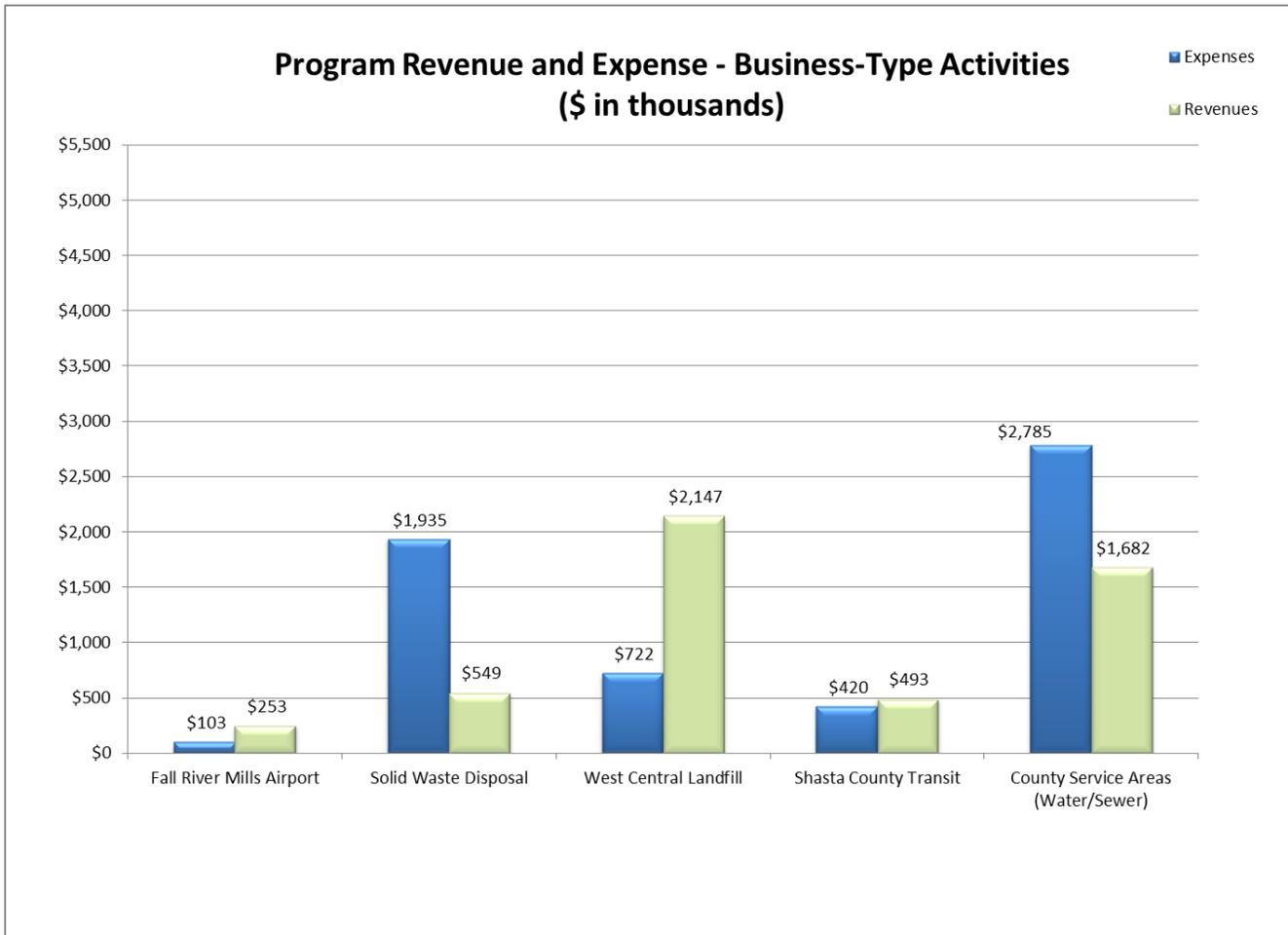
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FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

Net Change in Fund Balance							
Governmental Funds							
				Net Change			
				FY 2014	FY 2013	Amount	Percent
Fund Balance - Beginning				\$ 140,734,490	\$ 132,880,743	\$ 7,853,747	5.91%
Revenues				287,004,497	286,051,783	952,714	0.33%
Expenditures				(267,702,983)	(312,173,930)	44,470,947	-14.25%
Other Financing Sources (Uses)				(42,246)	33,975,894	(34,018,140)	-100.12%
Fund Balance - Ending				<u>\$ 159,993,758</u>	<u>\$ 140,734,490</u>	<u>\$ 19,259,268</u>	13.68%

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At June, 30, 2014, the County's governmental funds reported combined fund balances of \$159,993,758. Of these combined fund balances, \$79,861,087 constitutes *unrestricted fund balance of the General, Special Revenue, Capital Projects, and Debt Service Funds*, which is available to meet the County's current and future needs. The restricted fund balance, \$79,601,819, consists of amounts with constraints put on their use by externally imposed creditors, grantors, laws, regulations, or enabling legislation. The remainder of the fund balance, \$530,852 is nonspendable fund balance. These are amounts that are not spendable in form, or are legally or contractually required to be maintained intact such as inventories and prepaid amounts.

The General Fund is the chief operating fund of the County. At June 30, 2014, unrestricted General Fund balance was \$70,937,011, while total fund balance was \$84,217,536. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted and total General Fund balance to total General Fund expenditures. Unrestricted General Fund balance represents 48% of total General Fund expenditures, while the total fund balance represents 57% of total General Fund expenditures.

The County's management also assigns (earmarks) unrestricted General Fund balance to a particular function, project, or activity. Fund balance may also be assigned for purposes beyond the current year. However, assigned fund balance is available for appropriation at any time. Of the \$70,937,011 General Fund unrestricted fund balance, 8% is assigned.

Total governmental funds Fund Balance increased by \$19,259,268 in comparison with the prior year. The major governmental funds had changes in fund balance as follows: General Fund increased \$9,588,475, Roads Administration Fund decreased \$362,195 and Public Safety Fund increased \$1,999,859. The non-major governmental funds increased by \$8,033,129.

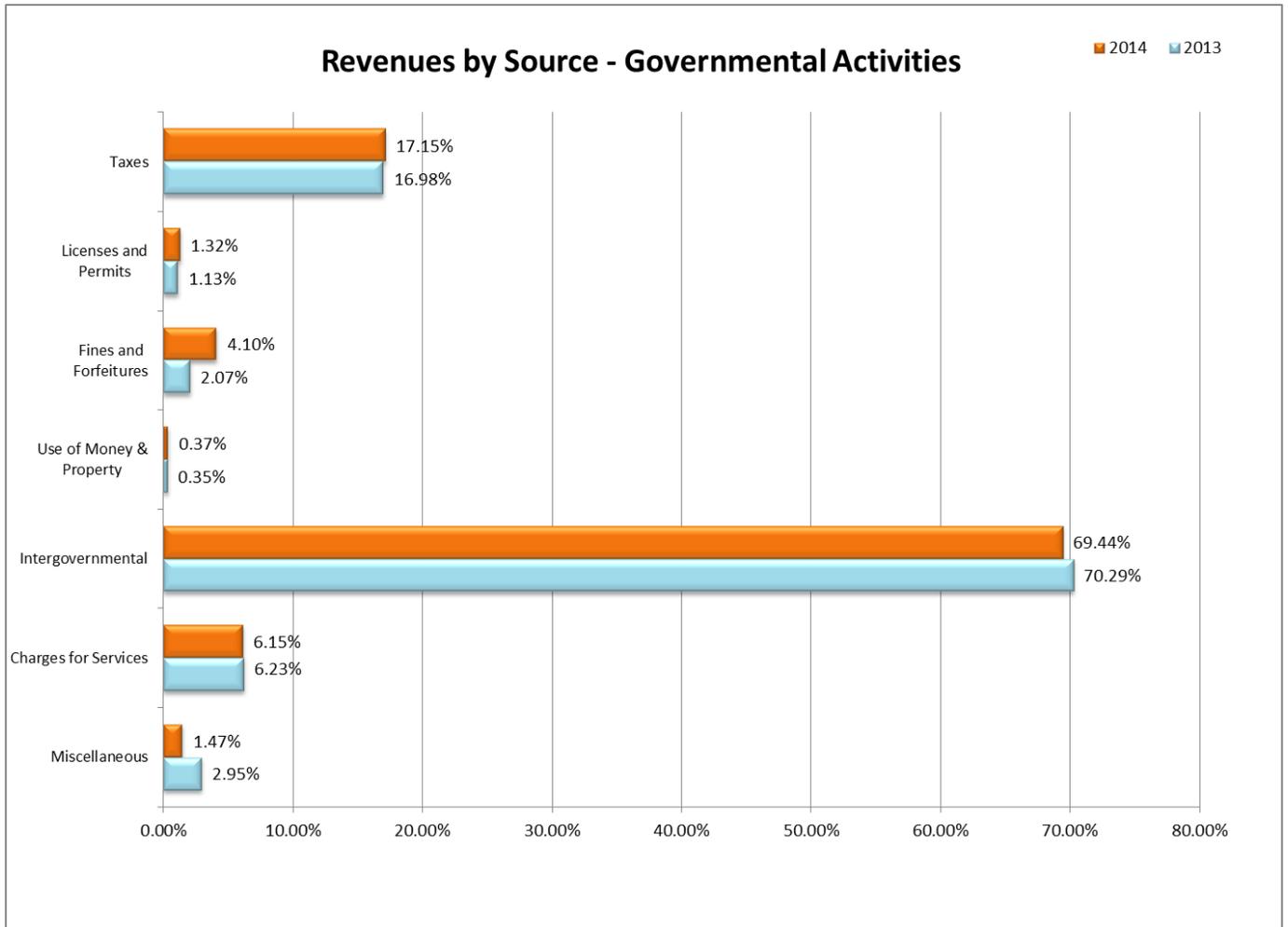
The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year:

Revenues Classified by Source						
Governmental Funds						
	FY 2014		FY 2013		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 49,221,515	17.15%	\$ 49,228,881	16.98%	\$ (7,366)	-0.01%
Licenses and Permits	3,779,516	1.32%	3,285,427	1.13%	494,089	15.04%
Fines and Forfeitures	11,763,679	4.10%	6,010,757	2.07%	5,752,922	95.71%
Use of Money & Property	1,071,089	0.37%	1,027,287	0.35%	43,802	4.26%
Intergovernmental	199,302,430	69.44%	203,751,373	70.29%	(4,448,943)	-2.18%
Charges for Services	17,646,160	6.15%	18,048,550	6.23%	(402,390)	-2.23%
Miscellaneous	4,220,108	1.47%	8,537,728	2.95%	(4,317,620)	-50.57%
Total Revenue by Source	\$ 287,004,497	100.00%	\$ 289,890,003	100.00%	\$ (2,885,506)	

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



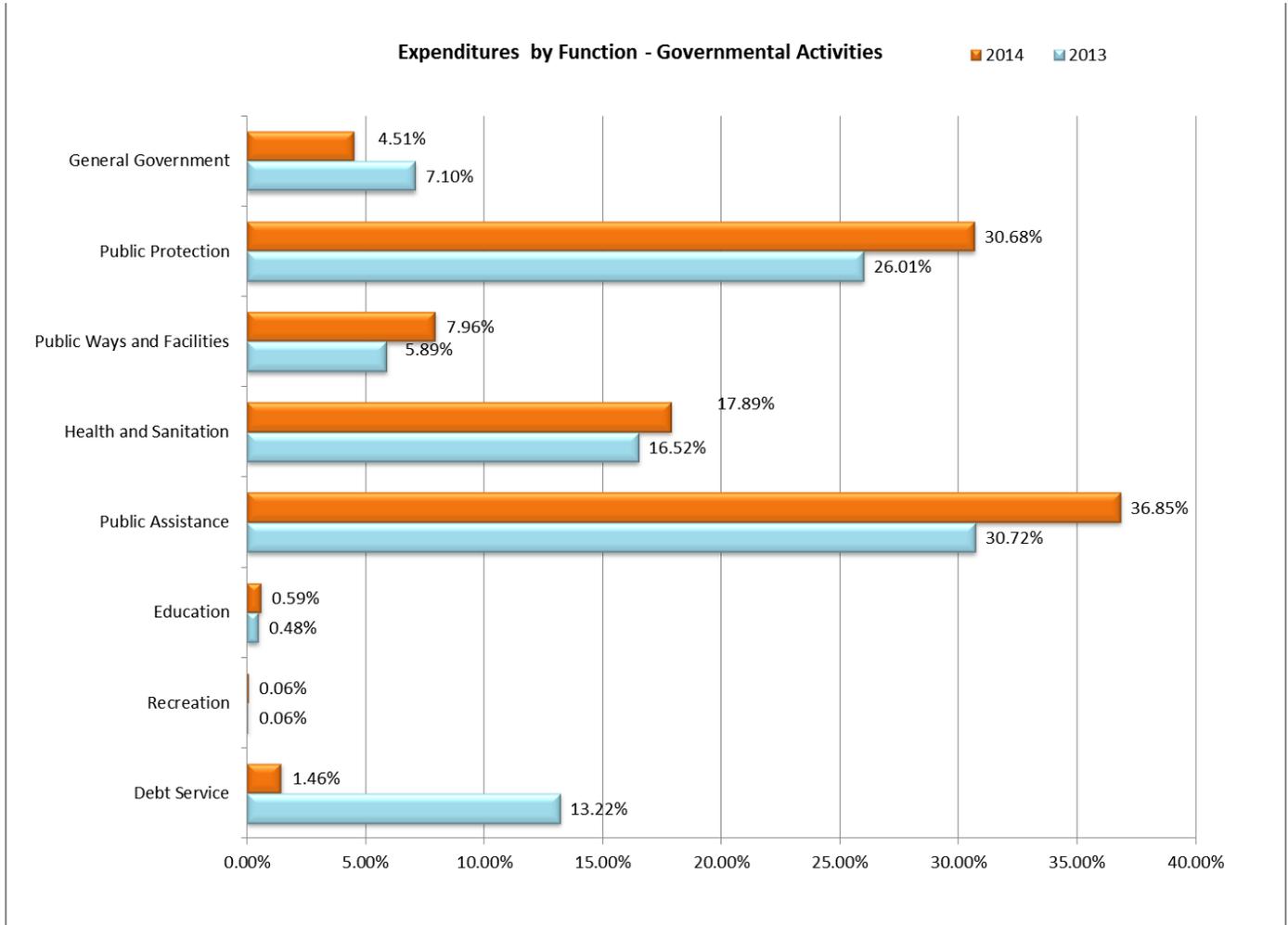
The following table presents expenditures by function compared to prior year amounts:

Expenditures Classified by Function						
Governmental Funds						
	FY 2014		FY 2013		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Government	\$ 12,071,247	4.51%	\$ 22,169,866	7.10%	\$ (10,098,619)	-45.55%
Public Protection	82,143,959	30.68%	81,199,355	26.01%	944,604	1.16%
Public Ways and Facilities	21,304,334	7.96%	18,397,568	5.89%	2,906,766	15.80%
Health and Sanitation	47,893,733	17.89%	51,568,149	16.52%	(3,674,416)	-7.13%
Public Assistance	98,645,285	36.85%	95,907,960	30.72%	2,737,325	2.85%
Education	1,584,812	0.59%	1,485,497	0.48%	99,315	6.69%
Recreation	160,637	0.06%	175,829	0.06%	(15,192)	-8.64%
Debt Service	3,898,976	1.46%	41,269,706	13.22%	(37,370,730)	-90.55%
Total by Function	\$ 267,702,983	100.00%	\$ 312,173,930	100.00%	\$ (44,470,947)	

COUNTY OF SHASTA

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



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

Other Financing Sources (Uses)						
Governmental Funds						
			FY 2014	FY 2013	Increase (Decrease)	
					Amount	Percent
Proceeds from Sale of Capital Assets			\$ 132,330	\$ 154,511	\$ (22,181)	-14.36%
Debt issued			--	34,083,107	(34,083,107)	-100.00%
Transfers In			40,784,985	37,028,486	3,756,499	10.14%
Transfers Out			(40,959,561)	(37,290,210)	(3,669,351)	9.84%
Net financing sources(uses)			\$ (42,246)	\$ 33,975,894	\$ (34,018,140)	

Proceeds from sale of capital assets are the result of sale transactions involving property that was not needed for public use by the County.

Proprietary funds reporting focuses on determining operating income, changes in net position (or cost recovery), financial position, and cash flows using the full accrual basis of accounting.

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Enterprise funds report the business-type activities of the County. Enterprise funds are used to account for its solid waste, landfill, airport, and water/sewer operations.

Net Change in Net Position							
Enterprise Funds							
				Net Change			
				FY 2014	FY 2013	Amount	Percent
Total Net Position - Beginning				\$ 47,205,050	\$ 41,539,987	\$ 5,665,063	13.64%
Operating Revenues				4,488,058	5,715,744	(1,227,686)	-21.48%
Operating Expenses				(5,897,326)	(4,432,724)	(1,464,602)	33.04%
Non-Operating Revenues (Expenses)				992,880	246,092	746,788	303.46%
Transfers In (Out) and capital contributions				244,896	4,135,951	(3,891,055)	-94.08%
Total Net Position - Ending				\$ 47,033,558	\$ 47,205,050	\$ (171,492)	

Net position restricted for net investment in capital assets at fiscal year end was \$35,822,699. Unrestricted net position of the enterprise funds at fiscal year end was \$11,210,859.

The net position of the enterprise funds decreased \$171,492 from prior fiscal year.

Internal service funds are an accounting device to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account for its information technology services, vehicle maintenance, risk management, facilities maintenance, and utilities functions.

Net Change in Net Position							
Internal Service Funds							
				Net Change			
				FY 2014	FY 2013	Amount	Percent
Total Net Position - Beginning				\$ 19,760,023	\$ 20,736,467	\$ (976,444)	-4.71%
Operating Revenues				17,891,174	18,376,118	(484,944)	-2.64%
Operating Expenses				(19,602,188)	(20,469,868)	867,680	-4.24%
Non-Operating Revenues (Expenses)				412,187	748,105	(335,918)	-44.90%
Transfers In (Out) and capital contributions				274,576	369,201	(94,625)	-25.63%
Total Net Position - Ending				\$ 18,735,772	\$ 19,760,023	\$ (1,024,251)	

Total net position of the internal service funds at fiscal year end were \$18,735,772 and include \$2,570,363 invested in capital assets.

The net position of the internal service funds decreased \$1,024,251 over the prior fiscal year. Operating revenues decreased 3% and operating expenses decreased 4%.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Board of Supervisors revised the County's budget many times. Each time a grant or specific revenue enhancement is made available to a County program, new appropriations and budget amendments are required.

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

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Differences between the original budget and the final amended budget resulted in a \$1,878,266 increase in appropriations. The components of appropriations variance are briefly summarized as follows: \$2,397,278 increase in general government; \$270,841 increase in public protection; \$105,664 decrease in public assistance; \$714,189 decrease in health and sanitation; \$30,000 increase in education; no change in recreation.

Even with these adjustments, actual expenditures were \$22,560,429 below final budget amounts. Resources available for appropriation were \$7,995,495 over final budget amounts.

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

Budgetary Comparison
General Fund

	Original	Final	Net Change	
	Budget	Budget	Amount	Percent
Total Revenues	\$ 182,191,930	\$ 190,147,425	\$ 7,955,495	4.37%
Total Expenditures	(168,416,745)	(170,295,011)	(1,878,266)	1.12%
Other Financing Sources (Uses)	(28,873,544)	(33,793,431)	(4,919,887)	17.04%
Net Change in Fund Balances	<u>\$ (15,098,359)</u>	<u>\$ (13,941,017)</u>	<u>\$ 1,157,342</u>	

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

Budgetary Comparison
General Fund

	Final	Actual	Net Change	
	Budget	Amounts	Amount	Percent
Total Revenues	\$ 190,147,425	\$ 192,727,841	\$ 2,580,416	1.36%
Total Expenditures	(170,295,011)	(147,734,581)	\$ 22,560,430	-13.25%
Other Financing Sources (Uses)	(33,793,431)	(35,404,785)	\$ (1,611,354)	4.77%
Net Change in Fund Balances	<u>\$ (13,941,017)</u>	<u>\$ 9,588,475</u>	<u>\$ 23,529,492</u>	

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of June 30, 2014, amounted to \$193,614,486 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, leasehold improvements, equipment, and infrastructure (roads and bridges). The total increase in the County's investment in capital assets for the current fiscal year was \$3,635,309 [2%].

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Components of the change in net capital assets are as follows:

		Retirements			
		(Net of Accum.	Transfers &		
	Additions	Depreciation)	Adjustments	Depreciation	Net Change
General Government	\$ 3,918,546	\$ (502,595)	\$ --	\$ (2,460,783)	\$ 955,168
Public Protection	1,435,097	(19,391)	--	(1,005,895)	409,810
Public Ways & Facilities	5,111,197	--	(24,317)	(2,202,793)	2,884,087
Health & Sanitation	79,126	(3,128)	--	(164,371)	(88,373)
Public Assistance	343,204	(66,035)	--	(122,208)	154,962
Education	--	--	--	(794)	(794)
Internal Service Funds	885,325	(176,391)	--	(674,520)	34,414
Enterprise Funds	448,549	--	--	(1,162,464)	(713,915)
Totals	\$ 12,221,044	\$ (767,540)	\$ (24,317)	\$ (7,793,829)	\$ 3,635,358

Components of the change in net capital assets are as follows:

		Retirements			
		(Net of Accum.	Transfers &		
	Additions	Depreciation)	Adjustments	Depreciation	Net Change
General Government	\$ 3,918,546	\$ (502,595)	\$ --	\$ (2,460,783)	\$ 955,168
Public Protection	1,435,097	(19,391)	--	(1,005,895)	409,810
Public Ways & Facilities	5,111,197	--	(24,317)	(2,202,793)	2,884,087
Health & Sanitation	79,126	(3,128)	--	(164,371)	(88,373)
Public Assistance	343,204	(66,035)	--	(122,208)	154,962
Education	--	--	--	(794)	(794)
Internal Service Funds	885,325	(176,391)	--	(674,520)	34,414
Enterprise Funds	448,549	--	--	(1,162,464)	(713,915)
Totals	\$ 12,221,044	\$ (767,540)	\$ (24,317)	\$ (7,793,829)	\$ 3,635,358

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Construction of capital assets during the current fiscal year included the following:

Projects completed in current fiscal year:		Current	
		Year Costs	Total Costs
Major bridge, road and construction projects:			
Governmental Funds:			
	Juvenile Rehabilitation Facility	\$ 2,965,436	\$ 18,406,418
	Swede Creek Road @ Little Cow Creek	2,636,176	3,601,350
	Old Oasis Road @ Churn Creek	677,482	1,016,493
Total Governmental Funds		6,279,094	23,024,261
Enterprise Funds:			
	Elk Trail Water Upgrade	\$ 237,874	\$ 9,582,649
Total Enterprise Funds		237,874	9,582,649
Total projects completed in current fiscal year		\$ 6,516,968	\$ 32,606,910
Construction in progress at June 30, 2014:		Current	
Major bridge and road projects:		Year Costs	Cost to Date
Governmental Funds:			
	Spring Creek Road @ Fall River Bridge	\$ 57,565	\$ 249,161
	Cassel-Fall River Road @ Pit River	65,042	383,354
	Ash Creek Rd. @ Sac. River	12,041	29,145
	Smith Bottom Road @ ACID Canal	29,353	158,305
	Inwood Road @ S.F. Bear Creek	1,280	90,640
	Lower Gas Point Rd. @ NF Cttwd Creek	51,797	83,768
	Old 44 Dr. @ Oak Run Creek	43,670	78,198
	Soda Creek Rd. @ Soda Creek	40,759	79,522
	Gas Point Rd. @ No Name Ditch	6,234	6,234
	Parkville Rd. @ Ash Creek	11,988	11,988
	Fern Road E. @ Glendenning	55,318	80,758
Total Governmental Funds		375,047	1,251,073
Building upgrades:			
Governmental Funds:			
	MHSA Remodel	\$ 52,373	\$ 194,307
	Public Works Upper N. Remodel	212,082	271,193
	Mental Health Roofs 4 & 5	185,984	215,685
	Redwood Transit Shelter	6,971	35,038
	Jail PH 1 Hot Water System	63,129	63,537
Total Governmental Funds		520,539	779,760
Major construction:			
Enterprise Funds:			
	West Central Landfill-Storm Water Ponds	50	50
	Fall River Mills Airport Extension	172,270	11,932,937
Total construction in progress at June 30, 2014		\$ 1,067,906	\$ 13,963,820
Summary of construction in progress at June 30, 2014			
Total Governmental Funds		\$ 895,586	\$ 2,030,833
Total Enterprise Funds		172,320	11,932,987
Total construction in progress		\$ 1,067,906	\$ 13,963,820

Additional information regarding capital assets begin on page 63 with note 4.

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DEBT ADMINISTRATION

At the end of the current fiscal year, the County had total debt obligation outstanding of \$44,219,084. Of this amount, \$37,070,000 comprises bonds that are secured by the County's lease rental payments and other dedicated sources of revenue, and \$891,900 of special assessment debt secured by property subject to the assessment. The remainder of the County's debt represents loans secured solely by specified revenue sources.

The following table shows the composition of the County's bonds and notes outstanding for governmental and proprietary funds.

	Long-Term Debt Obligations					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Lease Revenue Bonds	\$ 37,070,000	\$ 39,415,000	\$ -	\$ -	\$ 37,070,000	\$ 39,415,000
Special Assessment Bonds	-	-	891,900	929,200	891,900	929,200
Water/Sewer Bonds	-	-	20,000	20,000	20,000	20,000
Capital Lease Obligations	137,031	400,649	-	-	137,031	400,649
Financing Leases	-	-	1,298,046	1,423,291	1,298,046	1,423,291
Notes Payable	463,405	500,450	3,798,675	4,441,281	4,262,080	4,941,731
Debt Obligation	37,670,436	40,316,099	6,008,621	6,813,772	43,679,057	47,129,871
Unamortized Bond Premium	540,027	569,881	-	-	540,027	569,881
Total Debt	38,210,463	40,885,980	6,008,621	6,813,772	44,219,084	47,699,752
Less Current Portion	(2,655,575)	(2,675,518)	(279,663)	(213,062)	(2,935,237)	(2,888,580)
Net Long-Term Debt	\$ 35,554,888	\$ 38,210,462	\$ 5,728,958	\$ 6,600,710	\$ 41,283,847	\$ 44,811,172

Reductions of the County's total outstanding debt included principal payments of \$2,345,000 and amortization of bond premium of \$29,854 with \$1,212,898 in interest expense for governmental activities and principal payments of \$242,278 with \$84,009 in interest expense for business-type activities.

Other obligations include compensated absences (accrued vacation and sick leave), workers' compensation and general liability insurance claims liability, and the landfill closure/postclosure care costs liability. More detailed information about the County's long-term liabilities is presented in notes to the financial statements, page 69, note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's fiscal year 2014-15 budget takes in to consideration the overall financial health of the County and related impacts of the California State Budget. The County Executive Officer monitors the State's spending plan and keeps the Board of Supervisors apprised of any negative impact on the County's budget and the public we serve. Department heads and their fiscal managers are to be commended for their willingness to manage spending within available resources while continuing to meet the needs of our community.

California Economic Indicators

The FY 2014-15 Adopted Budget attempts to address potential harm from State take-backs. The County could receive significantly more or less than projected upon State budget amendments. The Governor's Budget proposed to use the revenue from temporary tax increases to pay down debt, save for a rainy day, and increased spending for education, the environment, public safety, public works, affordable health care, and CalWORKS.

The Governor signed a balanced, on-time state budget on June 20, 2014. Some key components of the spending plan include paying down debts and liabilities; investing in education and health care; and shoring up the state "Rainy Day Fund." The state continues to struggle with an unprecedented level of debts, deferrals, and budgetary obligations which were accumulated over a number of years of years during the "Great Recession." As adopted, the state budget will reduce more than \$10 million of the Wall of Debt, and completely eliminate the Wall of Debt by 2017-18.

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Management's Discussion and Analysis June 30, 2014

The State Controller's October 2014 Cash Update reported revenues for the fourth month of Fiscal Year 2014-15 were coming in above Budget Act estimates by \$662.2 million, or 12.3 percent. Two other positive developments for the California: the vote to strengthen California's rainy-day fund through Proposition 2, and the credit upgrade that followed one day later.

The California Department of Finance Bulletin, April 2014, reports that California's labor market continues to improve. California's unemployment rate dropped in February to 8 percent, down 0.1 percentage points from January. This marks the first improvement since October 2012. Non-farm employment grew by 58,000 jobs in February. When factoring in public sector jobs as well, California has recovered 92.5 percent of the jobs lost during the recession.

Shasta County Budget Principles

On February 25, 2014, the Board of Supervisors received the FY 2013-14 Mid-Year Report, and approved the following principles for the FY 2014-15 Budget:

- Continue the Controlled Hiring Process approved by the Board in December 2007.
- Approve no new programs or new positions that are not clearly revenue supported.
- Review all grant funded positions. The Board has consistently maintained that the County will not preserve positions that have lost grant funding.
- The County administers many costly State programs. We have limited ability to raise revenues to offset any loss in State and Federal funding. We will avoid back-filling reductions in such funding when legally permissible, and continue to seek relief from unfunded State mandates.
- Continue to evaluate all contracts with community providers and agencies to evaluate if services could be reduced or provided by existing county staff.
- The CEO will review all requests for capital assets and computer equipment. Approval will be granted if the cost of the equipment is fully revenue offset or is critical to program operations.
- As a baseline, direct departments to prepare a budget with a 3 percent increase in County Contribution or General Fund Net-County-Cost. As the full impact of the State budget is realized further cost containment measures may be necessary.
- Realize salary and benefit savings through collaborative bargaining with our labor partners.
- Review all positions vacant over 18 months.
- Encourage expenditure reductions in the current fiscal year to create carry-over funds for 2014-15.

The Adopted FY 2014-15 General Fund Budget is \$71.5 million, which is essentially status quo when compared to the adjusted FY 2013-14 budget. The prior fiscal year included a one-time appropriation (\$2.0 million) for the County's match for the Adult Rehabilitation Facility.

Annually, the Auditor-Controller calculates the County's Maintenance of Effort (MOE) for public safety. The FY 2013-14 adopted budget for all the public safety departments exceeds the adjusted MOE Base by \$23,675,193. The County subsidy to the combined health and human services programs has been held static over the last several years.

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2014

LONG-RANGE PLANNING

There has been no significant improvement to revenues, and the County continues to adhere to conservative spending due to the continued economic downturn. Taking a proactive approach to spending reductions in the past several fiscal years has helped keep the County solvent; but, absent sustained annual revenue growth more reductions may be necessary each fiscal year.

Balancing service delivery with available resources will continue to be a challenge to the County for many years.

DISCRETIONARY REVENUE

The national, state, and local economic downturn resulted in a decline in property values, lagging sales of consumer goods and services, and a steep decline in interest rates. Shasta County continues to experience the unprecedented loss of discretionary revenue. In the prior year the County realized one-time revenue due to the dissolution of redevelopment agencies. It is anticipated that revenue will stabilize in FY 2014-15. The dissolution of redevelopment agencies may have some yet unknown positive impact on the General Fund, as a minimal amount of tax increment may accrue to the General Fund.

FY 2014-15 recommended discretionary revenue is \$48.1 million, a decrease of almost \$10 million, due to receipt of one-time revenue in FY 2013-14.

NON-DISCRETIONARY REVENUE

In addition to our discretionary sales tax revenues, sales taxes dedicated to public health, mental health, social services, and public safety have declined dramatically.

1991 Realignment (Health and Human Services) sales tax and vehicle license fees (VLF) are dedicated to public health, mental health, and social services and provide the majority of matching funds for numerous state and federal funding sources. After decreasing for several years, VLF reached its base allocation in FY 2012-13 with strong growth which was received in FY 2013-14 for public health and mental health. However, under AB85, beginning in FY 2013-14, a portion of health realignment and growth has been redirected to support the State's share of cost for CalWORKs payments as well as state and county costs associated with increases to the CalWORKs maximum assistance payment (MAP). This redirection of funding will significantly limit the amount of public health growth received in the future. The growth formula in 1991 health realignment has also been changed due to the State taking responsibility for much of the indigent health care population through the Medi-Cal expansion implemented January 1, 2014. It will not be clear until September 2014, when FY 2013-14 growth calculations are released, how this change in the formula will impact public health growth payments into the future. Sales tax realignment revenue is expected to continue to grow in FY 2014-15 due to an improved economy, and the growth in revenue will fund final repayment of prior years' unpaid caseload growth.

2011 Realignment (Health and Human Services) revenues are being received as anticipated. Under 2011 realignment, social services programs receive payment for costs previously paid for by the state general fund, with the majority of sales tax collected in excess of base allocations directed to a \$200 million statewide restoration of funding for child welfare services. Restoration is projected to be complete in FY 2014-15, with growth payments then distributed between protective services and behavioral health. The 2011 realignment structure includes preferential treatment of behavioral health, intended to compensate for financial treatment that favored health and social services under the 1991 realignment mechanism.

2011 Realignment (Public Safety) included a major realignment of public safety programs from the state to local governments. The intent of the Community Corrections Partnership Program authorized by AB 109 is to end the revolving door of lower-level offenders and parole violators through the state's prisons.

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2014

The County's Community Corrections Partnership Executive Committee (CCPEC), chaired by the Chief Probation Officer, approved their FY 2014-15 budget at their February 19, 2014 meeting and included it in their respective FY 2014-15 budget requests. Funding for FY 2014-15 is expected to be \$7 million and appropriations are requested at \$8.6 million, balanced with use of \$1.6 million in carryover AB109 Restricted fund balance. Projected fund balance at the end of FY 2014-15, including FY 2013-14 growth funds to be received in FY 2014-15, is \$2.1 million. For a second year, the CCPEC approved FY 2014-15 funding augmentations in the District Attorney's and Public Defender's budgets as they were responsible to staff nearly all revocation hearings beginning July 1, 2013 as part of the continued transfer of state responsibilities to counties; this includes all Mandatory Supervision, all Post Release Community Supervision (PRCS), and most of state Parole's revocation hearings, as well as the Probation revocation hearings they have always staffed. Additionally, felony case filings continue to increase and the District Attorney and the Public Defender will also play crucial roles in the two new specialty courts (Behavioral Health Court and Re-Entry Court) that were implemented in January 2014. The CCPEC approved the additional revenue because the 2011 Realignment allocation to the District Attorney and Public Defender (which is separate from the AB 109/CCP allocation) does not even fund full-time attorney position and does not include any funding for support staff, training, equipment, supplies, etc.

Receipts from **Public Safety Augmentation Proposition 172** sales tax have not shown any growth in the current year; receipts to date are just one percent above the prior year. The County's pro-rata share of this sales tax was decreased for a second year (from 0.004889 to 0.004734) in mid-year, and the State recouped over \$187,000 with the 5th distribution. With the receipt of the 12th payment in September 2014, total receipts of \$14.4 million showed minor improvement over the prior year (\$266,925, or 1.8 percent).

EMPLOYEE BENEFITS

The cost of workers compensation insurance, CalPERS retirement, health insurance rate increases, and retiree health care continue to impact the County. In March 2014 the Board of Supervisors adopted a confidence level with a range between 80 to 90 percent for the County's self-insured workers' compensation and liability insurance programs. The County is committed to maintaining a prudent reserve.

The County's employer share of CalPERS ("PERS") retirement had already experienced volatility due to the investment losses PERS experienced during the downturn in the market. In April 2012, PERS announced an assumption change which included the reduction of the discount rate from 7.75 percent to 7.5 percent. Additionally, PERS changed other important benchmarks such as the average mortality of retirees and their survivors. In April 2013, PERS announced a change in their amortization and smoothing policies. That is, they will employ an amortization and smoothing policy that will pay for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. In March 2014, PERS again changed its actuarial assumptions which will result in employer contribution rates increasing starting in 2016-17, with the cost spread over 20 years with the increases phased in over the first five years and ramped down over the last five years of the twenty year amortization period. Since 2010-11, on average the PERS-Miscellaneous rate increased less than 1 percent a year, and the PERS-Safety rate increased 2.5 percent a year. It is yet uncertain what impact pension reform will have on employee retirement. The County successfully bargained reduced retirement benefits with labor, many of which are now the state-norm. While beneficial to the County's long-term fiscal health, these pension changes will not realize an immediate financial benefit.

On the local level, the County has successfully negotiated with 9 represented bargaining units and 3 unrepresented bargaining units for wage and/or benefit concessions. Active employees now pay the employee share of PERS retirement, and new hires will be working longer (to age 62 for miscellaneous and 57 for public safety) and their retirement will be based on the average of high three years (instead of highest year).

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2014

The County of Shasta provides post-retirement medical and dental benefits (OPEB) to eligible employees who retire directly from the County. Eligible retirees pay a portion of the medical premium based on the PEHMCA (CalPERS medical program) "unequal method." The remaining premium is shared by the County and active employees in accordance with bargaining agreements. Like most governmental agencies, the County pays for these post-retirement benefits on a "pay-as-you-go" basis. This means that OPEB costs are ignored while an employee renders service and recognized only after the employee retires.

GASB 45 requires governmental agencies to conduct an actuarial valuation of the liability for OPEB and report them on their financial statements. The Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over Plan Assets. This represents the amount of the Actuarial Accrued Liability at the valuation date that still must be funded. The County's estimated Unfunded Actuarial Liability as of June 30, 2013, is \$162 million.

Although GASB does not require governmental agencies to pre-fund their OPEB liability, Shasta County is taking positive steps towards addressing OPEB. The County established two irrevocable OPEB Trusts with initial funding of \$6 million each; and implemented a charge, as a percent of payroll, effective July 1, 2008. This percentage was increased to 2 percent effective July 1, 2013. The combined assets of the two OPEB-Trusts, as of June 30, 2013, are \$25 million. Additionally, one-time additions to the OPEB-Trusts are made when funding is available; an additional \$5.6 million will be transferred to the Trusts in July 2014.

We continue to advocate for legislative changes to PEMHCA to give counties greater flexibility in establishing a tiered benefit system; and to work towards OPEB cost avoidance through labor negotiations. Within available resources the County may incrementally increase the payroll charges for OPEB to pass a portion of this expense to state and federal programs when appropriate.

REQUEST FOR INFORMATION

This financial report is designed to demonstrate accountability of the Shasta County government by providing both long-term and near-term views of the County's finances. Questions or comments regarding any of the information presented in this report or requests for additional financial information should be addressed to the Auditor-Controller, 1450 Court Street, Suite 238, Redding, CA 96001.

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**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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COUNTY OF SHASTA

Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	
Assets				
Cash and investments	\$ 168,210,267	\$ 21,927,104	\$ 190,137,371	\$ 2,960,775
Receivables, net	10,328,888	695,343	11,024,231	216
Due from other governments	35,370,585	1,155,772	36,526,357	258,359
Inventories	496,408	52,022	548,430	--
Other assets	269,281	--	269,281	--
Internal balances	501,508	(501,508)	--	--
Due from external parties	2,477,226	--	2,477,226	--
Special assessments receivable	543,927	4,480,901	5,024,828	--
Notes receivable	10,294,375	--	10,294,375	--
Prepaid insurance costs	218,467	--	218,467	--
Cash and investments - restricted	654,631	12,122	666,753	--
Capital Assets:				
Non-depreciable	4,619,853	13,959,063	18,578,916	99,162
Depreciable, net	147,165,045	27,870,525	175,035,570	463,642
Total Assets	381,150,461	69,651,344	450,801,805	3,782,154
Liabilities				
Accounts payable	4,359,008	62,201	4,421,209	180,598
Retention payable	95,199	--	95,199	--
Salaries and benefits payable	5,777,929	--	5,777,929	19,249
Interest payable	268,633	29,802	298,435	--
Due to other governments	2,871,896	10,319	2,882,215	251,193
Deposits from others	2,872	900	3,772	--
Unearned revenue	4,494,857	3,505,465	8,000,322	--
Long-Term Liabilities:				
Due within one year	9,818,217	279,662	10,097,879	--
Due beyond one year	57,031,686	18,729,437	75,761,123	14,864
Net OPEB obligation	65,119,000	--	65,119,000	--
Total Liabilities	149,839,297	22,617,786	172,457,083	465,904
Net Position				
Net investment in capital assets	113,574,435	35,820,967	149,395,402	562,804
Restricted for:				
Special revenue	35,747,060	--	35,747,060	--
Public safety	20,310,546	--	20,310,546	--
Roads administration	10,732,408	--	10,732,408	--
Capital projects	8,314,075	--	8,314,075	--
Debt service	672,133	--	672,133	--
Other purposes	12,748,994	--	12,748,994	--
Unrestricted	29,211,513	11,212,591	40,424,104	2,753,446
Total Net Position	\$ 231,311,164	\$ 47,033,558	\$ 278,344,722	\$ 3,316,250

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

COUNTY OF SHASTA

Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs Primary Government	Expenses	Indirect Expense Allocation	Program Revenues		
			Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities					
General government	\$ 11,213,088	\$ 753,900	\$ 12,574,238	\$ 1,333,966	\$ 2,967,346
Public protection	83,041,195	2,365,886	12,732,788	37,957,650	47,746
Public ways and facilities	18,562,429	473,151	1,845,043	4,667,179	6,013,340
Health and sanitation	48,412,973	1,200,874	3,226,054	45,530,933	10,161
Public assistance	99,328,821	1,754,247	2,422,951	92,407,928	146,203
Education	1,570,586	22,096	27,997	--	--
Recreation	140,434	20,482	4,725	--	--
Debt Service:					
Interest expense	1,223,426	--	--	--	--
Total Governmental Activities	<u>263,492,952</u>	<u>6,590,636</u>	<u>32,833,796</u>	<u>181,897,656</u>	<u>9,184,796</u>
Business-Type Activities					
Fall River Mills Airport	98,206	4,268	74,635	10,000	168,126
West Central Landfill	722,156	--	2,147,279	--	--
Solid Waste Disposal	1,925,524	9,930	549,082	--	--
Shasta County Transit	420,074	--	22,185	471,040	--
County Service Areas	2,730,716	54,168	1,292,624	--	389,183
Total Business-Type Activities	<u>5,896,676</u>	<u>68,366</u>	<u>4,085,805</u>	<u>481,040</u>	<u>557,309</u>
Total Primary Government	<u>\$ 269,389,628</u>	<u>\$ 6,659,002</u>	<u>\$ 36,919,601</u>	<u>\$ 182,378,696</u>	<u>\$ 9,742,105</u>
Component Units					
Children and Families First	\$ 1,735,201	\$ --	\$ --	\$ 1,486,457	\$ --
Total Component Units	<u>\$ 1,735,201</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,486,457</u>	<u>\$ --</u>

General Revenues

Taxes:

 Property taxes
 Sales and use taxes
 Other taxes
 Motor vehicles in-lieu
Interest and investment earnings
Miscellaneous
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Changes in Net Position			
Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit
\$ 4,908,562	\$ --	\$ 4,908,562	\$ --
(34,668,897)	--	(34,668,897)	--
(6,510,018)	--	(6,510,018)	--
(846,699)	--	(846,699)	--
(6,105,986)	--	(6,105,986)	--
(1,564,685)	--	(1,564,685)	--
(156,191)	--	(156,191)	--
<u>(1,223,426)</u>	<u>--</u>	<u>(1,223,426)</u>	<u>--</u>
<u>(46,167,340)</u>	<u>--</u>	<u>(46,167,340)</u>	<u>--</u>
--	150,287	150,287	--
--	1,425,123	1,425,123	--
--	(1,386,372)	(1,386,372)	--
--	73,151	73,151	--
--	<u>(1,103,077)</u>	<u>(1,103,077)</u>	<u>--</u>
<u>--</u>	<u>(840,888)</u>	<u>(840,888)</u>	<u>--</u>
<u>(46,167,340)</u>	<u>(840,888)</u>	<u>(47,008,228)</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>(248,744)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>(248,744)</u>
26,099,941	26,984	26,126,925	--
2,832,878	--	2,832,878	--
30,264,957	--	30,264,957	--
613,035	--	613,035	--
757,850	88,880	846,730	13,224
3,875,881	653,532	4,529,413	--
100,000	<u>(100,000)</u>	--	--
<u>64,544,542</u>	<u>669,396</u>	<u>65,213,938</u>	<u>13,224</u>
18,377,202	(171,492)	18,205,710	(235,520)
<u>212,933,962</u>	<u>47,205,050</u>	<u>260,139,012</u>	<u>3,551,770</u>
<u>\$ 231,311,164</u>	<u>\$ 47,033,558</u>	<u>\$ 278,344,722</u>	<u>\$ 3,316,250</u>

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

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**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

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COUNTY OF SHASTA

Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Roads Administration Fund	Public Safety Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and investments	\$ 70,312,532	\$ 9,807,668	\$ 17,125,702
Accounts receivable	6,248,584	93,952	3,772,146
Due from other governments	23,422,908	1,666,536	5,515,931
Inventories	--	408,711	--
Other assets	74,088	--	30,195
Due from other funds	2,982,937	105,840	427,035
Special assessments receivable	--	--	--
Deposits from others	--	--	--
Notes receivable	--	--	--
Advances to other funds	4,000	29,233	--
Cash and investments - restricted	--	--	--
Totals Assets	<u><u>\$ 103,045,049</u></u>	<u><u>\$ 12,111,940</u></u>	<u><u>\$ 26,871,009</u></u>
Liabilities			
Accounts payable	\$ 2,112,792	\$ 714,809	\$ 479,697
Retention payable	13,746	81,453	--
Salaries and benefits payable	2,726,254	377,928	1,510,237
Due to other funds	943,833	42,916	242,096
Due to other governments	287,248	15,252	321,437
Deposits from others	2,621	--	--
Unearned revenue	2,622,046	114,563	265,765
Advances from other funds	--	--	--
Total Liabilities	<u><u>8,708,540</u></u>	<u><u>1,346,921</u></u>	<u><u>2,819,232</u></u>
Deferred Inflows of Resources			
Unavailable revenue	<u>10,118,973</u>	<u>32,611</u>	<u>3,741,232</u>
Fund Balances:			
Nonspendable	74,088	408,711	30,195
Restricted	13,206,437	10,316,204	20,280,350
Committed	--	--	--
Assigned	5,782,963	7,493	--
Unassigned	65,154,048	--	--
Total Fund Balances	<u><u>84,217,536</u></u>	<u><u>10,732,408</u></u>	<u><u>20,310,545</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 103,045,049</u></u>	<u><u>\$ 12,111,940</u></u>	<u><u>\$ 26,871,009</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 33,762,702	\$ 131,008,604
201,077	10,315,759
4,758,103	35,363,478
--	408,711
17,858	122,141
612,124	4,127,936
543,927	543,927
49	49
10,294,375	10,294,375
526,411	559,644
654,631	654,631
<u>\$ 51,371,257</u>	<u>\$ 193,399,255</u>
\$ 457,750	\$ 3,765,048
--	95,199
869,763	5,484,182
555,428	1,784,273
2,042,154	2,666,091
--	2,621
1,492,483	4,494,857
542,311	542,311
<u>5,959,889</u>	<u>18,834,582</u>
<u>678,099</u>	<u>14,570,915</u>
17,858	530,852
35,798,828	79,601,819
602,509	602,509
8,314,074	14,104,530
--	65,154,048
<u>44,733,269</u>	<u>159,993,758</u>
<u>\$ 51,371,257</u>	<u>\$ 193,399,255</u>

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

COUNTY OF SHASTA

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

Total Fund Balances - Governmental Funds (page 28)	\$ 159,993,758
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.	149,214,535
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Unavailable revenues	14,570,915
Other post employment benefits obligation	(65,119,000)
Long-Term Debt that has not been included in the governmental fund activity.	(38,210,463)
Interest on outstanding debt not due and payable in the current period is not accrued in the governmental funds.	(268,633)
Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred in the Statement of Net Position. This amount is the unamortized portion of prepaid insurance costs.	218,467
Compensated absences are not accrued in the Governmental Funds.	(7,824,187)
Internal Service Funds assets and liabilities are included in governmental activities in the Statement of Net Position	<u>18,735,772</u>
Net Position of Governmental Activities (page 23)	<u><u>\$ 231,311,164</u></u>

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

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COUNTY OF SHASTA

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

	General Fund	Roads Administration Fund	Public Safety Fund
Revenues			
Taxes	\$ 44,769,926	\$ 2,374,892	\$ 83,105
Licenses and permits	3,415,281	37,584	99,181
Fines and forfeitures	10,821,323	--	907,618
Use of money and property	677,770	31,530	87,428
Intergovernmental	119,316,141	16,537,987	29,376,681
Charges for other services	10,474,824	1,317,505	3,351,687
Miscellaneous revenue	3,252,576	64,764	201,338
Total Revenues	<u>192,727,841</u>	<u>20,364,262</u>	<u>34,107,038</u>
Expenditures			
Current:			
General government	8,875,041	--	--
Public protection	14,706,545	--	54,669,413
Public ways and facilities	--	20,653,044	--
Health and sanitation	24,274,728	--	--
Public assistance	98,132,819	--	--
Education	1,584,812	--	--
Recreation	160,637	--	--
Debt Service	--	--	--
Total Expenditures	<u>147,734,582</u>	<u>20,653,044</u>	<u>54,669,413</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>44,993,259</u>	<u>(288,782)</u>	<u>(20,562,375)</u>
Other Financing Sources (Uses)			
Transfers in	1,079,482	100,000	23,165,419
Transfers out	(36,509,543)	(213,082)	(632,663)
Sale of capital assets	25,277	39,669	29,478
Total Other Financing Sources (Uses)	<u>(35,404,784)</u>	<u>(73,413)</u>	<u>22,562,234</u>
Net Change in Fund Balances	9,588,475	(362,195)	1,999,859
Fund Balances - Beginning	<u>74,629,061</u>	<u>11,094,603</u>	<u>18,310,686</u>
Fund Balances - Ending	<u>\$ 84,217,536</u>	<u>\$ 10,732,408</u>	<u>\$ 20,310,545</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,993,592	\$ 49,221,515
227,470	3,779,516
34,738	11,763,679
274,361	1,071,089
34,071,621	199,302,430
2,502,144	17,646,160
701,430	4,220,108
<u>39,805,356</u>	<u>287,004,497</u>
3,196,206	12,071,247
12,768,001	82,143,959
651,290	21,304,334
23,619,005	47,893,733
512,466	98,645,285
--	1,584,812
--	160,637
<u>3,898,976</u>	<u>3,898,976</u>
<u>44,645,944</u>	<u>267,702,983</u>
<u>(4,840,588)</u>	<u>19,301,514</u>
16,440,084	40,784,985
(3,604,273)	(40,959,561)
37,906	132,330
<u>12,873,717</u>	<u>(42,246)</u>
8,033,129	19,259,268
<u>36,700,140</u>	<u>140,734,490</u>
<u>\$ 44,733,269</u>	<u>\$ 159,993,758</u>

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

COUNTY OF SHASTA

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

Net Change in Fund Balances - Total Governmental Funds (page 32)	\$ 19,259,268
Amounts reported for governmental activities in the Statement of Net Activities are different because:	
Governmental funds report capital outlays as expenditures.	10,751,111
In the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	(5,956,844)
Governmental Funds report the disposal of assets only to the extent that proceeds are received from the sale. In the Statement of Net Activities, a gain or loss is reported for each disposal.	(586,747)
Revenues that do not provide current financial resources are not reported as revenues in the funds.	1,075,246
Repayment of note and bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	2,645,663
Interest on outstanding debt is reported as an expenditure when due in the Governmental Funds, but is accrued in the Statement of Activities.	52,155
Governmental funds report the effect of issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the current year amortization of prepaid insurance costs.	(22,267)
Compensated absences in the Statement of Activities is reported as an expense, but is not reported in the Governmental Funds.	270,868
Other Post Employment Benefits are reported as an expense when contributions are made in the governmental funds, but are accrued in the Statement of Activities.	(8,087,000)
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of the internal services funds is reported with Governmental Activities.	<u>(1,024,251)</u>
Change in Net Position of Governmental Activities (page 24)	<u>\$ 18,377,202</u>

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

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COUNTY OF SHASTA

Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities		
	Solid Waste Disposal	West Central Landfill	Fall River Mills Airport
Assets			
Current Assets:			
Cash and investments	\$ 3,527,613	\$ 16,820,564	\$ 21,225
Receivables, net	406,681	--	1,635
Due from other governments	28,811	712,551	7,380
Inventories	--	--	52,022
Due from other funds	101,710	--	--
Other assets	--	--	--
Total Current Assets	<u>4,064,815</u>	<u>17,533,115</u>	<u>82,262</u>
Noncurrent Assets:			
Special assessments receivable	--	--	--
Advances to other funds	--	--	--
Cash and investments - restricted	--	--	--
Capital assets, non depreciable	1,100,758	--	12,042,937
Capital assets, depreciable - net	10,272,245	--	289,924
Total Noncurrent Assets	<u>11,373,003</u>	<u>--</u>	<u>12,332,861</u>
Total Assets	<u>15,437,818</u>	<u>17,533,115</u>	<u>12,415,123</u>
Liabilities			
Current Liabilities:			
Accounts payable	35,769	--	322
Salaries and benefits payable	--	--	--
Interest payable	15,198	--	--
Due to other governments	--	--	--
Due to other funds	2,677	100,459	836
Deposits from others	--	--	400
Unearned Revenue	--	--	--
Claims payable	--	--	--
Compensated absences payable	--	--	--
Bonds, notes payable	128,764	--	--
Total Current Liabilities	<u>182,408</u>	<u>100,459</u>	<u>1,558</u>
Noncurrent Liabilities:			
Claims payable	--	--	--
Advances from other funds	--	--	--
Compensated absences payable	--	--	--
Bonds, notes payable	1,169,282	--	--
Landfill closure/postclosure care costs	--	13,000,478	--
Total Noncurrent Liabilities	<u>1,169,282</u>	<u>13,000,478</u>	<u>--</u>
Total Liabilities	<u>1,351,690</u>	<u>13,100,937</u>	<u>1,558</u>
Net Position			
Net investment in capital assets	10,074,957	--	12,332,861
Unrestricted	4,011,171	4,432,178	80,704
Total Net Position	<u>\$ 14,086,128</u>	<u>\$ 4,432,178</u>	<u>\$ 12,413,565</u>

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

Business-Type Activities

CSA #6 Jones Valley Water	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 377,523	\$ 1,187,043	\$ 21,933,968	\$ 37,201,663
44,316	242,711	695,343	13,129
--	407,030	1,155,772	7,107
--	--	52,022	87,697
19,544	45,456	166,710	492,730
--	--	--	147,140
<u>441,383</u>	<u>1,882,240</u>	<u>24,003,815</u>	<u>37,949,466</u>
3,950,561	530,340	4,480,901	--
--	--	--	378,082
--	5,258	5,258	--
54,400	760,968	13,959,063	55,375
10,160,485	7,147,871	27,870,525	2,514,988
<u>14,165,446</u>	<u>8,444,437</u>	<u>46,315,747</u>	<u>2,948,445</u>
14,606,829	10,326,677	70,319,562	40,897,911
12,418	24,011	72,520	594,809
--	--	--	293,747
11,145	3,459	29,802	--
--	--	--	204,956
9	172,822	276,803	253,074
--	500	900	300
3,251,182	254,283	3,505,465	--
--	--	--	2,810,613
--	--	--	247,728
<u>93,752</u>	<u>57,146</u>	<u>279,662</u>	<u>--</u>
<u>3,368,506</u>	<u>512,221</u>	<u>4,165,152</u>	<u>4,405,227</u>
--	--	--	17,532,387
--	391,415	391,415	--
--	--	--	224,525
4,023,295	536,382	5,728,959	--
--	--	13,000,478	--
<u>4,023,295</u>	<u>927,797</u>	<u>19,120,852</u>	<u>17,756,912</u>
<u>7,391,801</u>	<u>1,440,018</u>	<u>23,286,004</u>	<u>22,162,139</u>
6,097,838	7,315,311	35,820,967	2,570,363
<u>1,117,190</u>	<u>1,571,348</u>	<u>11,212,591</u>	<u>16,165,409</u>
<u>\$ 7,215,028</u>	<u>\$ 8,886,659</u>	<u>\$ 47,033,558</u>	<u>\$ 18,735,772</u>

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

COUNTY OF SHASTA

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

	Business-Type Activities		
	Solid Waste Disposal	West Central Landfill	Fall River Mills Airport
Operating Revenues			
Charges for services	\$ 549,082	\$ 2,147,279	\$ 74,635
Operating Expenses			
Salaries and benefits	--	--	--
Services and supplies	1,412,976	--	82,573
Central service costs	9,930	--	4,268
Insurance premiums	--	--	--
Claims expense	--	--	--
Depreciation	475,780	--	15,616
Landfill closure/postclosure care costs	--	722,156	--
Total Operating Expenses	<u>1,898,686</u>	<u>722,156</u>	<u>102,457</u>
Operating Income (Loss)	<u>(1,349,604)</u>	<u>1,425,123</u>	<u>(27,822)</u>
Non-Operating Revenues (Expenses)			
Investment income (loss)	14,134	64,711	79
Property tax revenue	--	--	--
Licenses and permits revenue	--	--	--
Non-operating grants	--	--	178,126
Capital improvement fees	--	--	--
Miscellaneous revenue	--	85,673	--
Miscellaneous expense	--	--	(17)
Interest expense	(36,768)	--	--
Gain (loss) on sale of capital assets	--	--	--
Total Non-Operating Revenues (Expenses)	<u>(22,634)</u>	<u>150,384</u>	<u>178,188</u>
Net Income (Loss) Before Capital Contributions and Transfers	(1,372,238)	1,575,507	150,366
Capital grants and improvement fees	--	--	--
Transfers in	843,322	--	--
Transfers out	(100,000)	(843,322)	--
Change in Net Position	(628,916)	732,185	150,366
Net Position - Beginning	<u>14,715,044</u>	<u>3,699,993</u>	<u>12,263,199</u>
Net Position - Ending	<u>\$ 14,086,128</u>	<u>\$ 4,432,178</u>	<u>\$ 12,413,565</u>

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

Business-Type Activities			
CSA #6 Jones Valley Water	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 197,018	\$ 1,520,044	\$ 4,488,058	\$ 17,891,174
4	--	4	6,865,609
200,121	2,248,666	3,944,336	6,108,553
14,568	39,600	68,366	1,231,282
--	--	--	1,455,042
--	--	--	3,267,182
198,002	473,066	1,162,464	674,520
--	--	722,156	--
<u>412,695</u>	<u>2,761,332</u>	<u>5,897,326</u>	<u>19,602,188</u>
<u>(215,677)</u>	<u>(1,241,288)</u>	<u>(1,409,268)</u>	<u>(1,711,014)</u>
1,280	8,671	88,875	157,763
--	6,032	6,032	--
--	20,951	20,951	--
--	--	178,126	--
7,305	--	7,305	--
646,976	26,658	759,307	372,352
(65)	(3,138)	(3,220)	--
--	(27,728)	(64,496)	--
--	--	--	(117,928)
<u>655,496</u>	<u>31,446</u>	<u>992,880</u>	<u>412,187</u>
439,819	(1,209,842)	(416,388)	(1,298,827)
344,896	--	344,896	--
150,000	--	993,322	607,630
(150,000)	--	(1,093,322)	(333,054)
784,715	(1,209,842)	(171,492)	(1,024,251)
<u>6,430,313</u>	<u>10,096,501</u>	<u>47,205,050</u>	<u>19,760,023</u>
<u>\$ 7,215,028</u>	<u>\$ 8,886,659</u>	<u>\$ 47,033,558</u>	<u>\$ 18,735,772</u>

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

COUNTY OF SHASTA

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

	Business-Type Activities		
	Solid Waste Disposal	West Central Landfill	Fall River Mills Airport
Cash Flows from Operating Activities			
Receipts from customers	\$ 864,375	\$ 2,098,497	\$ 73,000
Payments to suppliers	(1,436,789)	--	(87,982)
Payments to employees	--	--	--
Operating subsidies and transfers	--	--	--
Claims paid	--	--	--
Net Cash Provided (Used) by Operating Activities	<u>(572,414)</u>	<u>2,098,497</u>	<u>(14,982)</u>
Cash Flows from Non-Capital Financing Activities			
Other revenue	--	85,674	--
Property taxes	--	--	--
Non-operating subsidies and transfers out	743,323	(808,495)	489
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>743,323</u>	<u>(722,821)</u>	<u>489</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(565)	--	(172,720)
Capital improvement fees	--	--	--
Principal payments on debt	(125,245)	--	--
Proceeds from capital-type special assessments	--	--	--
Capital grants received	--	--	176,458
Interest payments on debt	(38,234)	--	--
Net Cash Used by Capital and Related Financing Activities	<u>(164,044)</u>	<u>--</u>	<u>3,738</u>
Cash Flows From Investing Activities			
Income on investments	14,134	64,711	79
Net Increase (Decrease) in Cash and Cash Equivalents	20,999	1,440,387	(10,676)
Cash and Cash Equivalents - Beginning of Year	<u>3,506,614</u>	<u>15,380,177</u>	<u>31,901</u>
Cash and Cash Equivalents - End of Year	<u>\$ 3,527,613</u>	<u>\$ 16,820,564</u>	<u>\$ 21,225</u>

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

Business-Type Activities			
CSA #6 Jones Valley Water	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 316,010	\$ 1,502,793	\$ 4,854,675	\$ 18,040,042
(342,506)	(2,130,102)	(3,997,379)	(9,301,221)
(4)	--	(4)	(6,790,504)
--	(369)	(369)	--
--	--	--	(3,261,182)
<u>(26,500)</u>	<u>(627,678)</u>	<u>856,923</u>	<u>(1,312,865)</u>
44	22,696	108,414	372,348
--	6,032	6,032	--
--	(21,127)	(85,810)	294,939
<u>44</u>	<u>7,601</u>	<u>28,636</u>	<u>667,287</u>
(237,874)	(37,389)	(448,548)	(322,289)
7,305	--	7,305	--
(94,419)	(22,620)	(242,284)	--
--	29,284	29,284	--
529,011	8,792	714,261	--
(477)	(27,724)	(66,435)	--
<u>203,546</u>	<u>(49,657)</u>	<u>(6,417)</u>	<u>(322,289)</u>
<u>1,280</u>	<u>8,676</u>	<u>88,880</u>	<u>157,757</u>
178,370	(661,058)	968,022	(810,110)
<u>199,153</u>	<u>1,853,359</u>	<u>20,971,204</u>	<u>38,011,773</u>
<u>\$ 377,523</u>	<u>\$ 1,192,301</u>	<u>\$ 21,939,226</u>	<u>\$ 37,201,663</u>

continued

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

COUNTY OF SHASTA

Statement of Cash Flows (continued)
 Proprietary Funds
 For the year ended June 30, 2014

	Business-Type Activities		
	Solid Waste Disposal	West Central Landfill	Fall River Mills Airport
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (1,349,604)	\$ 1,425,123	\$ (27,822)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:			
Depreciation expense	475,779	--	15,616
Changes in assets and liabilities:			
Receivables, net	377,506	--	(1,635)
Due from other funds	(36,078)	--	--
Due from other governments	(28,811)	(48,782)	(226)
Inventories	--	--	--
Other assets	--	--	--
Accounts payable	(13,883)	--	(915)
Salaries and benefits payable	--	--	--
Due to other funds	2,677	--	--
Claims liability	--	--	--
Unearned revenue	--	--	--
Due to other governments	--	--	--
Compensated absences payable	--	--	--
Landfill closure/postclosure care costs	--	722,156	--
	Net Cash Provided (Used) by Operating Activities	Net Cash Provided (Used) by Operating Activities	Net Cash Provided (Used) by Operating Activities
	\$ (572,414)	\$ 2,098,497	\$ (14,982)

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

Business-Type Activities			
CSA #6 Jones Valley Water	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ (215,677)	\$ (1,241,288)	\$ (1,409,268)	\$ (1,711,014)
198,002	473,066	1,162,463	674,519
(733)	14,063	389,201	278,039
(17,870)	(44,061)	(98,009)	(193,472)
--	733	(77,086)	(2,888)
--	--	--	(4,107)
125	3,332	3,457	(76,485)
(108,407)	(2,229)	(125,434)	(544,575)
--	--	--	36,662
(1,665)	172,112	173,124	90,528
--	--	--	6,000
119,725	19,870	139,595	--
--	(23,276)	(23,276)	95,446
--	--	--	38,482
--	--	722,156	--
<u>\$ (26,500)</u>	<u>\$ (627,678)</u>	<u>\$ 856,923</u>	<u>\$ (1,312,865)</u>

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

COUNTY OF SHASTA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Investment Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 148,534,614	\$ 24,102,588
Accounts receivable, net	30,173	463,629
Taxes receivable, net	--	13,991,218
Due from other governments	40,468	1,441,372
Due from other funds	748,345	601,103
Totals Assets	<u>149,353,600</u>	<u>40,599,910</u>
Liabilities		
Due to other funds	566,220	3,197,538
Due to other governments	44,331	7,422,610
Taxes due to other funds	--	13,786,826
Advances from other funds	4,000	--
Agency funds liabilities	--	16,192,936
Total Liabilities	<u>614,551</u>	<u>\$ 40,599,910</u>
Net Position		
Net position held in trust for investment pool participants	<u>\$ 148,739,049</u>	

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

COUNTY OF SHASTA

Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2014

Additions	
Contributions to investment pool	\$ 405,451,195
Deductions	
Distributions from investment pool	<u>415,246,529</u>
Change in Net Position	(9,795,334)
Net Position, Beginning	<u>158,534,383</u>
Net Position, Ending	<u><u>\$ 148,739,049</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The County of Shasta (the "County") is a legal subdivision of the State of California and was established as a general law County in 1850. The County's powers are exercised through a five member Board of Supervisors (the "Board") that, as the governing body of the County, is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including public protection, public assistance, health and sanitation, recreation, and general government services.

The accounting methods and procedures adopted by the County conform to accounting principles generally accepted in the United States of America as applied to governmental entities. The accompanying financial statements present the activities of the County and its component units, entities for which the County is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by Statement No. 39.

A. Component Units

The governmental reporting entity consists of the County (primary government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability exists if a primary government appoints a voting majority of an organization's governing board and is either 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. A primary government may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the primary government.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government for purposes of reporting in the accompanying basic financial statements. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize its legal separation from the County.

The following legally separate entities are considered **blended component units** for financial reporting purposes of the County:

Lighting Districts provide for the operation and maintenance of streetlights in certain areas of the County and are financed by property taxes and benefit assessments.

- CSA #15 Street Lighting
- Lakehead Street Lighting
- Mel Mar Lighting
- Rother Riverside Sub Light
- Sierra Vista Lighting
- Summit City Lighting

Permanent Road Divisions (PRDs) are established for the benefit of private road systems. Annual parcel charges are levied to pay for the level of maintenance work desired by the property owners.

- Aegean Way PRD
- Aiden Park PRD
- Alpine Way PRD
- Amber Lane PRD
- Marianas Way PRD
- Millville Way PRD
- Mount Lassen Woods PRD
- Mountain Gate Meadows PRD

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

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

A. **Component Units (continued)**

- Amber Ridge PRD
- Amesbury Village PRD
- Blackstone Estates PRD
- Buckshot Lane EFER PRD
- #1 Butterfield Lane EFER PRD
- #2 Butterfield Lane EFER PRD
- Canto Del Lupine PRD
- China Gulch PRD
- Clover Road PRD
- Coloma Drive PRD
- Cottonwood Creek PRD
- County Fields Estates PRD
- Craig Lane PRD
- # 1 Crowley Creek Ranchettes PRD
- # 2 Crowley Creek Ranchettes PRD
- Deer Flat Road PRD
- Diamond Ridge PRD
- Dusty Oaks Trail PRD
- East Stillwater PRD
- Equestrian Estates PRD
- Fore Way Lane PRD
- Foxwood Estates PRD
- Fullerton Way PRD
- Garth Drive EFER PRD
- Holiday Acres PRD
- Honeybee Acres PRD
- Intermountain Road PRD
- Jennifer Drive EFER PRD
- Jordan Manor PRD
- L & R Estates PRD
- Laverne Lane PRD
- Lark Court PRD
- Latona Road PRD
- Logan Road PRD
- #1 Los Palos EFER PRD
- #2 Los Palos EFER PRD
- Manor Crest PRD
- Manton Heights PRD
- Manzanillo Orchard PRD
- Mule Mountain Parkway PRD
- North Chapparral Drive PRD
- Nunes Ranch PRD
- Old Stagecoach Road PRD
- Palo Cedro Oaks PRD
- Ponder Way PRD
- Ritts Mill Road PRD
- River Hills Estates PRD
- Robledo Road PRD
- Rocky Ledge Estates PRD
- Rolland Country Estates PRD
- Santa Barbara Estates PRD
- Santa Barbara 1868 Unit 2 PRD
- Santa Barbara 3_4 PRD
- Scenic Road PRD
- Shasta Lake Ranchos PRD
- Shasta Meadows PRD
- Shelly Lane PRD
- Ski Way PRD
- Silver Saddle Estates PRD
- Sleeping Bull Estates PRD
- Sonora Trail PRD
- #1 Squaw Carpet Fire Access PRD
- #2 Squaw Carpet Fire Access PRD
- Sterling Ranch PRD
- Stillwater Ranch PRD
- Terri Lee Terrace PRD
- Timber Ridge PRD
- Tract 1323 PRD
- Valparaiso Way PRD
- Vedder Road PRD
- Victoria Highlands Estates PRD
- Village Green PRD
- Waterleaf Estates PRD
- Westview Road EFER PRD
- Wisteria Estates PRD
- Woggon Lane PRD
- White Oak Manor PRD

Water and Sewer Maintenance Districts provide water and sanitary sewer services to commercial development and residential communities. The costs of operating these units are charged to the users in the form of water charges and sewer fees.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

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

A. **Component Units (continued)**

- CSA #2 Sugarloaf Water
- CSA #3 Castella Water
- CSA #6 Jones Valley
- CSA #7 Burney Storm
- CSA #8 Palo Cedro
- CSA #11 French Gulch
- CSA #13 Alpine Meadows
- CSA #14 Belmont Storm
- CSA #17 Cottonwood
- CSA #23 Cragview
- CSA #25 Keswick

The *Shasta County Water Agency* accounts for the wholesale purchase and sale of water from the Bureau of Reclamation to various water purveyors in Shasta County.

The *Shasta County Air Quality Management District* endeavors to achieve state and federal ambient air quality standards.

The *Shasta County Fire Protection District CSA# 1* provides fire suppression and protection services to unincorporated areas which are not served by either an independent fire district or by the California Department of Forestry.

The *Shasta Joint Powers Financing Authority* was created on May 29, 1990, as a result of a Joint Exercise of Powers Agreement between the County and the Successor Agency to the Shasta County Redevelopment Agency, formerly Shasta County Redevelopment Agency. The Authority's purpose is to finance public capital improvements.

The *In-Home Supportive Services (IHSS) Public Authority* assists consumers in finding in-home supportive services personnel, provides training and support for providers and recipients and their families, and performs other functions related to the delivery of in-home supportive services.

The *Inmate Welfare Fund* was established in 1972 under California Penal Code §4025, which authorizes the sheriff of each county to establish, maintain and operate a store (commissary) in connection with the county jail to sell certain supplies to inmates of the jail. Profit from these sales and compensation attributable to the use of pay telephones primarily used by inmates are deposited into this fund and expended by the sheriff for the benefit, education, and welfare of the inmates.

The following legally separate ***discretely presented component unit*** is reported in a separate column in the County's government-wide Statement of Net Position and Statement of Activities:

The *Shasta Children and Families First Commission* was established under the authority of Proposition 10, the California Children and Families First Act of 1998. The County Board appointed all members of the Commission. The Board can remove appointed members at will. The Commission accounts for the Proposition 10 allocations and appropriations. The Commission provides most of its services directly to the citizens of the County.

Complete audited financial statements for the discretely presented component unit are issued separately and may be obtained at the unit's administrative office.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Component Units (continued)

Also included in the accompanying basic financial statements as fiduciary funds are assets of numerous self-governed school districts, independent special districts, and other independent agencies for which the County Treasurer acts as custodian of those assets. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. Activities of the school districts and special districts are administered by separate boards and are independent of the County Board of Supervisors. The County Auditor-Controller makes disbursements upon the request of the responsible school or self-governed district officers. The operations of these entities have been excluded from the basic financial statements as each entity conducts its own day-to-day operations and answers to its own governing board.

B. Related Organizations

Related organizations are excluded from the financial reporting entity because the County's accountability does not extend beyond making appointments. Audited financial statements are available from the respective organizations. Related organizations are described as follows:

Local Agency Formation Commission of Shasta County (LAFCO) is a jointly governed organization composed of members from the County's Board, members from the city councils in the County, and representatives from the independent special districts. LAFCOs are responsible for coordinating changes in local governmental boundaries and conducting studies that review governmental structure.

The *Redding Area Bus Authority (RABA)* was formed under a joint powers agreement between the County, City of Redding, City of Shasta Lake, and City of Anderson. The function of RABA is to provide the most cost effective public transportation system utilizing federal and state funding participation.

The *Shasta Area Safety Communications Agency (SHASCOM)* was created by a joint powers agreement between the County and the City of Redding. The purpose of SHASCOM is to provide dispatch services for law enforcement and fire and rescue operations.

The *Regional Transportation Planning Agency (RTPA)* provides transportation planning services and administers the metropolitan transportation planning organization (MPO) function for local jurisdictions within the County. On August 1st, 2012 the RTPA separated from the County and formally became the Shasta Regional Transportation Agency (SRTA), an independent agency per unanimous board vote.

C. Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities report information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Internal balances in the Statement of Net Position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (continued)

Government-wide Financial Statements (continued)

The Statement of Activities presents a comparison between direct expenses, indirect expenses and program revenues for each function of the County's governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function or segment. Indirect expenses for centralized services and administrative overhead are allocated based on the annual County-wide Cost Allocation Plan and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including *all* taxes and interest, are presented instead as general revenues.

Fund Financial Statements

Separate fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. The focus of governmental and proprietary fund financial statements is on major funds and each major fund is presented in a separate column. Nonmajor funds and internal service funds are aggregated and presented in single columns.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources and legally authorized activities of the County except those required to be accounted for in another fund.
- The *Public Safety Fund* is used to account for the law enforcement activities of the County and includes the functions of the Sheriff, the District Attorney, and the Probation Department.
- The *Roads Administrative Fund* is used to account for the activities associated with road maintenance and bridge construction.

The County reports the following major proprietary funds:

- The *Solid Waste Fund* accounts for the activities of solid waste collection and disposal and septage disposal.
- The *County Service Area #6 (Jones Valley) Fund* is used to account for the activity associated with the Jones Valley Water District water district and their water systems.
- The *West Central Landfill Fund* is used to account for the activity associated with replacement and improvement of the County's landfill.
- The *Fall River Mills Airport Fund* is used to account for the activity associated with the airport, including the re-build and improvements.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (continued)

Fund Financial Statements (continued)

Additionally, the County reports the following fund types:

- *Internal Service Funds* account for vehicle operations, risk management, information technology, communications operations, janitorial services, and County utilities that provide services to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.
- The *Investment Trust Fund* accounts for the external portion of the County Treasurer's investment pool, which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants.
- *Agency Funds* are custodial in nature and do not involve measurement of results of operations. These funds account for assets held by the County in an agency capacity for individuals or other government units.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues available if they are collected within one hundred eighty (180) days of the end of the current fiscal period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Cash and Investments

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are stated at fair value based on market prices. Earnings of the investment pool are apportioned to the appropriate funds quarterly using a formula based on the average daily balance of each participating fund.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (continued)

A trustee or fiscal agent manages cash and investments held separately from the pool, and these assets are reported in various funds as follows: the Courthouse, Administrative and Justice Center Improvement Project, as a component unit of the General Fund; the Housing Authority of Shasta County, as a component unit of Special Revenue Funds; and the Housing Authority Trust Fund Account, as a component unit of Agency Funds. Some cash and investments of the Shasta Joint Powers Financing Authority, a component unit of the General Fund, are accounted for in Debt Service Funds.

For purposes of the accompanying statement of cash flows, the Enterprise and Internal Service Funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

F. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds are offset by a corresponding reservation of fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

The County only accrues revenues at fiscal year-end and accrues only those revenues it deems collectible; as such the County has no allowance for doubtful accounts in its governmental funds.

The County accrues expenditures, and the associated liability, as they relate to budgeted appropriations. Goods encumbered by purchase orders and received after June 15th will not be utilized until after June 30, and therefore, these expenditures are not accrued in the current fiscal year. The budget of the following fiscal year is encumbered for these liabilities, and the expenditure is recorded when paid.

Notes receivable in governmental funds consist of non-current rehabilitation, CALHome, and redevelopment loans. The non-current portion of loans receivable are offset by reservation of fund balance. Special assessment receivables are the uncollected portion of special assessments which a governmental unit has levied but not collected.

G. Inventories and Other Assets

Inventory consists of expendable supplies held for consumption and is valued at the lower of cost (first-in, first-out) or market. The cost is recorded as an expenditure at the time individual inventory items are purchased and the balance is adjusted annually for goods on hand at the end of the fiscal year. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as other assets. The inventories and other assets recorded in the governmental funds do not reflect current appropriable resources and thus, an equivalent portion of fund balance is reserved.

H. Capital Assets

Capital assets, which include land, structures and improvements, equipment, and infrastructure (roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (continued)

Acquisitions of capital assets are recorded as expenditures in the governmental fund types at the time of purchase and are recorded in the Capital Assets Accounting System. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized.

Capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. In the case of structures and improvements, if historical costs were not available, engineering estimates were used to approximate historical cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. Self-constructed assets are recorded at the amount of direct labor, material, and capitalized interest costs.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary fund financial statements. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Class	Useful Life Years
Structures and Improvements	40 - 50
Equipment – Vehicles	3 - 10
Equipment – Other	5 - 10
Infrastructure – Roads	30
Infrastructure – Bridges	50

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. The capitalization thresholds are \$5,000 for equipment, \$25,000 for structures and improvements, and \$500,000 for infrastructure.

I. Property Tax Levy, Collection and Maximum Rates

The State of California’s (State) Constitution Article XIII provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless voters have approved an additional amount for the general obligation debt. Assessed value is calculated at 100 percent of market value, as defined by Article XIII A, and may not be adjusted by more than two percent per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a one percent tax levy among the County, cities, school districts, and other districts. The County assesses properties, enrolls values, and collects property taxes as follows:

	Secured	Unsecured
Lien/Valuation date	January 1	January 1
Levy date	September 12	July 15
Due date	50% on November 1 50% on February 1	July 1
Delinquent as of	December 10 (Due November 1) April 10 (Due February 1)	August 31 (Due July 1)

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property Tax Levy, Collection and Maximum Rates (continued)

The term “unsecured” refers to taxes on personal property. These taxes are not secured by liens on the property being taxed. Property taxes are recorded as receivables in the fiscal year of the levy and are recorded as revenue when collections are apportioned.

Effective July 1, 1993, the County began apportioning secured (and secured supplemental) property tax revenue in accordance with the alternative method of distribution (the Teeter Plan) prescribed by Section 4701 of the California Revenue and Taxation Code. Current secured/supplemental apportionments continue to follow “pre-Teeter” allocation methods based on collections until year-end. At year-end, the unpaid current secured/supplemental receivable balance is apportioned and each participating agency’s delinquency is financed or “bought out” by the Teeter Plan.

The alternative method of distribution assures each participating agency receives their full current secured/supplemental collections while providing the County with future delinquent penalties and redemption interest on unpaid receivables. Under the Teeter Plan, specified amounts of delinquent or “abstract” secured or supplemental taxes are held in trust to provide revenue for future year “buy-outs” and to offset potential losses from the sale of tax-defaulted properties.

J. Lease Obligations

The County leases various assets under both operating and capital lease agreements. In the government-wide and proprietary fund financial statements, capital leases and the related lease obligations are reported as liabilities in the applicable governmental or business-type activities column of the Statement of Net Position.

K. Long-Term Debt, Deferred Debt Expense, and Bond Discounts/Premiums

In the government-wide and proprietary funds financial statements, outstanding debt is reported as a liability. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using the straight line method, which is not materially different from the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

L. Employee Compensated Absences

Full-time permanent employees accumulate earned but unused vacation leaves and sick pay benefits in varying amounts to specified maximums depending on status and tenure with the County. A liability for these amounts is accrued when incurred in the government-wide financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees.

M. Fund Equity

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balances for governmental funds consist of the following categories:

Nonspendable Fund Balance – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (continued)

Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.

Committed Fund Balance – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

N. Use of Estimates

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

NOTE 2: CASH IN TREASURY

A. Cash Management

As provided for by the California Government Code, the cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool is not registered within the Securities and Exchange Commission (SEC), and a treasury oversight committee provides oversight to insure that investments comply with the approved investment policy. The respective funds' shares of the total pool are included in the accompanying combined balance sheet under the caption "Cash and Investments". These investments are stated at fair value. Interest earned on these investments is allocated quarterly to certain participating funds based on their daily cash in County treasury balances.

The County Treasurer determines the fair value of investments annually, at fiscal year-end, for the purpose of financial reporting. Participants may withdraw their investment from the pool on a dollar per dollar basis. School districts are considered involuntary participants in the investment pool and comprise 37 percent of the total treasury investment pool (including County Operational funds). Special districts and various trust funds approximate 3 percent of the investment pool and the extent of involuntary participation cannot be determined at this time. County operational funds comprise the remaining 60 percent of the investment pool.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 2: **CASH IN TREASURY (CONTINUED)**

A. **Cash Management (continued)**

At June 30, 2014, total cash and investments were as follows:

<i>Cash:</i>	
Cash on hand and imprest cash	\$ 45,434
Deposits	45,298,302
Total cash and deposits	<u>45,343,736</u>
<i>Investments:</i>	
In Treasurer's pool	328,173,803
External to the Treasurer's pool	919,211
Total investments	<u>329,093,014</u>
<i>In-transit items:</i>	
Outstanding checks	(7,899,989)
EFTs	(134,660)
	<u>(8,034,649)</u>
Total cash and investments	<u>\$ 366,402,101</u>

Total cash and investments at June 30, 2014 were presented on the County's financial statements as follows:

Primary government	\$ 190,137,371
Primary government - restricted cash	666,753
Component units	2,960,775
Investment trust funds	148,534,614
Agency funds	24,102,588
Total cash and investments	<u>\$ 366,402,101</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 2: CASH IN TREASURY (CONTINUED)

A. Cash Management (continued)

Investments

At June 30, 2014, the County had the following investments:

	Interest Rates	Maturities	Par	Cost	Fair Value	WAM (Years)
Investments in Investment Pool						
Local Agency Investment Fund	0.22%	07/01/14	\$ 8,000,000	\$ 8,000,000	\$ 8,013,669	0.00
U.S. Treasury Note	0.63%	12/15/16	5,000,000	4,986,740	4,997,250	2.50
Medium Term Notes	0.60% - 3.75%	10/01/14 - 05/15/18	45,000,000	45,400,288	45,415,650	1.86
Commercial Paper	0.22% - 0.27%	09/23/14 - 01/02/15	25,000,000	25,954,160	24,976,700	0.22
Federal Farm Credit	0.39% - 1.48%	10/01/15 - 12/13/17	70,000,000	69,976,646	69,847,300	2.84
Federal Home Loan Bank	0.38% - 1.45%	02/19/16 - 06/20/18	60,000,000	59,929,644	59,763,700	3.07
Federal National Mortgage	0.38% - 1.05%	12/21/15 - 05/25/18	55,000,000	55,000,000	54,530,350	3.04
Federal Home Loan Mortgage Corporation	0.42% - 1.25%	09/18/15 - 03/12/18	60,000,000	59,926,325	59,945,600	2.60
Government National Mortgage Association	8.00% - 9.50%	05/15/17 - 08/15/17	5,015	--	5,056	2.90
			<u>\$ 328,005,015</u>	<u>\$ 329,173,803</u>	<u>\$ 327,495,275</u>	
Investments outside Investment Pool						
Shasta Lake Local Agency Investment Fund	0.22%	06/30/14	\$ 252,458	\$ 252,458	\$ 252,458	0.00
Investments with fiscal agent	0.01%	06/30/14	666,753	666,753	666,753	0.00
			<u>\$ 919,211</u>	<u>\$ 919,211</u>	<u>\$ 919,211</u>	
Total Investments			<u>\$ 328,924,226</u>	<u>\$ 330,093,014</u>	<u>\$ 328,414,486</u>	

Interest Rate Risk

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

Credit Risk

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

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 2: CASH IN TREASURY (CONTINUED)

A. Cash Management (continued)

Concentration of Credit Risk

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2014.

Investments in Investment Pool	<u>Moody's</u>	<u>S&P</u>	<u>% of Portfolio</u>
Local Agency Investment Fund	Unrated	Unrated	2.44%
U.S. Treasury Notes	Unrated	Unrated	1.52%
Medium Term Notes	A2 - Aaa	A+-AAA	13.87%
Commercial Paper	P-1	A-1	7.63%
Federal Farm Credits	Aaa	AA+	21.33%
Federal Home Loan Bank	Aaa	AA+	18.25%
Federal National Mortgage	Aaa	AA+	16.65%
Federal Home Loan Mortgage Corp.	Aaa	AA+	18.31%
Government National Mortgage Association	AAA	AAA	<u>0.00%</u>
			<u><u>100.00%</u></u>

At June 30, 2014 the County had the following investments in any one issuer that represent 5 percent or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

	<u>% of Portfolio</u>	<u>Amount</u>
Federal Farm Credit	21.33%	\$ 69,847,300
Federal Home Loan Bank	18.25%	59,763,700
Federal National Mortgage	16.65%	54,530,350
Federal Home Loan Mortgage Corp.	18.31%	59,945,600

Custodial Credit Risk

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

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 2: CASH IN TREASURY (CONTINUED)

A. Cash Management (continued)

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2014, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$8,000,000 (fair value of \$8,002,390) and is the same as value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$64.8 billion; 100% of which was invested in other non-derivative financial products.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2014:

Statement of Net Position

Assets:

Investments	\$ 328,173,803
Other deposits	43,589,458
Cash	12,422
Total assets	<u>371,775,683</u>

In-transit items:

Outstanding checks and warrants payable	(7,899,989)
EFTs	(134,660)
Total in-transit items	<u>(8,034,649)</u>

Net Position:

Equity of internal pool participants	212,245,645
Equity of external pool participants	151,495,389
Total net position	<u>\$ 363,741,034</u>

Statement of Changes in Net Position

Investment earnings	\$ 2,187,385
Investment expenses	(674,807)
Net contribution to pool participants	4,928,513
Increase in Net Position	<u>6,441,091</u>

Net position at July 1, 2013	<u>357,299,943</u>
Net position at June 30, 2014	<u>\$ 363,741,034</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 2: CASH IN TREASURY (CONTINUED)

B. Allocations of Investment Income Among Funds

Investment income from pooled investments is allocated first to those funds, which are required by law or administrative action to receive investment income, and then to the Proprietary Funds. Investment income is allocated on a quarterly basis based on the aggregate daily cash balance in each fund.

Cash and investments held separately from the pool are managed by a trustee or fiscal agent; include those for the Juvenile Hall and Justice Court Improvement Project, Housing Authority of Shasta County, and Shasta Joint Powers Financing Authority.

C. Authorized Investments

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	1 year	10%	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	80%	20%
State of California Obligations	2 years	10%	None
Banker's Acceptances*	180 days	35%	10%
Commercial Paper**	270 days	20%	4%
Negotiable Certificates of Deposit	1 year	20%	5%
Repurchase Agreements	5 days	10%	None
Medium Term Notes**	5 years	20%	3%
Mutual Funds/Money Market Mutual Funds	N/A	5%	None
County Pooled Investment Funds	2 years	5%	None
Inactive Public Deposits**	None	7.5%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

* The Treasury may invest only in bankers' acceptances issued by institutions rated A or better by Standard and Poor's Corporation or A2 or better by Moody's Investor Service.

** The Treasury may invest only in commercial paper, medium-term notes, and inactive public deposits that are rated A or its equivalent or better by a nationally-recognized rating service.

Investments for bond proceeds and funds held by bond fiscal agent or trustees are governed and restricted by the bond documents. The permitted investment language in each bond transaction is usually unique to each transaction and at times can either be more permissive or less permissive than the County's investment policy over other investments.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 2: CASH IN TREASURY (CONTINUED)

D. Fair Value of Investments

Accounting pronouncement GASB Statement No. 31 generally applies to investments in external investment pools (State of California LAIF and other government sponsored investment pools), investments purchased with maturities greater than one year, mutual funds, and certain investment agreements. Generally, governmental entities need to report the "fair value" changes for these investments at year-end and record these gains or losses on their income statement.

The County does not present realized and unrealized gains or losses on separate items on the face of its financial statements or in its note disclosures.

E. Methods and Assumptions Used to Estimate Fair Value

The County chose not to adjust its investment accounting records to "fair value" at fiscal year end. The County's investment custodian provides market values on each investment instrument on a monthly basis. The investments held by the County are widely traded and trading values are readily available from numerous published sources. The County Treasurer typically holds all investments to maturity, material unrealized gains and losses are recorded at fiscal year end and the carrying values of its investments at fiscal year end are considered "fair value".

NOTE 3: NOTES RECEIVABLE

Notes receivables at year-end in the amount of \$10,294,375, as reported in the governmental non-major funds, include \$3,343,609 in loans to individuals for housing rehabilitation, and \$6,086,209 for the purchases of homes. The maximum original amount of these notes is \$96,000 per owner occupied home or \$96,000 per housing unit for rental owners. The maximum term of these notes is 30 years and the annual interest rate varies from no interest to 6 percent.

The remaining \$864,557 consist of real property rehabilitation deferred loans to the following organizations:

Shingletown Activities Council	\$	94,829
Happy Valley Community Foundation		104,404
Whitmore Community Center		278,456
Fall River Lions Club		90,000
Cottonwood Community Center		296,868

Funding for these loans is provided by Community Development Block Grants.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 4: CAPITAL ASSETS

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

	Balance July 1, 2013	Additions	Retirements	Impairments	Transfers	Balance June 30, 2014
Governmental Activities						
Capital assets not being depreciated:						
Land and improvements	\$ 2,548,463	\$ 96,000	\$ (55,444)	\$ --	\$ --	\$ 2,589,019
Construction in progress	17,880,364	7,174,731	--	--	(23,024,261)	2,030,834
Total Capital Assets Not Being Depreciated	<u>20,428,827</u>	<u>7,270,731</u>	<u>(55,444)</u>	<u>--</u>	<u>(23,024,261)</u>	<u>4,619,853</u>
Capital assets being depreciated:						
Structures and improvements	101,545,877	304,599	--	(225,170)	18,406,418	120,031,724
Long-term leasehold improvements	923,068	--	--	--	--	923,068
Equipment	42,739,045	4,197,165	(2,636,866)	(10,890)	--	44,288,454
Infrastructure	116,089,153	--	--	--	4,617,843	120,706,996
Total Capital Assets Being Depreciated	<u>261,297,143</u>	<u>4,501,764</u>	<u>(2,636,866)</u>	<u>(236,060)</u>	<u>23,024,261</u>	<u>285,950,242</u>
Less accumulated depreciation for:						
Structures and Improvements	(36,766,759)	(2,071,007)	--	70,179	--	(38,767,587)
Long-term leasehold improvements	(443,758)	(363,043)	--	--	--	(806,801)
Equipment	(30,845,820)	(2,898,718)	2,055,443	10,890	--	(31,678,205)
Infrastructure	(66,234,008)	(1,298,596)	--	--	--	(67,532,604)
Total Accumulated Depreciation	<u>(134,290,345)</u>	<u>(6,631,364)</u>	<u>2,055,443</u>	<u>81,069</u>	<u>--</u>	<u>(138,785,197)</u>
Total Capital Assets Being Depreciated, Net	<u>127,006,798</u>	<u>(2,129,600)</u>	<u>(581,423)</u>	<u>(154,991)</u>	<u>23,024,261</u>	<u>147,165,045</u>
Governmental Activities Capital Assets, Net	<u>\$ 147,435,625</u>	<u>\$ 5,141,131</u>	<u>\$ (636,867)</u>	<u>\$ (154,991)</u>	<u>\$ --</u>	<u>\$ 151,784,898</u>
Business-Type Activities						
Capital assets not being depreciated:						
Land and improvements	\$ 2,025,561	\$ 515	\$ --	\$ --	\$ --	\$ 2,026,076
Construction in progress	21,104,991	410,645	--	--	(9,582,649)	11,932,987
Total Capital Assets Not Being Depreciated	<u>23,130,552</u>	<u>411,160</u>	<u>--</u>	<u>--</u>	<u>(9,582,649)</u>	<u>13,959,063</u>
Capital assets being depreciated:						
Structures and improvements	54,006,486	--	--	--	9,582,649	63,589,135
Equipment	275,259	37,390	--	--	--	312,649
Total Capital Assets Being Depreciated	<u>54,281,745</u>	<u>37,390</u>	<u>--</u>	<u>--</u>	<u>9,582,649</u>	<u>63,901,784</u>
Less accumulated depreciation for:						
Structures and Improvements	(34,635,604)	(1,156,811)	--	--	--	(35,792,415)
Equipment	(233,191)	(5,653)	--	--	--	(238,844)
Total Accumulated Depreciation	<u>(34,868,795)</u>	<u>(1,162,464)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(36,031,259)</u>
Total Capital Assets Being Depreciated, Net	<u>19,412,950</u>	<u>(1,125,074)</u>	<u>--</u>	<u>--</u>	<u>9,582,649</u>	<u>27,870,525</u>
Business-Type Activities Capital Assets, Net	<u>\$ 42,543,502</u>	<u>\$ (713,914)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 41,829,588</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 4: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

General government	\$ 2,460,783
Public protection	1,005,895
Public ways	2,202,793
Health and sanitation	164,371
Public assistance	122,208
Education	794
Capital assets held by the County's internal service funds are charged to the various functions based on the usage of the assets	<u>674,520</u>

Total Depreciation Expenses Governmental Activities \$ 6,631,364

Business-Type Activities

Airport	\$ 15,616
Solid Waste	475,780
County Service Areas	<u>671,068</u>

Total Depreciation Expenses Business-Type Activities \$ 1,162,464

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 5: INTERFUND TRANSACTIONS

Interfund Receivables/Payables

Due to/from Other Funds:

Interfund receivable and payable balances at June 30, 2014, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Roads Admin. Fund	\$ 11,502
	Public Safety Fund	114,976
	Nonmajor Governmental Funds	370,377
	Internal Service Funds	114,685
	Solid Waste Disposal Fund	2
	CSA # 6 Jones Valley Water Funds	9
	Nonmajor Enterprise Funds	173,438
	Investment Trust Fund	51
	Agency Funds	2,197,897
		2,982,937
Roads Admin. Fund	General Fund	24,116
	Public Safety Fund	4,816
	Nonmajor Governmental Funds	64,825
	Internal Service Funds	371
	Agency Funds	11,711
		105,839
Public Safety Fund	General Fund	216,695
	Internal Service Funds	84,710
	Agency Funds	125,630
		427,035
Nonmajor Governmental Funds	General Fund	382,806
	Road Admin	671
	Public Safety	887
	Nonmajor Governmental Funds	62,953
	Internal Service Funds	21,021
	Component Unit	58,916
	Agency Funds	83,839
	Investment Trust Fund	1,031
		612,124

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Interfund Receivables/Payables (continued)

Due to/from Other Funds (continued):

Receivable Fund	Payable Fund	Amount
Internal Service Funds	General Fund	\$ 246,277
	Roads Admin. Fund	30,743
	Public Safety Fund	121,114
	Nonmajor Governmental Funds	48,745
	Internal Service Funds	32,288
	Fall River Mill Airport Fund	836
	Solid Waste Disposal Fund	2,675
	Nonmajor Enterprise Funds	204
	Agency Funds	9,848
		492,730
CSA #6 Jones Valley Water Funds	General Fund	6,137
	Agency Funds	13,407
		19,544
Nonmajor Enterprise Funds	General Fund	36,217
	Agency Fund	9,239
		45,456
Solid Waste Disposal Fund	General Fund	1,251
	West Central Landfill Fund	100,459
		101,710
Agency Funds	General Fund	30,334
	Public Safety Fund	303
	Nonmajor Governmental Funds	7,346
	Agency Funds	501,982
	Investment Trust Funds	61,138
		601,103
Investment Trust Funds	Nonmajor Government Funds	360
	Agency Funds	243,985
	Investment Trust Funds	504,000
		748,345
		\$ 1,989,344

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Interfund Receivables/Payables (continued)

Advances to/from Other Funds:

The following is a listing of advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Investment Trust Funds	\$ 4,000
		<u>4,000</u>
Roads Fund	Nonmajor Governmental Funds	29,233
		<u>29,233</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	513,078
	Nonmajor Enterprise Funds	13,333
		<u>526,411</u>
Internal Service Funds	Nonmajor Enterprise Funds	378,082
		<u>378,082</u>
		<u>\$ 937,726</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Interfund Receivables/Payables (continued)

Transfers:

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments becomes due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2014, consisted of the following:

<u>Paying Fund</u>	<u>Receiving Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Public Safety Fund	\$ 23,025,694	Funding of operational expenditures
	Nonmajor Governmental Funds	12,876,219	Funding of operational expenditures
	Internal Service Funds	607,630	Purchase of vehicles and funding operational expenses
		<u>36,509,543</u>	
Roads	General Fund	212,082	Funding of capital improvement projects
	Nonmajor Government Funds	1,000	Funding of operational expenditures
		<u>213,082</u>	
Public Safety Fund	General Fund	69,321	Funding of capital improvement projects
	Nonmajor Governmental Funds	563,342	Funding of operational expenditures
		<u>632,663</u>	
Nonmajor Governmental Funds	General Fund	798,079	Funding of capital improvement projects
	Public Safety Fund	139,725	Funding of operational expenditures
	Nonmajor Government Funds	2,516,469	Funding of operational expenditures
	CSA #6 Jones Valley Wayter	150,000	Funding of operational expenditures
		<u>3,604,273</u>	
Solida Waste Disposal	Roads	<u>100,000</u>	Funding of capital improvement projects
West Central Landfill Fund	Solid Waste Disposal Fund	<u>843,322</u>	Funding of capital improvement projects
CSA #6 Jones Valley Water	Nonmajor Governmental Funds	<u>150,000</u>	Funding of capital improvement projects
Internal Service Funds	Nonmajor Governmental Funds	333,054	Funding of operational expenditures
		<u>333,054</u>	
		<u>\$ 42,385,937</u>	

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 6: LONG-TERM LIABILITIES

A. Changes in Long-Term Obligations

The changes in the County's long-term obligations during the year consisted of the following:

	Balance July 1, 2013	Additions	Retirements	Adjustments	Balance June 30, 2014	Amounts Due Within One Year
Governmental Activities						
Bonds Payable:						
Lease revenue bonds	\$ 39,415,000	\$ --	\$ 2,345,000	\$ --	\$ 37,070,000	\$ 2,450,000
Unamortized bond premium	569,881	--	29,854	--	540,027	30,380
Total Bonds payable	<u>39,984,881</u>	<u>--</u>	<u>2,374,854</u>	<u>--</u>	<u>37,610,027</u>	<u>2,480,380</u>
Notes payable	500,450	--	37,045	--	463,405	38,164
Claims liability	20,337,000	3,267,182	3,261,182	--	20,343,000	2,810,613
Capital leases obligations	400,649	--	263,618	--	137,031	137,031
Compensated absences	8,528,825	8,921,410	9,153,795	--	8,296,440	4,352,029
Governmental Activities Long-Term Liabilities	<u>\$ 69,751,805</u>	<u>\$ 12,188,592</u>	<u>\$ 15,090,494</u>	<u>\$ --</u>	<u>\$ 66,849,903</u>	<u>\$ 9,818,217</u>
Business-Type Activities						
Bonds payable	\$ 949,200	\$ --	\$ 37,300	\$ --	\$ 911,900	\$ 58,400
Financing leases	1,423,290	--	125,244	--	1,298,046	128,764
Notes payable	4,441,282	--	79,740	562,867	3,798,675	92,498
Liability for landfill closure/ postclosure care costs	12,278,322	722,156	--	--	13,000,478	--
Business-Type Activities Long-Term Liabilities	<u>\$ 19,092,094</u>	<u>\$ 722,156</u>	<u>\$ 242,284</u>	<u>\$ 562,867</u>	<u>\$ 19,009,099</u>	<u>\$ 279,662</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

B. Summary of Long-Term Obligations

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2014</u>
<u>Governmental Activities</u>						
Bonds Payable:						
Lease Revenue Bonds:						
2011 Refunding Lease Revenue Bonds - County Courthouse Improvement Project	2011	2023	2.65%	\$200,000 - \$270,000	\$ 5,325,000	\$ 4,245,000
2013 Refunding Lease Revenue Bonds - Administration Center	2013	2032	2.50% - 4.00%	\$1,325,000 - \$2,295,000	33,505,000	32,180,000
2003 Refunding Lease Revenue Bonds Justice Center	2004	2014	2.00% - 4.125%	\$420,000 - \$645,000	5,705,000	645,000
Total Governmental Bonds Payable						<u>37,070,000</u>
Notes Payable						
State of California, Energy Resources Conservation and Development Commission	2011	2024	3.00%	\$21,721 - \$49,888	522,171	463,405
						<u>\$ 37,533,405</u>
<u>Business-Type Activities</u>						
Bonds Payable:						
CSA No. 3 (Castella) Limited Obligation Improvement Bond	2009	2047	4.125%	\$2,000 - \$9,200	\$ 184,700	\$ 173,900
CSA No. 6 (Jones Valley) 1980 Revenue Bonds	1980	2020	5.00%	\$1,000 - \$30,000	537,000	162,000
CSA No. 6 (Jones Valley) Limited Obligation Bonds	1998	2038	4.75%	\$6,357 - \$38,000	802,789	556,000
CSA No. 8 (Palo Cedro) Sewer Bonds	1990	2001	6.00-9.20%	\$20,000	857,466	20,000
						<u>911,900</u>
Financing Lease:						
Solid Waste – California Infrastructure and Economic Bank	2007	2022	2.81%	\$109,039-\$160,723	\$ 2,000,000	<u>\$ 1,298,046</u>
Notes Payable:						
CSA No. 6 (Jones Valley) Note Payable	2011	2042	0.00%	\$3,333	100,000	90,000
CSA No. 6 (Jones Valley) Note Payable	2011	2044	0.00%	\$112,171	3,365,133	3,309,047
CSA No. 11 (French Gulch) Note Payable	1995	2019	3.41%	\$5,389 - \$24,063	420,000	125,082
CSA No. 23 (Crag View) Note Payable	2011	2034	0.00%	\$13,727	274,546	274,546
						<u>3,798,675</u>
						<u>\$ 6,008,621</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

B. Summary of Long-Term Obligations (continued)

During fiscal year 2011/2012 the CSA No. 6 (Jones Valley) entered into a funding agreement with the State of California Department of Public Health (CDPH) in which the State will provide grant funding of \$3,000,000 and a construction loan of \$3,928,000 for the upgrade of the water system. As of June 30, 2012 the County had received advances in the amount of \$3,928,000 on this loan. In June 2014 the CDPH completed the reconciliation of fund distribution for the project. The loan amount was adjusted to \$3,365,133. The County carries a special assessment receivable in the amount of \$3.2M to offset the advances on the loan, as the County will recover the money from the tax payers through a tax levy. Repayment commenced in June 2014. The loan will be repaid over thirty years at zero percent interest.

As of June 30, 2014, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30	Governmental Activities	
	Lease Revenue Bonds	
	Principal	Interest
2015	\$ 2,450,000	\$ 1,123,397
2016	1,850,000	1,057,365
2017	1,900,000	1,003,388
2018	1,960,000	947,813
2019	2,020,000	890,556
2020 - 2024	10,460,000	2,963,036
2025 - 2029	9,775,000	2,108,163
2030 - 2032	6,655,000	471,275
	<u>\$ 37,070,000</u>	<u>\$ 10,564,993</u>

Year Ending June 30	Governmental Activities	
	Notes Payable	
	Principal	Interest
2015	\$ 38,164	\$ 13,619
2016	39,284	12,499
2017	40,505	11,278
2018	41,730	10,054
2019	42,991	8,793
2020 - 2024	235,223	23,695
2025	25,508	384
	<u>\$ 463,405</u>	<u>\$ 80,322</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

B. Summary of Long-Term Obligations (continued)

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 58,400	\$ 42,299
2016	40,500	40,404
2017	42,600	38,408
2018	44,700	36,333
2019	46,900	34,129
2020 - 2024	133,200	142,199
2025 - 2029	129,800	115,252
2030 - 2034	161,100	81,541
2035 - 2039	183,700	39,176
2040 - 2044	36,200	11,022
2045 - 2048	34,800	2,941
	<u>\$ 911,900</u>	<u>\$ 583,704</u>

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 92,498	\$ 4,082
2016	150,973	3,359
2017	151,721	2,611
2018	152,495	1,838
2019	153,295	1,039
2020 - 2024	658,670	209
2025 - 2029	646,159	--
2030 - 2034	646,159	--
2035 - 2039	577,517	--
2040 - 2043	569,188	--
	<u>\$ 3,798,675</u>	<u>\$ 13,138</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

B. Summary of Long-Term Obligations (continued)

Year Ending June 30	Business-Type Activities	
	Financing Lease	
	Principal	Interest
2015	\$ 128,764	\$ 34,666
2016	132,382	30,997
2017	136,102	27,225
2018	139,927	23,346
2019	143,859	19,359
2020 - 2023	617,012	35,277
	<u>\$ 1,298,046</u>	<u>\$ 170,870</u>

Interest payments and lease revenue bonds are serviced by revenues generated from lease payments made by the General Fund on lease facilities. Capital lease obligations are paid from the general fund. Claims and judgments will be paid from the County's risk management internal service funds. A majority of the claims are paid through internal service fund charges to the general fund and enterprise funds. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, special revenue funds, and internal service funds.

C. Compensated Absences/Sick Time

Accumulated vacation, compensated time, administrative leave, unused holiday time, and a percentage of the accumulated sick pay (the percentage varies based on length of employment and whether management or non-management employee status), is payable upon termination. Such amounts are not accrued in governmental funds, but are recorded as long-term liabilities on the Statement of Net Position. Non-vested sick pay benefits payables due to illness of employees are recorded as expenditures when paid.

Vacation time	\$ 5,234,698
Sick leave	1,938,483
Compensated time-off	397,483
Administrative leave	423,014
Holiday credit	302,760
Total	<u>\$ 8,296,438</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 7: 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.

The cost of equipment under capital leases IS as follows:

	<u>Governmental Activities</u>
Aircon Energy Retrofit	\$ 2,631,984
Less: accumulated depreciation	<u>(796,490)</u>
	<u><u>\$ 1,835,494</u></u>

As of June 30, 2014, future minimum lease payments under capital leases were as follows:

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments as of June 30, 2014</u>
Aircon Energy Retrofit	5.26%	\$ <u>137,031</u>

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2015	\$ <u>140,635</u>
Total Future Minimum Lease Payments	140,635
Less: Interest	<u>(3,604)</u>
Present Value of Remaining Lease Payments	<u><u>\$ 137,031</u></u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 8: LANDFILL CLOSURE AND POST CLOSURE COSTS

A. Estimated Liability for Solid Waste Landfill Closure and Postclosure Maintenance Costs

The County currently owns and maintains the West Central Landfill site. State and federal laws and regulations require that the County place a final cover on the landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfill, an estimated liability is being recognized based on the future closure and postclosure maintenance costs that will be incurred near or after the date the landfill no longer accepts waste. The estimated total current cost of the landfill closure and postclosure maintenance costs is \$25,528,743 based on the amount that would be paid if all equipment facilities and services required to close, monitor, and maintain the landfill were acquired as of the balance sheet date. However, the costs for landfill closure and postclosure maintenance costs are based on yearly estimates, reviewed by the California Department of Resources Recycling and Recovery, as prepared by the county public works department. At June 30, 2014, the estimated percentage usage (filled) of the landfill site was 50.92 percent and the County has recognized an estimated liability of \$13,000,478 for the County landfill site for closure and postclosure maintenance costs. It is estimated that an additional \$12,528,263 liability will be recognized as closure and postclosure costs between the date of the balance sheet and the date the landfill is expected to be filled to capacity.

These cost estimates are subject to change based on such factors as inflation or deflation, changes in technology, or changes in federal or state landfill laws and regulations. The County expects that future inflation costs will be paid from the interest earnings on these contributions.

State and federal laws and regulations require the County to make annual contributions to finance closure and postclosure maintenance costs. The County has established an enterprise fund to maintain these monies.

The landfill is technically not in compliance with the terms of its operating permit under Subtitle D of the Environmental Protection Agency. As stated above, the estimated liability of the County landfill site closure and postclosure maintenance cost was \$13,000,479 liability and as of June 30, 2014 the County has set aside \$11,330,154, resulting in an unfunded liability of \$1,670,325. The County has developed a plan to address this situation. The new plan is currently pending approval with the State's CalRecycle department.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 9: **COMPONENT UNIT CONDENSED FINANCIAL INFORMATION**

Shasta Children and Families First Commission

Current and other assets	\$ 3,219,350
Capital assets, net	562,804
Total Assets	<u>3,782,154</u>
Current and other liabilities	451,040
Long-term liabilities	14,864
Total Liabilities	<u>465,904</u>
Invested in capital assets	562,804
Restricted	2,753,446
Total Net Position	<u>3,316,250</u>
Revenues	
Aid from other governments	1,486,457
Use of money and property	13,224
Total Revenues	<u>1,499,681</u>
Expenses	
Operating expenses	<u>1,735,201</u>
Change in Net Position	(235,520)
Net Position, Beginning	<u>3,551,770</u>
Net Position, Ending	<u>\$ 3,316,250</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 10: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2014, fund balances for governmental funds consist of the following categories:

Nonspendable Fund Balance – includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact (such as inventories or prepaid amounts).

Restricted Fund Balance – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.

Committed Fund Balance – includes amounts that can be used only for the specific purpose determined by the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. The formal action must occur prior to the end of the reporting period. The amount which will be subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year's budget.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purposes.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 10: FUND BALANCES (CONTINUED)

The following is a summary of fund balances at June 30, 2014:

	General Fund	Roads Admin. Fund	Public Safety Fund	Nonmajor Governmental Funds
Nonspendable:				
Inventory	\$ --	\$ 408,711	\$ --	\$ 17,858
Prepaid expenses	74,088	--	30,195	--
Total Nonspendable	74,088	408,711	30,195	17,858
Restricted for:				
General government	11,798,511	--	--	--
Public protection	394,434	--	20,280,350	4,612,998
Public ways and facilities	--	10,316,204	--	3,349,782
Health and sanitation	963,361	--	--	16,231,514
Public assistance	50,131	--	--	10,932,402
Debt Service	--	--	--	672,132
Total Restricted	13,206,437	10,316,204	20,280,350	35,798,828
Committed to:				
Public protection	--	--	--	533,334
Health and sanitation	--	--	--	69,175
Total Committed	--	--	--	602,509
Assigned to:				
General government	4,296,069	--	--	8,314,074
General promotion	450	--	--	--
Public protection	1,452,024	--	--	--
Public ways and facilities	--	7,493	--	--
Health and sanitation	820	--	--	--
Public assistance	33,600	--	--	--
Total Assigned	5,782,963	7,493	--	8,314,074
Unassigned	65,154,048	--	--	--
Total Fund Balance	\$ 84,217,536	\$ 10,732,408	\$ 20,310,545	\$ 44,733,269

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 10: **FUND BALANCES (CONTINUED)**

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

On March 1, 2011, the County Board approved a fund balance policy. The policy established a minimum reserve of twenty percent of the average final budgeted General Fund appropriations for the preceding three fiscal years, with an upper goal of fifty percent. A designation for debt service that is equal to one year of debt service payments will be maintained. Effective the fiscal year ending June 30, 2011, this category will be in the Assigned Fund Balance. Fund balance in excess of the upper goal may be considered for the following one-time or short-term purposes: restore funds advanced from the General Reserve in prior fiscal years; increase the General Reserves to its minimally approved level; capital and technology improvements; reduction of unfunded liabilities, including retirement and retiree health obligations; debt retirement; productivity enhancements; cost avoidance projects; litigation; local match for grants involving multiple departments; and other purposes which are fiscally prudent for the County as identified and recommended by the County Executive Officer and approved by the Board of Supervisors.

On December 4, 2007, the County established a reserve policy for cash flow purposes, revenue shortfalls, or unpredicted one-time expenditures. The General Reserve has a target balance of five percent of unrestricted General Fund resources. In years where the General Reserve is less than the target balance, the County Executive Officer may recommend increases to the reserve from unanticipated one-time resources. Once the target balance is achieved, the General Reserve shall be maintained at a minimum balance of ten million dollars and can be spent down a maximum of two million dollars per fiscal year. Reductions or increases to the General Reserve, except in cases of a legally declared emergency, may only be made at the time of adopting the budget and require a four-fifths vote by the Board of Supervisors. The General Reserve shall be the last resort in balancing the County budget. The General Reserve may be used as a resource for "dry-period" financing for special districts under the Board of Supervisors, as well as select districts and/or agencies in the county at any time upon written request. Requests for loans for "dry-period financing" for special districts under the Board of Supervisors as well as select districts and agencies in the county shall be reviewed by the County Executive Officer and approval requires a four-fifths vote of the Board of Supervisors.

NOTE 11: **RISK MANAGEMENT**

The County has a Risk Management Fund (Internal Service Fund) to consolidate the County's Workers' Compensation and General Liability insurance programs that are partially self-insured. Fund revenues are primarily premium charges to other funds and are planned to equal estimated payments resulting from self-insurance programs, liability insurance coverage in excess of the self-insured amount, and operating expenses. Settlements did not exceed insurance coverage in the current year.

The County maintains a self-insured retention (SIR) of \$250,000 per occurrence for its general liability program. Losses, which exceed the SIR, are covered by excess insurance policy purchased through CSAC Excess Insurance Authority.

The County maintains a self-insured retention (SIR) of \$250,000 per occurrence for its Workers' Compensation Program. Losses, which exceed the SIR, are covered by an excess insurance policy purchased through the CSAC Excess Insurance Authority.

The actuarially determined outstanding claims liability including incurred but not reported claims and expense liability adjustment as of June 30, 2014, were as follows:

General liability	\$ 1,559,000
Workers' compensation	<u>18,784,000</u>
Total	<u>\$ 20,343,000</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 11: RISK MANAGEMENT (CONTINUED)

Unpaid Claims Liabilities

The County of Shasta establishes claims liabilities based on estimates of the ultimate costs of the claims that have been reported but not settled, and of claims that have been incurred, but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the type of insurance involved. Estimated amounts of salvage and reinsurance recoverable are considered in developing the estimates. Because actual claims costs depend on many complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. In estimating the liability, reliance is placed on both actual historical data and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

As discussed above, the County of Shasta established a liability for both reported and unreported insured events, which included estimates of both future payments of losses and related claim adjustment expenses. Nonincremental claim adjusted expenses have been included as part of the liability for claims and judgments. The following represents changes in those aggregate liabilities for the fund at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Balance, Beginning of Year claims liability	\$ 20,337,000	\$ 19,929,000
Current year claims and changes in estimates	3,267,182	3,673,588
Claim payments	<u>(3,261,182)</u>	<u>(3,265,588)</u>
Balance, End of Year	<u>\$ 20,343,000</u>	<u>\$ 20,337,000</u>

NOTE 12: EMPLOYEE RETIREMENT SYSTEMS

A. Plan Description

The County of Shasta's defined benefit pension plan, County Employees Retirement Plan, provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The County Employees Retirement Plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The County of Shasta selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

B. Funding Policy

Active plan members in the County Employees Retirement Plan are required to contribute a percentage of their annual covered salary. Employees that became members prior to January 1, 2013, contribute 7.0 percent (miscellaneous) and 9.0 percent (safety). Employees that became members after December 31, 2012 contribute 6.5 percent (miscellaneous) and either 8.5 percent for non-sworn peace officers or 12.75 percent for sworn peace officers (safety). In the past, the County has paid all or a portion of these amounts (employer paid member contributions). Based on concessions made with the bargaining units, employees currently pay all of the qualified employees required contributions. The County of Shasta is required to contribute the actuarially determined

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 12: EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. Funding Policy (continued)

remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for year ended June 30, 2014, was 13.69 percent for miscellaneous employees and 35.60 percent for law enforcement officers. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

C. Annual Pension Cost

For the year ended June 30, 2014 the County of Shasta's annual pension cost was \$14,009,371 and the County of Shasta actually contributed \$14,009,371. The required contribution for the year ended June 30, 2014 was determined as part of the June 30, 2012 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The three-year trend information for the Miscellaneous and Safety Plan is as follows:

Fiscal Year Ending	Annual Pension			Percentage of APC Contributed	Net Pension Obligation
	Miscellaneous	Safety	Total (APC)		
06/30/2012	\$ 9,006,665	\$ 3,866,775	\$ 12,873,440	100%	\$ -
06/30/2013	8,887,886	4,108,557	12,996,444	100%	-
06/30/2014	9,358,790	4,650,581	14,009,371	100%	-

D. Funded Status and Funding Progress

The funding status of each plan as of June 30, 2012, the most recent actuarial valuation date is as follows:

Miscellaneous

Valuation Date	Entry Age Actuarial Value of Assets	Entry Age Normal Accrued Liability	Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/12	\$ 421,537,686	\$ 481,056,826	\$ 59,519,140	87.6%	\$ 73,377,851	81.1%

Safety Plan

Valuation Date	Entry Age Actuarial Value of Assets	Entry Age Normal Accrued Liability	Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/12	\$ 145,152,069	\$ 184,441,521	\$ 39,289,452	78.7%	\$ 13,044,242	301.2%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 12: EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

E. Actuarial Methods and Assumptions

In the June 30, 2012 valuation, the entry age normal cost method was used. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expense); (b) projected salary increases that vary by duration of service ranging from 3.30 percent to 14.20 percent for both miscellaneous and safety members, and (c) 3.00 percent cost-of-living adjustment. Both (a) and (b) include an inflation component 2.75 percent. The actuarial value of County Employees Retirement Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three-year period depending on the size of investment gains and/or losses. County Employees Retirement Plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2012, was 21 years for the miscellaneous plan and 21 years for the safety plan.

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The requirements of GASB Statement No. 45 were adopted during the year ended June 30, 2008. The cost of post-employment healthcare in the year is now recognized when the employee services are received.

A. Plan Description

The County of Shasta Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the County. The plan provides healthcare benefits to eligible retirees and their dependents. The Plan does not issue a financial report.

The County provides retiree healthcare benefits to employees retiring directly from the County. Medical coverage is provided through CalPERS healthcare program (PEMHCA) except for County Trades and Crafts/Teamster provided through the union sponsored plan. The County pays a portion of retiree healthcare premiums, subject to caps which are based on the PEMHCA "unequal method". The contribution caps also vary by bargaining unit and length of service according to bargaining agreements. PEMHCA law requires that the retirees receive the same healthcare benefits that are offered to the active employees. Also under requirements of state and local law, the County pays the medical insurance coverage for employees that retire due to disability. The Board of Supervisors establishes and may amend the benefits offered. No vision or life insurance benefits are provided. As of June 30, 2013, plan membership consisted of 1,672 active participants and 1,124 retirees and beneficiaries.

The County has prefunded a portion of its OPEB benefits in CalPERS OPEB trust (CERBT) and PARS trust.

The CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information for the County, not individualized, but in aggregate with the other CERBT participating agencies. PARS also issues publicly available financial statements. These reports may be obtained by writing or calling the plans at the following addresses:

CERBT	State of California PERS – 400 Q St – Sacramento, CA 95811
PARS	Public Agency Retirement Services – 5141 California Avenue, Suite 150, Irvine, CA 92617-3069

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Funding Policy

Benefit provisions are established and may be amended through agreements and memorandums of understanding between the County, its management employees, and unions representing County employees.

The required contribution is based on pay-as-you-go financing requirements, with an initial \$12 million (\$10,034,000 for Miscellaneous and \$1,966,000 for Safety) for the year ended June 30, 2008 (contributed in December 2008) to prefund benefits and an additional 1% of payroll annually (beginning July 2008) to the CalPERS OPEB trust (CERBT) and PARS OPEB trust. Beginning with fiscal year 2014, the County contributes 2% of payroll annually. The contributions are divided evenly between the CERBT and PARS trusts. For the year ended June 30, 2014, the County contributed \$8,622,946 (\$7,445,061 for Miscellaneous and \$1,177,885 for Safety), including \$5,619,025 (\$4,683,450 for Miscellaneous and \$935,575 for Safety) in benefit payments and \$1,633,921 (\$1,391,610 for Miscellaneous and \$242,310 for Safety) deposited to CERBT and PARS. The County's ARC was \$18,089,000 (\$13,795,000 for Miscellaneous and \$4,294,000 for Safety) for the year ended June 30, 2014.

C. Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table, based on the actuarial valuation as of June 30, 2013, 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 (dollar amounts in thousands):

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
Annual required contribution	\$ 13,795	\$ 4,294	\$ 18,089
Interest on net OPEB obligation	2,266	369	2,635
Adjustment to annual required contribution	<u>(3,452)</u>	<u>(562)</u>	<u>(4,014)</u>
Annual OPEB cost (expense)	12,609	4,101	16,710
Contributions (benefit payments)	<u>7,445</u>	<u>1,178</u>	<u>8,623</u>
Increase in net OPEB obligation	5,164	2,923	8,087
Net OPEB obligation - beginning of year	<u>42,987</u>	<u>14,045</u>	<u>57,032</u>
Net OPEB obligation - end of year	<u>\$ 48,151</u>	<u>\$ 16,968</u>	<u>\$ 65,119</u>

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Annual OPEB Cost and Net OPEB Obligation (continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for years ended June 30, 2012 through 2014 are as follows (dollar amounts in thousands):

Miscellaneous

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 14,569	34.00%	\$ 33,095
June 30, 2013	15,381	34.53%	42,987
June 30, 2014	12,609	59.00%	48,151

Safety

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 4,410	20.54%	\$ 10,339
June 30, 2013	4,744	21.18%	14,045
June 30, 2014	4,101	28.70%	16,968

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2013, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Miscellaneous

<u>Valuation Date</u>	<u>Entry Age Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/13	\$ 17,749	\$ 136,389	\$ 118,640	13.0%	\$ 69,086	171.7%

Safety

<u>Valuation Date</u>	<u>Entry Age Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/13	\$ 5,290	\$ 48,971	\$ 43,681	10.8%	\$ 14,874	293.7%

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 13: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

D. Funded Status and Funding Progress (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments 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 required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability 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 the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are consistent with the long-term perspective of the calculations.

For the June 30, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included (a) the discount rate is a select and ultimate assumption: 7.25% for 2007/08, 6% for 2008/09, 4.50% for 2009/10 through 2038/39, 4.7% for 2039/40, 4.8% for 2040/41 and 6.75% for 2041/42 and years thereafter. The average return on the combined CERBT trust (7.25% return) and PARS trust (6.25% return for the HighMark Moderate portfolio to be selected by the County) is represented by the full funding rate of 6.75%; (b) 3.25% annual aggregate payroll increase rate and (c) estimated healthcare costs based on actual premiums for 2013 and 2014, with projected healthcare cost increases of 8.0% for 2015 and decreasing to 5.0% after 7 years (the post-Medicare medical cost trend starts 0.4% lower for 2015). Both (a) and (b) include an inflation component of 3.0%.

Implied subsidy for the County Trades and Crafts/Teamster union healthcare plans has been included in the calculations based on estimated PERS Choice Premium. Active employees and retirees are charged the same premium under the union plan, with overall demographics similar to County Trades and Crafts/Teamsters employees. All participants are assumed to be Medicare Part B eligible (and elect coverage).

A change in the percentage of payroll that the County contributes annually (County increased from 1% to 2%) and an additional contribution of \$1.4M to the trust above and beyond the 2%, are the main reason for the decrease in the unfunded actuarial accrued liability. The amount decreased \$12.3M, from \$175 million for June 30, 2011 to \$163 million for June 30, 2013.

The unfunded actuarial accrued liability (or excess assets) is being amortized over a fixed 30-year period as a level percentage of projected payroll beginning with the year ended June 30, 2010.

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Construction Commitments

At June 30, 2014, the County has commitments of approximately \$1.9 million for construction contracts, awarded but not completed. The major contracts outstanding are for the Old Oregon Trail Turn Lane and Dry Creek Road Widening project.

COUNTY OF SHASTA

Notes to the Financial Statements
June 30, 2014

NOTE 14: **COMMITMENTS AND CONTINGENCIES (CONTINUED)**

B. Litigation

The County is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of County operations. In the opinion of management and legal counsel, the disposition of all litigations pending will not have a material effect on the County's financial statements.

C. Grant Revenues

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain federal and State programs it administers. Although the County's federal grant programs have been audited through June 30, 2014 in accordance with the requirements of the Federal Single Audit Act of 1997 and the related United States Office of Management and Budget Circular A-133, these programs may be subject to financial and compliance audits by the reimbursing agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF SHASTA

Required Supplementary Information
For the Year Ended June 30, 2014

County Employees Retirement Plan (Defined Benefit Pension Plan)

Schedule of Funding Progress

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

Miscellaneous

<u>Valuation Date</u>	<u>Entry Age Actuarial Value of Assets</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/10	\$ 391,391,028	\$ 432,215,881	\$ 40,824,853	90.6%	\$ 74,123,644	55.1%
6/30/11	411,252,609	461,156,971	49,904,362	89.2%	74,985,893	66.6%
6/30/12	421,537,686	481,056,826	59,519,140	87.6%	73,377,851	81.1%

Safety Plan

<u>Valuation Date</u>	<u>Entry Age Actuarial Value of Assets</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/10	\$ 137,215,238	\$ 165,606,564	\$ 28,391,326	82.9%	\$ 14,185,396	200.1%
6/30/11	142,890,919	175,655,871	32,264,952	81.3%	13,521,590	242.3%
6/30/12	145,152,069	184,441,521	39,289,452	78.7%	13,044,242	301.2%

COUNTY OF SHASTA

Required Supplementary Information
For the Year Ended June 30, 2014

Other Postemployment Benefits

Schedule of Funding Progress

The tables below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30: (dollar amounts in thousands)

Miscellaneous

<u>Valuation Date</u>	<u>Entry Age Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/09	\$ 10,547	\$ 121,942	\$ 111,395	8.65%	\$ 64,862	171.74%
6/30/11	13,364	143,830	130,466	9.29%	67,120	194.38%
6/30/13	17,749	136,389	118,640	13.01%	69,068	171.77%

Safety Plan

<u>Valuation Date</u>	<u>Entry Age Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/09	\$ 2,797	\$ 32,337	\$ 29,540	8.65%	\$ 14,351	205.84%
6/30/11	4,629	49,826	45,197	9.29%	11,396	396.60%
6/30/13	5,290	48,971	43,681	10.80%	14,874	293.67%

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Taxes	\$ 42,122,000	\$ 42,122,000	\$ 44,769,926	\$ 2,647,926
Licenses and permits	2,689,178	2,689,178	3,415,281	726,103
Fines and forfeitures	1,998,769	3,732,983	10,821,323	7,088,340
Use of money and property	749,418	749,418	677,770	(71,648)
Intergovernmental	122,284,470	120,490,966	119,316,141	(1,174,825)
Charges for other services	9,961,434	9,998,783	10,474,824	476,041
Miscellaneous revenue	2,386,661	10,364,097	3,252,576	(7,111,521)
Total Revenues	182,191,930	190,147,425	192,727,841	2,580,416
Expenditures				
General Government				
County counsel				
Reimbursements	(1,556,338)	(1,556,338)	(1,548,192)	(8,146)
Salaries and benefits	1,526,460	1,526,460	1,452,225	74,235
Services and supplies	250,929	250,929	167,394	83,535
Elections				
Other charges	75,012	75,012	75,012	--
Salaries and benefits	694,175	688,675	624,247	64,428
Services and supplies	1,296,526	744,236	589,725	154,511
Auditor-controller				
Reimbursements	(1,935,798)	(1,935,798)	(1,938,344)	2,546
Salaries and benefits	1,833,689	1,806,036	1,788,644	17,392
Services and supplies	1,039,518	1,010,897	791,553	219,344
Treasurer				
Reimbursements	(13,276)	(13,276)	(19,181)	5,905
Salaries and benefits	1,091,558	1,091,558	1,090,040	1,518
Services and supplies	693,356	693,356	594,124	99,232
Assessor				
Reimbursements	(172,767)	(172,767)	(172,767)	--
Other charges	477,669	477,669	477,669	--
Salaries and benefits	3,250,405	3,250,405	3,054,379	196,026
Services and supplies	581,339	581,339	518,806	62,533
Purchasing				
Reimbursements	(197,478)	(197,478)	(197,477)	(1)
Salaries and benefits	124,412	124,412	74,957	49,455
Services and supplies	41,322	41,322	29,893	11,429
Board of Supervisors				
other charges	69,411	69,411	69,411	--
Salaries and benefits	393,827	393,827	389,366	4,461
Services and supplies	99,563	99,563	84,214	15,349
County Administrative Office				
Reimbursements	(1,101,453)	(1,101,453)	(1,101,453)	--
Salaries and benefits	938,983	938,983	847,366	91,617
Services and supplies	177,446	177,446	127,261	50,185

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Expenditures (continued)				
General Government (continued)				
Clerk of the Board				
Other charges	\$ 91,158	\$ 91,158	\$ 91,158	\$ --
Salaries and benefits	210,156	210,156	207,067	3,089
Services and supplies	75,272	75,272	71,612	3,660
Non-Prog Rev/ Trans out			--	
other charges	70,882	70,882	68,905	1,977
Services and supplies	225,000	143,214	108,291	34,923
Surveyor			--	
Other charges	140	140	140	--
Services and supplies	21,000	21,000	13,220	7,780
Miscellaneous General			--	
Capital assets	--	401,000	400,598	402
Reimbursements	(70,847)	(70,847)	(70,847)	--
Other charges	294,000	70,000	67,206	2,794
Services and supplies	402,017	541,017	450,849	90,168
Tobacco settlement grants			--	
Services and supplies	200,000	200,000	156,034	43,966
CSA admin			--	
Other charges	15,065	15,065	15,065	--
Salaries and benefits	619,675	619,675	613,217	6,458
Services and supplies	125,766	125,766	124,124	1,642
Title III Projects			--	
Other charges	2,700	--	--	--
Services and supplies	400	3,100	2,242	858
Central Service Cost			--	
Reimbursements	(2,333,013)	(2,333,013)	(2,333,013)	--
Personnel			0	
Reimbursements	(1,371,887)	(1,371,887)	(1,295,740)	(76,147)
Salaries and benefits	741,323	741,323	628,045	113,278
Services and supplies	607,736	607,736	360,050	247,686
Promotion			--	
Services and supplies	46,700	47,000	46,969	31
Property Management			--	
Services and supplies	5,500	5,500	5,470	30
Reserves for contingencies			--	
approp for contingency	5,000,000	4,999,700	--	4,999,700
Land Buildings & Improvements			0	
Capital assets	2,141,128	2,327,128	520,539	1,806,589
Reimbursements	(2,141,128)	--	--	--
Other charges	5,547	5,547	5,547	--
Services and supplies	77,000	77,000	66,395	10,605

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Expenditures (continued)				
General Government (continued)				
Intermountain fair				
Other charges	\$ 15,340	\$ 15,340	\$ 15,340	\$ --
Salaries and benefits	103,350	103,350	64,389	38,961
Services and supplies	207,897	657,897	603,297	54,600
General Government Total	<u>15,066,367</u>	<u>17,463,645</u>	<u>8,875,041</u>	<u>8,588,604</u>
Public Protection				
Trial Courts				
Capital Assets	25,000	--	--	--
Other charges	1,336,925	1,336,925	1,240,577	96,348
Salaries and benefits	11,108	11,108	11,108	--
Services and supplies	1,660,182	1,690,182	667,365	1,022,817
Conflict public defender				
approp for contingency	250,000	250,000	--	250,000
Other charges	35,616	35,616	35,616	--
Services and supplies	2,357,905	2,357,905	1,842,060	515,845
Public defender				
Other charges	60,764	60,764	60,764	--
Salaries and benefits	2,912,982	2,943,287	2,733,810	209,477
Services and supplies	518,687	518,705	507,156	11,549
Grand Jury				
Other charges	36,078	36,078	36,078	--
Services and supplies	76,707	76,707	71,810	4,897
Victim witness				
Other charges	81,810	81,810	68,457	13,353
Salaries and benefits	718,841	718,841	587,376	131,465
Services and supplies	139,092	139,092	97,435	41,657
County clerk				
Other charges	19,884	19,884	19,884	--
Salaries and benefits	230,168	235,668	234,528	1,140
Services and supplies	40,754	80,254	66,851	13,403
Planning				
Other charges	116,431	116,431	116,430	1
Salaries and benefits	1,075,852	1,075,852	685,421	390,431
Services and supplies	551,389	551,389	279,116	272,273
Recorder				
Capital Assets	22,000	22,000	17,450	4,550
Other charges	184,179	184,179	184,178	1
Salaries and benefits	579,410	579,410	556,640	22,770
Services and supplies	473,927	473,927	394,332	79,595
Public guardian				
Reimbursements	(90,218)	(90,218)	(90,218)	--
Other charges	40,488	40,488	40,488	--
Services and supplies	586,164	586,164	586,415	(251)

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Expenditures (continued)				
Public Protection (continued)				
Wildlife control				
Other charges	\$ 1,797	\$ 1,797	\$ 1,797	\$ --
Services and supplies	18,550	18,550	3,302	15,248
Animal control			--	--
Other charges	57,568	57,568	57,568	--
Salaries and benefits	335,838	335,838	291,658	44,180
Services and supplies	224,727	415,245	244,628	170,617
Public administrator			--	--
Other charges	9,072	9,072	9,072	--
Salaries and benefits	122,949	114,949	75,292	39,657
Services and supplies	15,233	23,233	18,276	4,957
Sheriff civil unit			--	--
Other charges	20,006	20,006	20,006	--
Salaries and benefits	393,983	395,192	393,452	1,740
Services and supplies	100,096	98,887	60,258	38,629
AG comm & sealer of weights			--	--
Other charges	24,770	24,770	24,770	--
Salaries and benefits	1,117,994	1,117,994	1,062,933	55,061
Services and supplies	346,163	346,163	284,315	61,848
Building inspection			--	--
Capital Assets	30,000	30,000	--	30,000
Reimbursements	(102,001)	(102,001)	(88,810)	(13,191)
Other charges	100,460	100,460	100,460	--
Salaries and benefits	1,094,549	1,094,549	768,442	326,107
Services and supplies	350,927	350,927	327,999	22,928
Public protection total	<u>18,314,806</u>	<u>18,585,647</u>	<u>14,706,545</u>	<u>3,879,102</u>
Health and Sanitation				
Alcohol and Drug				
Reimbursement	(1,000)	(1,000)	(108)	(892)
Other charges	770,393	970,393	944,465	25,928
Salaries and benefits	1,014,167	954,167	936,307	17,860
Services and supplies	924,938	874,938	712,684	162,254
Perinatal			--	--
Reimbursement	(38,000)	(38,000)	(14,336)	(23,664)
Other charges	91,550	91,550	26,990	64,560
Salaries and benefits	496,757	456,757	432,280	24,477
Services and supplies	149,908	189,908	157,435	32,473
Environmental Health			--	--
Capital Assets	30,000	30,000	--	30,000
Reimbursement	(154,432)	(154,432)	(165,349)	10,917
Other charges	45,293	45,293	45,293	--
Salaries and benefits	1,491,623	1,491,623	1,342,103	149,520
Services and supplies	322,153	431,203	317,115	114,088

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Expenditures (continued)				
Health and Sanitation (continued)				
Mental Health				
Capital Assets	\$ 95,000	\$ 45,000	\$ 42,645	\$ 2,355
Reimbursement	(1,330,319)	(1,909,981)	(1,814,879)	(95,102)
Other charges	12,169,925	12,346,608	11,473,721	872,887
Salaries and benefits	7,563,188	6,800,941	6,610,237	190,704
Services and supplies	2,957,525	3,259,512	3,228,125	31,387
Health and Sanitation Total	<u>26,598,669</u>	<u>25,884,480</u>	<u>24,274,728</u>	<u>1,609,752</u>
Public Assistance				
Aid Programs				
Other Charges	46,256,651	46,256,651	45,025,594	1,231,057
Services and supplies	--	--	49,518	(49,518)
General Relief				
Other Charges	1,256,178	1,256,178	1,123,701	132,477
Services and supplies	364,881	364,881	307,410	57,471
Opportunity Center				
Capital Assets	215,313	68,362	53,283	15,079
Reimbursements	(1,184,664)	(1,184,664)	(1,203,189)	18,525
Other Charges	1,303,530	1,328,530	1,355,614	(27,084)
Salaries and benefits	2,583,974	2,520,474	2,448,402	72,072
Services and supplies	1,661,813	1,676,813	1,641,293	35,520
Housing Authority				
Reimbursements	(1,800)	(1,800)	(3,719)	1,919
Other Charges	183,330	183,330	183,330	--
Salaries and benefits	643,990	643,990	503,683	140,307
Services and supplies	215,506	215,506	127,902	87,604
Community Action Agency				
Other Charges	188,802	188,802	176,271	12,531
Salaries and benefits	243,880	243,880	224,534	19,346
Services and supplies	101,458	101,458	84,447	17,011
Social Services				
Capital Assets	225,000	225,000	199,921	25,079
Reimbursements	(920,111)	(920,111)	(839,633)	(80,478)
Other Charges	6,672,388	6,672,388	5,254,924	1,417,464
Salaries and benefits	30,365,367	30,365,367	27,160,242	3,205,125
Services and supplies	15,884,337	15,884,337	13,478,678	2,405,659
Health and Human Services Agency				
Reimbursements	(8,236,486)	(8,236,486)	(7,561,830)	(674,656)
Other Charges	284,765	284,765	284,765	--
Salaries and benefits	7,232,722	7,170,722	6,768,130	402,592
Services and supplies	733,347	795,347	860,715	(65,368)

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Expenditures (continued)				
Health and Human Services Agency (continued)				
Veterans Services				
Reimbursements	\$ (7,337)	\$ (7,337)	\$ (7,337)	\$ --
Other Charges	27,698	27,698	27,698	--
Salaries and benefits	317,244	338,031	329,227	8,804
Services and supplies	60,200	104,200	79,245	24,955
Public Assistance total	<u>106,671,976</u>	<u>106,566,312</u>	<u>98,132,819</u>	<u>8,433,493</u>
Education				
Agric Ext Service Farm Advisor				
Other charges	6,171	6,171	6,171	--
Salaries and benefits	115,516	117,134	113,590	3,544
Services and Supplies	65,556	63,938	59,397	4,541
Farm Advisor JT Lassen Shasta			--	
Other charges	3,571	3,571	3,571	--
Salaries and benefits	36,265	36,265	34,243	2,022
Services and Supplies	17,406	17,406	10,637	6,769
Co Library pre 2013			--	
Other charges	1,252,194	1,252,194	1,251,464	730
Services and Supplies	106,953	136,953	77,886	59,067
Library Admin			-	
Services and Supplies	--	--	27,853	(27,853)
Education Total	<u>1,603,632</u>	<u>1,633,632</u>	<u>1,584,812</u>	<u>48,820</u>
Recreation				
Recreation and Parks Dev				
Other charges	327	327	327	--
Services and supplies	34,250	34,250	31,772	2,478
Veterans Hall			--	
Other charges	20,955	21,225	21,225	--
Services and supplies	105,763	105,493	107,313	(1,820)
Recreation total	<u>161,295</u>	<u>161,295</u>	<u>160,637</u>	<u>658</u>
Total Expenditures	<u>168,416,745</u>	<u>170,295,011</u>	<u>147,734,582</u>	<u>22,560,429</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>13,775,185</u>	<u>19,852,414</u>	<u>44,993,259</u>	<u>25,140,845</u>
Other Financing Sources (Uses)				
Transfers in	8,221,902	12,533,293	1,079,482	(11,453,811)
Transfers out	(37,095,946)	(46,327,224)	(36,509,543)	9,817,681
Sale of capital assets	500	500	25,277	24,777
Net Financing Sources (Uses)	<u>(28,873,544)</u>	<u>(33,793,431)</u>	<u>(35,404,784)</u>	<u>(1,611,353)</u>
Net Change in Fund Balances	<u>(15,098,359)</u>	<u>(13,941,017)</u>	<u>9,588,475</u>	<u>23,529,492</u>
Fund Balance - Beginning	<u>74,629,061</u>	<u>74,629,061</u>	<u>74,629,061</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 59,530,702</u>	<u>\$ 60,688,044</u>	<u>\$ 84,217,536</u>	<u>\$ 23,529,492</u>

COUNTY OF SHASTA

Roads Administration Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Taxes	\$ 1,800,000	\$ 1,800,000	\$ 2,374,892	\$ 574,892
Licenses and permits	40,000	20,000	37,584	17,584
Use of money and property	50,000	25,000	31,530	6,530
Intergovernmental	23,587,350	20,435,258	16,537,987	(3,897,271)
Charges for other services	754,000	754,000	1,317,505	563,505
Miscellaneous revenue	--	--	64,764	64,764
Total Revenues	<u>26,231,350</u>	<u>23,034,258</u>	<u>20,364,262</u>	<u>(2,669,996)</u>
Expenditures				
Current:				
Public ways and facilities	31,424,864	27,504,864	20,653,044	6,851,820
Total Expenditures	<u>31,424,864</u>	<u>27,504,864</u>	<u>20,653,044</u>	<u>6,851,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,193,514)</u>	<u>(4,470,606)</u>	<u>(288,782)</u>	<u>4,181,824</u>
Other Financing Sources (Uses)				
Transfers in	100,000	100,000	100,000	--
Transfers out	(1,000)	(391,000)	(213,082)	177,918
Sale of capital assets	--	--	39,669	39,669
Net Financing Sources (Uses)	<u>99,000</u>	<u>(291,000)</u>	<u>(73,413)</u>	<u>217,587</u>
Net Change in Fund Balance	(5,094,514)	(4,761,606)	(362,195)	4,399,411
Fund Balance - Beginning	<u>11,094,603</u>	<u>11,094,603</u>	<u>11,094,603</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 6,000,089</u>	<u>\$ 6,332,997</u>	<u>\$ 10,732,408</u>	<u>\$ 4,399,411</u>

COUNTY OF SHASTA

Public Safety Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Taxes	\$ 86,872	\$ 86,872	\$ 83,105	\$ (3,767)
Licenses and permits	68,800	68,800	99,181	30,381
Fines and forfeitures	576,539	686,539	907,618	221,079
Use of money and property	50,000	74,745	87,428	12,683
Intergovernmental	27,296,369	27,709,523	29,376,681	1,667,158
Charges for other services	3,251,352	3,399,164	3,351,687	(47,477)
Miscellaneous revenue	216,000	180,660	201,338	20,678
Total Revenues	<u>31,545,932</u>	<u>32,206,303</u>	<u>34,107,038</u>	<u>1,900,735</u>
Expenditures				
Current:				
Public Protection	59,717,214	61,075,654	54,669,413	6,406,241
Total Expenditures	<u>59,717,214</u>	<u>61,075,654</u>	<u>54,669,413</u>	<u>6,406,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,171,282)</u>	<u>(28,869,351)</u>	<u>(20,562,375)</u>	<u>8,306,976</u>
Other Financing Sources (Uses)				
Transfers in	23,201,092	23,525,217	23,165,419	(359,798)
Transfers out	(649,293)	(1,124,670)	(632,663)	492,007
Sale of capital assets	2,500	2,500	29,478	26,978
Net Financing Sources (Uses)	<u>22,554,299</u>	<u>22,403,047</u>	<u>22,562,234</u>	<u>159,187</u>
Net Change in Fund Balance	(5,616,983)	(6,466,304)	1,999,859	8,466,163
Fund Balance - Beginning	<u>18,310,686</u>	<u>18,310,686</u>	<u>18,310,686</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 12,693,703</u>	<u>\$ 11,844,382</u>	<u>\$ 20,310,545</u>	<u>\$ 8,466,163</u>

COUNTY OF SHASTA

Notes to Required Supplementary Information For the Year Ended June 30, 2014

BASIS OF BUDGETING

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

Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments for transfers of appropriations between departments or funds are authorized by the County Administrative Office and must be approved by the Board of Supervisors.

The Board of Supervisors must approve supplemental appropriations normally financed by unanticipated revenues during the year. Pursuant to Board Resolution, the County Administrative Office is authorized to approve any budget transfer within a budget unit provided that such approval does not exceed \$75,000 nor increase the total appropriations of the budget. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The County uses an encumbrance system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders and contracts for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbered appropriations are not carried forward in the ensuing year's budget, all amounts must be re-budgeted.

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting plus encumbrances for governmental fund types and on the accrual basis plus encumbrances for proprietary funds. Intrafund transfers (transfers between operating units in the same governmental type fund) are included in the Budgetary Comparison Schedules as Other Financing Sources (uses) transfers in or out. The effects of these intrafund transfers are eliminated in the fund financial statement to conform with GAAP. The Inmate Welfare Fund is not required to submit a budget to the County and as such, budgetary information for that fund is not available.

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SUPPLEMENTARY INFORMATION

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**COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS**

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COUNTY OF SHASTA

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2014

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Assets				
Cash and investments	\$ 25,355,981	\$ 8,389,220	\$ 17,501	\$ 33,762,702
Accounts receivable	201,077	--	--	201,077
Due from other governments	4,758,103	--	--	4,758,103
Other assets	17,858	--	--	17,858
Due from other funds	612,124	--	--	612,124
Special assessments receivable	543,927	--	--	543,927
Notes receivable	10,294,375	--	--	10,294,375
Deposits from others	49	--	--	49
Advances to other funds	526,411	--	--	526,411
Cash and investments - restricted	--	--	654,631	654,631
Total Assets	<u>\$ 42,309,905</u>	<u>\$ 8,389,220</u>	<u>\$ 672,132</u>	<u>\$ 51,371,257</u>
Liabilities				
Accounts payable	\$ 411,200	\$ 46,550	\$ --	\$ 457,750
Salaries and benefits payable	869,763	--	--	869,763
Due to other funds	526,832	28,596	--	555,428
Due to other governments	2,042,154	--	--	2,042,154
Unearned revenue	1,492,483	--	--	1,492,483
Advances from other funds	542,311	--	--	542,311
Total Liabilities	<u>5,884,743</u>	<u>75,146</u>	<u>--</u>	<u>5,959,889</u>
Deferred Inflows of Resources				
Unavailable revenue	678,099	--	--	678,099
Fund Balances				
Nonspendable	17,858	--	--	17,858
Restricted	35,126,696	--	672,132	35,798,828
Committed	602,509	--	--	602,509
Assigned	--	8,314,074	--	8,314,074
Total Fund Balance	<u>35,747,063</u>	<u>8,314,074</u>	<u>672,132</u>	<u>44,733,269</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 42,309,905</u>	<u>\$ 8,389,220</u>	<u>\$ 672,132</u>	<u>\$ 51,371,257</u>

COUNTY OF SHASTA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2014

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Revenues				
Taxes	\$ 1,993,592	--	\$ --	\$ 1,993,592
Licenses and permits	227,470	--	--	227,470
Fines & forfeitures	30,738	--	4,000	34,738
Use of money and property	263,527	10,227	607	274,361
Intergovernmental	31,104,277	2,967,344	--	34,071,621
Charges for other services	2,502,144	--	--	2,502,144
Miscellaneous revenue	701,430	--	--	701,430
Total Revenues	<u>36,823,178</u>	<u>2,977,571</u>	<u>4,607</u>	<u>39,805,356</u>
Expenditures				
Current				
General government	--	3,196,206	--	3,196,206
Public protection	12,768,001	--	--	12,768,001
Public ways and facilities	651,290	--	--	651,290
Health and sanitation	23,619,005	--	--	23,619,005
Public assistance	512,466	--	--	512,466
Debt service				
Principal	--	--	2,645,663	2,645,663
Interest	--	--	1,245,288	1,245,288
Fiscal agent fees	--	--	8,025	8,025
Total Expenditures	<u>37,550,762</u>	<u>3,196,206</u>	<u>3,898,976</u>	<u>44,645,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(727,584)</u>	<u>(218,635)</u>	<u>(3,894,369)</u>	<u>(4,840,588)</u>
Other Financing Sources (Uses)				
Transfers in	2,542,339	10,005,089	3,892,656	16,440,084
Transfers out	(918,289)	(2,685,984)	--	(3,604,273)
Sale of capital assets	37,906	--	--	37,906
Total Other Financing Sources (Uses)	<u>1,661,956</u>	<u>7,319,105</u>	<u>3,892,656</u>	<u>12,873,717</u>
Net Change in Fund Balances	934,372	7,100,470	(1,713)	8,033,129
Fund Balances - Beginning	<u>34,812,691</u>	<u>1,213,604</u>	<u>673,845</u>	<u>36,700,140</u>
Fund Balances - Ending	<u>\$ 35,747,063</u>	<u>\$ 8,314,074</u>	<u>\$ 672,132</u>	<u>\$ 44,733,269</u>

SPECIAL REVENUE FUNDS

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COUNTY OF SHASTA

Combining Balance Sheet
Special Revenue Funds
June 30, 2014

	Mental Health Services	Housing Home IPP	Housing Cal Home	Endangered Species
Assets				
Cash and investments	\$ 8,086,944	\$ 292,328	\$ 158,199	\$ 191,497
Accounts receivable	994	--	--	--
Due from other governments	792,093	--	--	--
Other assets	658	--	--	--
Due from other funds	145,903	--	--	--
Special assessments receivable	--	--	--	--
Notes receivable	--	5,297,497	788,712	--
Deposits from others	--	--	--	--
Advances to other funds	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 9,026,592</u>	<u>\$ 5,589,825</u>	<u>\$ 946,911</u>	<u>\$ 191,497</u>
Liabilities				
Accounts payable	\$ 147,812	\$ --	\$ 55,125	\$ --
Salaries and benefits payable	165,512	--	133	--
Due to other funds	319,955	--	--	--
Due to other governments	8,716	--	--	--
Unearned revenue	--	--	102,941	--
Advances from other funds	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>641,995</u>	<u>--</u>	<u>158,199</u>	<u>--</u>
Deferred Inflows of Resources				
Unavailable revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Nonspendable	658	--	--	--
Restricted	8,383,939	5,589,825	788,712	191,497
Committed	--	--	--	--
Total Fund Balance	<hr/> 8,384,597	<hr/> 5,589,825	<hr/> 788,712	<hr/> 191,497
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,026,592</u>	<u>\$ 5,589,825</u>	<u>\$ 946,911</u>	<u>\$ 191,497</u>

continued

COUNTY OF SHASTA

Combining Balance Sheet (continued)
Special Revenue Funds
June 30, 2014

	Substance Abuse Fund	Roads SVAP Fund	Child Support Services	Public Health
Assets				
Cash and investments	\$ --	\$ 553,611	\$ 3,121,504	\$ 3,032,425
Accounts receivable	--	--	--	190,184
Due from other governments	--	--	--	3,593,783
Other assets	--	--	4,325	12,620
Due from other funds	--	--	2,839	261,743
Special assessments receivable	--	--	--	--
Notes receivable	--	--	--	--
Deposits from others	--	--	--	--
Advances to other funds	--	513,078	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ --	\$ 1,066,689	\$ 3,128,668	\$ 7,090,755
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities				
Accounts payable	\$ --	\$ --	\$ 4,774	\$ 131,053
Salaries and benefits payable	--	--	217,007	408,269
Due to other funds	--	--	4,484	123,996
Due to other governments	--	--	10	68,175
Unearned revenue	--	--	713,890	38,033
Advances from other funds	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	--	--	940,165	769,526
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources				
Unavailable revenue	--	--	--	134,182
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances:				
Nonspendable	--	--	4,325	12,620
Restricted	--	1,066,689	1,650,844	6,105,252
Committed	--	--	533,334	69,175
Total Fund Balance	<hr/>	<hr/>	<hr/>	<hr/>
	--	1,066,689	2,188,503	6,187,047
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ --	\$ 1,066,689	\$ 3,128,668	\$ 7,090,755
	<hr/>	<hr/>	<hr/>	<hr/>

continued

COUNTY OF SHASTA

Combining Balance Sheet (continued)
 Special Revenue Funds
 June 30, 2014

	Shasta Housing Fund	County Water Agency	Air Quality Management	Fire Protection CSA #1
Assets				
Cash and investments	\$ 141,097	\$ 193,675	\$ 2,343,131	\$ 4,448,085
Accounts receivable	--	--	--	359
Due from other governments	4,197	--	89,555	178,644
Other assets	255	--	--	--
Due from other funds	--	4,525	4,423	50,610
Special assessments receivable	--	--	--	--
Notes receivable	4,208,166	--	--	--
Deposits from others	--	--	--	--
Advances to other funds	--	13,333	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 4,353,715	\$ 211,533	\$ 2,437,109	\$ 4,677,698
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities				
Accounts payable	\$ --	\$ 849	\$ 26,012	\$ 25,243
Salaries and benefits payable	--	--	28,368	42,899
Due to other funds	--	64,372	2,788	7,849
Due to other governments	--	--	--	1,964,503
Unearned revenue	--	--	637,619	--
Advances from other funds	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	--	65,221	694,787	2,040,494
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources				
Unavailable revenue	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances:				
Nonspendable	255	--	--	--
Restricted	4,353,460	146,312	1,742,322	2,637,204
Committed	--	--	--	--
Total Fund Balance	<hr/>	<hr/>	<hr/>	<hr/>
	4,353,715	146,312	1,742,322	2,637,204
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,353,715	\$ 211,533	\$ 2,437,109	\$ 4,677,698
	<hr/>	<hr/>	<hr/>	<hr/>

continued

COUNTY OF SHASTA

Combining Balance Sheet (continued)
 Special Revenue Funds
 June 30, 2014

	<u>Inmate Welfare Fund</u>	<u>In-Home Support Services</u>	<u>Lighting Districts</u>
Assets			
Cash and investments	\$ 139,012	\$ --	\$ 292,659
Accounts receivable	9,540	--	--
Due from other governments	--	99,831	--
Other assets	--	--	--
Due from other funds	--	111,342	5,890
Special assessments receivable	--	--	--
Notes receivable	--	--	--
Deposits from others	49	--	--
Advances to other funds	--	--	--
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 148,601</u>	<u>\$ 211,173</u>	<u>\$ 298,549</u>
Liabilities			
Accounts payable	\$ 14,398	\$ 207	\$ --
Salaries and benefits payable	--	7,575	--
Due to other funds	--	2,986	402
Due to other governments	750	--	--
Unearned revenue	--	--	--
Advances from other funds	--	--	--
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>15,148</u>	<u>10,768</u>	<u>402</u>
Deferred Inflows of Resources			
Unavailable revenue	--	--	--
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Nonspendable	--	--	--
Restricted	133,453	200,405	298,147
Committed	--	--	--
Total Fund Balance	<hr/> <u>133,453</u>	<hr/> <u>200,405</u>	<hr/> <u>298,147</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 148,601</u>	<u>\$ 211,173</u>	<u>\$ 298,549</u>

continued

COUNTY OF SHASTA

Combining Balance Sheet (continued)
 Special Revenue Funds
 June 30, 2014

	County Service Areas	Permanent Road Divisions	Total
Assets			
Cash and investments	\$ 682,549	\$ 1,679,265	\$ 25,355,981
Accounts receivable	--	--	201,077
Due from other governments	--	--	4,758,103
Other assets	--	--	17,858
Due from other funds	1,874	22,975	612,124
Special assessments receivable	--	543,927	543,927
Notes receivable	--	--	10,294,375
Deposits from others	--	--	49
Advances to other funds	--	--	526,411
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 684,423	\$ 2,246,167	\$ 42,309,905
	<hr/>	<hr/>	<hr/>
Liabilities			
Accounts payable	\$ 5,727	\$ --	\$ 411,200
Salaries and benefits payable	--	--	869,763
Due to other funds	--	--	526,832
Due to other governments	--	--	2,042,154
Unearned revenue	--	--	1,492,483
Advances from other funds	--	542,311	542,311
	<hr/>	<hr/>	<hr/>
Total Liabilities	5,727	542,311	5,884,743
	<hr/>	<hr/>	<hr/>
Deferred Inflows of Resources			
Unavailable revenue	--	543,917	678,099
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Nonspendable	--	--	17,858
Restricted	678,696	1,159,939	35,126,696
Committed	--	--	602,509
Total Fund Balance	<hr/>	<hr/>	<hr/>
	678,696	1,159,939	35,747,063
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 684,423	\$ 2,246,167	\$ 42,309,905
	<hr/>	<hr/>	<hr/>

COUNTY OF SHASTA

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

	<u>Mental Health Services</u>	<u>Housing Home IPP</u>	<u>Housing Cal Home</u>	<u>Endangered Species</u>
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines & forfeitures	--	--	--	--
Use of money and property	33,873	31,278	--	775
Intergovernmental	6,172,523	--	410,603	--
Charges for other services	--	--	--	--
Miscellaneous revenue	198,150	--	--	--
Total Revenues	<u>6,404,546</u>	<u>31,278</u>	<u>410,603</u>	<u>775</u>
Expenditures				
Current				
Public protection	--	--	--	10,705
Public ways and facilities	--	--	--	--
Health and sanitation	7,055,818	--	--	--
Public assistance	--	4,979	1,689	--
Total Expenditures	<u>7,055,818</u>	<u>4,979</u>	<u>1,689</u>	<u>10,705</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(651,272)</u>	<u>26,299</u>	<u>408,914</u>	<u>(9,930)</u>
Other Financing Sources (Uses)				
Transfers in	--	--	--	--
Transfers out	(52,373)	--	--	--
Sale of capital assets	1,081	--	--	--
Total Other Financing Sources (Uses)	<u>(51,292)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(702,564)	26,299	408,914	(9,930)
Fund Balances - Beginning	<u>9,087,161</u>	<u>5,563,526</u>	<u>379,798</u>	<u>201,427</u>
Fund Balances - Ending	<u>\$ 8,384,597</u>	<u>\$ 5,589,825</u>	<u>\$ 788,712</u>	<u>\$ 191,497</u>

continued

COUNTY OF SHASTA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Special Revenue Funds
For the Year Ended June 30, 2014

	Substance Abuse Fund	Road SVAP Fund	Child Support Services	Public Health
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	5,449
Fines & forfeitures	--	--	--	2,358
Use of money and property	--	--	13,784	13,497
Intergovernmental	--	--	6,929,132	14,551,792
Charges for other services	--	7,200	--	1,004,544
Miscellaneous revenue	--	--	10,174	290,057
Total Revenues	<u>--</u>	<u>7,200</u>	<u>6,953,090</u>	<u>15,867,697</u>
Expenditures				
Current				
Public protection	--	--	7,000,415	--
Public ways and facilities	--	800	--	--
Health and sanitation	--	--	--	13,995,943
Public assistance	--	--	--	--
Total Expenditures	<u>--</u>	<u>800</u>	<u>7,000,415</u>	<u>13,995,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>--</u>	<u>6,400</u>	<u>(47,325)</u>	<u>1,871,754</u>
Other Financing Sources (Uses)				
Transfers in	--	--	35,624	609,588
Transfers out	--	--	--	(715,916)
Sale of capital assets	--	--	4,750	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>40,374</u>	<u>(106,328)</u>
Net Change in Fund Balances	<u>--</u>	<u>6,400</u>	<u>(6,951)</u>	<u>1,765,426</u>
Fund Balances - Beginning	<u>--</u>	<u>1,060,289</u>	<u>2,195,454</u>	<u>4,421,621</u>
Fund Balances - Ending	<u>\$ --</u>	<u>\$ 1,066,689</u>	<u>\$ 2,188,503</u>	<u>\$ 6,187,047</u>

continued

COUNTY OF SHASTA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Special Revenue Funds
For the Year Ended June 30, 2014

	Shasta Housing Fund	County Water Agency	Air Quality Management	Fire Protection CSA #1
Revenues				
Taxes	\$ --	\$ 151,831	\$ --	\$ 1,725,332
Licenses and permits	--	--	203,626	18,395
Fines & forfeitures	--	--	28,380	--
Use of money and property	11,391	897	11,035	15,957
Intergovernmental	92,970	3,018	2,246,543	278,037
Charges for other services	--	26,921	96,676	892,025
Miscellaneous revenue	--	--	681	5,310
Total Revenues	<u>104,361</u>	<u>182,667</u>	<u>2,586,941</u>	<u>2,935,056</u>
Expenditures				
Current				
Public protection	--	--	--	5,509,544
Public ways and facilities	--	308,904	--	--
Health and sanitation	--	--	2,567,244	--
Public assistance	95,912	--	--	--
Total Expenditures	<u>95,912</u>	<u>308,904</u>	<u>2,567,244</u>	<u>5,509,544</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,449</u>	<u>(126,237)</u>	<u>19,697</u>	<u>(2,574,488)</u>
Other Financing Sources (Uses)				
Transfers in	--	150,000	--	1,746,127
Transfers out	--	(150,000)	--	--
Sale of capital assets	--	--	--	32,075
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,778,202</u>
Net Change in Fund Balances	8,449	(126,237)	19,697	(796,286)
Fund Balances - Beginning	<u>4,345,266</u>	<u>272,549</u>	<u>1,722,625</u>	<u>3,433,490</u>
Fund Balances - Ending	<u>\$ 4,353,715</u>	<u>\$ 146,312</u>	<u>\$ 1,742,322</u>	<u>\$ 2,637,204</u>

continued

COUNTY OF SHASTA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Special Revenue Funds
For the Year Ended June 30, 2014

	Inmate Welfare Fund	In-Home Support Services	Lighting Districts
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes	\$ --	\$ --	\$ 22,784
Licenses and permits	--	--	--
Fines & forfeitures	--	--	--
Use of money and property	121,104	(87)	1,133
Intergovernmental	--	417,724	317
Charges for other services	--	--	--
Miscellaneous revenue	131,995	65,063	--
Total Revenues	<u>253,099</u>	<u>482,700</u>	<u>24,234</u>
Expenditures			
Current			
Public protection	247,337	--	--
Public ways and facilities	--	--	7,799
Health and sanitation	--	--	--
Public assistance	--	409,886	--
Total Expenditures	<u>247,337</u>	<u>409,886</u>	<u>7,799</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,762</u>	<u>72,814</u>	<u>16,435</u>
Other Financing Sources (Uses)			
Transfers in	--	--	1,000
Transfers out	--	--	--
Sale of capital assets	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>1,000</u>
Net Change in Fund Balances	5,762	72,814	17,435
Fund Balances - Beginning	<u>127,691</u>	<u>127,591</u>	<u>280,712</u>
Fund Balances - Ending	<u>\$ 133,453</u>	<u>\$ 200,405</u>	<u>\$ 298,147</u>

continued

COUNTY OF SHASTA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances (continued)
Special Revenue Funds
For the Year Ended June 30, 2014

	<u>County Service Areas</u>	<u>Permanent Road Divisions</u>	<u>Total</u>
Revenues			
Taxes	\$ 92,770	\$ 875	\$ 1,993,592
Licenses and permits	--	--	227,470
Fines & forfeitures	--	--	30,738
Use of money and property	2,618	6,272	263,527
Intergovernmental	1,602	16	31,104,277
Charges for other services	21,700	453,078	2,502,144
Miscellaneous revenue	--	--	701,430
Total Revenues	<u>118,690</u>	<u>460,241</u>	<u>36,823,178</u>
Expenditures			
Current			
Public protection	--	--	12,768,001
Public ways and facilities	79,116	254,671	651,290
Health and sanitation	--	--	23,619,005
Public assistance	--	--	512,466
Total Expenditures	<u>79,116</u>	<u>254,671</u>	<u>37,550,762</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>39,574</u>	<u>205,570</u>	<u>(727,584)</u>
Other Financing Sources (Uses)			
Transfers in	--	--	2,542,339
Transfers out	--	--	(918,289)
Sale of capital assets	--	--	37,906
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>1,661,956</u>
Net Change in Fund Balances	39,574	205,570	934,372
Fund Balances - Beginning	<u>639,122</u>	<u>954,369</u>	<u>34,812,691</u>
Fund Balances - Ending	<u>\$ 678,696</u>	<u>\$ 1,159,939</u>	<u>\$ 35,747,063</u>

COUNTY OF SHASTA

Mental Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	30,000	30,000	33,873	3,873
Intergovernmental	6,406,080	8,398,939	6,172,523	(2,226,416)
Miscellaneous revenue	--	--	198,150	198,150
Total Revenues	<u>6,436,080</u>	<u>8,428,939</u>	<u>6,404,546</u>	<u>(2,024,393)</u>
Expenditures				
Current:				
Health and sanitation	8,727,118	8,880,954	7,055,818	1,825,136
Total Expenditures	<u>8,727,118</u>	<u>8,880,954</u>	<u>7,055,818</u>	<u>1,825,136</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(2,291,038)</u>	<u>(452,015)</u>	<u>(651,272)</u>	<u>(199,257)</u>
Other Financing Sources (Uses)				
Transfers out (operating)	--	(1,380,677)	(52,373)	1,328,304
Sale of capital assets	--	--	1,081	1,081
Net Financing Sources (Uses)	<u>--</u>	<u>(1,380,677)</u>	<u>(51,292)</u>	<u>1,329,385</u>
Net Change in Fund Balances	<u>(2,291,038)</u>	<u>(1,832,692)</u>	<u>(702,564)</u>	<u>1,130,128</u>
Fund Balance - Beginning	<u>9,087,161</u>	<u>9,087,161</u>	<u>9,087,161</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 6,796,123</u>	<u>\$ 7,254,469</u>	<u>\$ 8,384,597</u>	<u>\$ 1,130,128</u>

COUNTY OF SHASTA

Housing Home IPP
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	20,000	4,000	31,278	27,278
Total Revenues	<u>20,000</u>	<u>4,000</u>	<u>31,278</u>	<u>27,278</u>
Expenditures				
Current:				
Public assistance	20,000	20,000	4,979	15,021
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>4,979</u>	<u>15,021</u>
Net Change in Fund Balances	--	(16,000)	26,299	42,299
Fund Balance - Beginning	<u>5,563,526</u>	<u>5,563,526</u>	<u>5,563,526</u>	--
Fund Balance - Ending	<u><u>\$ 5,563,526</u></u>	<u><u>\$ 5,547,526</u></u>	<u><u>\$ 5,589,825</u></u>	<u><u>\$ 42,299</u></u>

COUNTY OF SHASTA

Housing Cal Home
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Intergovernmental	68,891	68,891	410,603	341,712
Total Revenues	<u>68,891</u>	<u>68,891</u>	<u>410,603</u>	<u>341,712</u>
Expenditures				
Current:				
Public assistance	68,891	68,891	1,689	67,202
Total Expenditures	<u>68,891</u>	<u>68,891</u>	<u>1,689</u>	<u>67,202</u>
Net Change in Fund Balances	--	--	408,914	408,914
Fund Balance - Beginning	<u>379,798</u>	<u>379,798</u>	<u>379,798</u>	--
Fund Balance - Ending	<u><u>\$ 379,798</u></u>	<u><u>\$ 379,798</u></u>	<u><u>\$ 788,712</u></u>	<u><u>\$ 408,914</u></u>

COUNTY OF SHASTA

Endangered Species
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	1,200	1,200	775	(425)
Total Revenues	<u>1,200</u>	<u>1,200</u>	<u>775</u>	<u>(425)</u>
Expenditures				
Current:				
Public protection	210,234	202,626	10,705	191,921
Total Expenditures	<u>210,234</u>	<u>202,626</u>	<u>10,705</u>	<u>191,921</u>
Net Change in Fund Balances	(209,034)	(201,426)	(9,930)	191,496
Fund Balance - Beginning	<u>201,427</u>	<u>201,427</u>	<u>201,427</u>	--
Fund Balance - Ending	<u><u>\$ (7,607)</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 191,497</u></u>	<u><u>\$ 191,496</u></u>

COUNTY OF SHASTA

Roads SVAP Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Charges for other services	5,000	5,000	7,200	2,200
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>7,200</u>	<u>2,200</u>
Expenditures				
Current:				
Public ways/ facilities	20,000	20,000	800	19,200
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>800</u>	<u>19,200</u>
Net Change in Fund Balances	(15,000)	(15,000)	6,400	21,400
Fund Balance - Beginning	<u>1,060,289</u>	<u>1,060,289</u>	<u>1,060,289</u>	--
Fund Balance - Ending	<u><u>\$ 1,045,289</u></u>	<u><u>\$ 1,045,289</u></u>	<u><u>\$ 1,066,689</u></u>	<u><u>\$ 21,400</u></u>

COUNTY OF SHASTA

Child Support Services
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	20,000	20,000	13,784	(6,216)
Intergovernmental	7,720,627	7,320,627	6,929,132	(391,495)
Miscellaneous revenue	--	--	10,174	10,174
Total Revenues	<u>7,740,627</u>	<u>7,340,627</u>	<u>6,953,090</u>	<u>(387,537)</u>
Expenditures				
Current:				
Public protection	7,802,751	7,402,751	7,000,415	402,336
Total Expenditures	<u>7,802,751</u>	<u>7,402,751</u>	<u>7,000,415</u>	<u>402,336</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(62,124)</u>	<u>(62,124)</u>	<u>(47,325)</u>	<u>14,799</u>
Other Financing Sources (Uses)				
Transfers in	35,624	35,624	35,624	--
Sale of capital assets	--	--	4,750	4,750
Net Financing Sources (Uses)	<u>35,624</u>	<u>35,624</u>	<u>40,374</u>	<u>4,750</u>
Net Change in Fund Balances	<u>(26,500)</u>	<u>(26,500)</u>	<u>(6,951)</u>	<u>19,549</u>
Fund Balance - Beginning	<u>2,195,454</u>	<u>2,195,454</u>	<u>2,195,454</u>	<u>--</u>
Fund Balance - Ending	<u><u>\$ 2,168,954</u></u>	<u><u>\$ 2,168,954</u></u>	<u><u>\$ 2,188,503</u></u>	<u><u>\$ 19,549</u></u>

COUNTY OF SHASTA

Public Health
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Licenses and permits	5,000	5,000	5,449	449
Fines and forfeitures	4,000	4,000	2,358	(1,642)
Use of money and property	10,000	10,000	13,497	3,497
Intergovernmental	18,097,954	18,873,506	14,551,792	(4,321,714)
Charges for other services	1,346,915	1,346,915	1,004,544	(342,371)
Miscellaneous revenue	215,075	215,075	290,057	74,982
Total Revenues	<u>19,678,944</u>	<u>20,454,496</u>	<u>15,867,697</u>	<u>(4,586,799)</u>
Expenditures				
Current:				
Health and sanitation	20,882,075	20,970,827	13,995,943	6,974,884
Total Expenditures	<u>20,882,075</u>	<u>20,970,827</u>	<u>13,995,943</u>	<u>6,974,884</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(1,203,131)</u>	<u>(516,331)</u>	<u>1,871,754</u>	<u>2,388,085</u>
Other Financing Sources (Uses)				
Transfers in	609,589	609,589	609,588	(1)
Transfers out	(116,461)	(775,430)	(715,916)	59,514
Net Financing Sources (Uses)	<u>493,128</u>	<u>(165,841)</u>	<u>(106,328)</u>	<u>59,513</u>
Net Change in Fund Balances	(710,003)	(682,172)	1,765,426	2,447,598
Fund Balance - Beginning	<u>4,421,621</u>	<u>4,421,621</u>	<u>4,421,621</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 3,711,618</u>	<u>\$ 3,739,449</u>	<u>\$ 6,187,047</u>	<u>\$ 2,447,598</u>

COUNTY OF SHASTA

Shasta Housing Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	30,000	7,000	11,391	4,391
Intergovernmental	170,000	170,000	92,970	(77,030)
Total Revenues	<u>200,000</u>	<u>177,000</u>	<u>104,361</u>	<u>(72,639)</u>
Expenditures				
Current:				
Public assistance	173,444	173,444	95,912	77,532
Total Expenditures	<u>173,444</u>	<u>173,444</u>	<u>95,912</u>	<u>77,532</u>
Net Change in Fund Balances	26,556	3,556	8,449	4,893
Fund Balance - Beginning	<u>4,345,266</u>	<u>4,345,266</u>	<u>4,345,266</u>	--
Fund Balance - Ending	<u>\$ 4,371,822</u>	<u>\$ 4,348,822</u>	<u>\$ 4,353,715</u>	<u>\$ 4,893</u>

COUNTY OF SHASTA

County Water Agency
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Taxes	\$ 137,500	\$ 137,500	\$ 151,831	\$ 14,331
Use of money and property	600	600	897	297
Intergovernmental	2,527	2,527	3,018	491
Charges for other services	18,000	18,000	26,921	8,921
Total Revenues	<u>158,627</u>	<u>158,627</u>	<u>182,667</u>	<u>24,040</u>
Expenditures				
Current:				
Public ways/ facilities	284,862	284,862	308,904	(24,042)
Total Expenditures	<u>284,862</u>	<u>284,862</u>	<u>308,904</u>	<u>(24,042)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(126,235)</u>	<u>(126,235)</u>	<u>(126,237)</u>	<u>(2)</u>
Other Financing Sources (Uses)				
Transfers in	--	200,000	150,000	(50,000)
Transfers out	--	(200,000)	(150,000)	50,000
Net Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(126,235)	(126,235)	(126,237)	(2)
Fund Balance - Beginning	<u>272,549</u>	<u>272,549</u>	<u>272,549</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 146,314</u>	<u>\$ 146,314</u>	<u>\$ 146,312</u>	<u>\$ (2)</u>

COUNTY OF SHASTA

Air Quality Management
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Licenses and permits	181,750	181,750	203,626	21,876
Fines and forfeitures	25,000	25,000	28,380	3,380
Use of money and property	15,000	15,000	11,035	(3,965)
Intergovernmental	1,007,100	2,447,573	2,246,543	(201,030)
Charges for other services	3,050	3,050	96,676	93,626
Miscellaneous revenue	--	--	681	681
Total Revenues	<u>1,231,900</u>	<u>2,672,373</u>	<u>2,586,941</u>	<u>(85,432)</u>
Expenditures				
Current:				
Health and sanitation	1,522,979	2,907,886	2,567,244	340,642
Total Expenditures	<u>1,522,979</u>	<u>2,907,886</u>	<u>2,567,244</u>	<u>340,642</u>
Net Change in Fund Balances	(291,079)	(235,513)	19,697	255,210
Fund Balance - Beginning	<u>1,722,625</u>	<u>1,722,625</u>	<u>1,722,625</u>	<u>--</u>
Fund Balance - Ending	<u><u>\$ 1,431,546</u></u>	<u><u>\$ 1,487,112</u></u>	<u><u>\$ 1,742,322</u></u>	<u><u>\$ 255,210</u></u>

COUNTY OF SHASTA

Fire Protection CSA #1
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Taxes	\$ 1,657,550	\$ 1,657,550	\$ 1,725,332	\$ 67,782
Licenses and permits	9,000	9,000	18,395	9,395
Use of money and property	10,000	10,000	15,957	5,957
Intergovernmental	298,000	308,000	278,037	(29,963)
Charges for other services	715,667	808,567	892,025	83,458
Miscellaneous revenue	15,350	15,350	5,310	(10,040)
Total Revenues	<u>2,705,567</u>	<u>2,808,467</u>	<u>2,935,056</u>	<u>126,589</u>
Expenditures				
Current:				
Public protection	6,175,540	6,348,528	5,509,544	838,984
Total Expenditures	<u>6,175,540</u>	<u>6,348,528</u>	<u>5,509,544</u>	<u>838,984</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(3,469,973)</u>	<u>(3,540,061)</u>	<u>(2,574,488)</u>	<u>965,573</u>
Other Financing Sources (Uses)				
Transfers in	1,729,657	1,780,157	1,746,127	(34,030)
Sale of capital assets	2,000	2,000	32,075	30,075
Net Financing Sources (Uses)	<u>1,731,657</u>	<u>1,782,157</u>	<u>1,778,202</u>	<u>(3,955)</u>
Net Change in Fund Balances	(1,738,316)	(1,757,904)	(796,286)	961,618
Fund Balance - Beginning	<u>3,433,490</u>	<u>3,433,490</u>	<u>3,433,490</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 1,695,174</u>	<u>\$ 1,675,586</u>	<u>\$ 2,637,204</u>	<u>\$ 961,618</u>

COUNTY OF SHASTA

IHSS Public Authority
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	--	--	(87)	(87)
Intergovernmental	364,090	391,220	417,724	26,504
Miscellaneous revenue	--	--	65,063	65,063
Total Revenues	<u>364,090</u>	<u>391,220</u>	<u>482,700</u>	<u>91,480</u>
Expenditures				
Current:				
Public assistance	<u>359,456</u>	<u>386,586</u>	<u>409,886</u>	<u>(23,300)</u>
Total Expenditures	<u>359,456</u>	<u>386,586</u>	<u>409,886</u>	<u>(23,300)</u>
Net Change in Fund Balances	4,634	4,634	72,814	68,180
Fund Balance - Beginning	<u>127,591</u>	<u>127,591</u>	<u>127,591</u>	--
Fund Balance - Ending	<u><u>\$ 132,225</u></u>	<u><u>\$ 132,225</u></u>	<u><u>\$ 200,405</u></u>	<u><u>\$ 68,180</u></u>

COUNTY OF SHASTA

Lighting Districts
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Taxes	\$ 16,720	\$ 16,720	\$ 22,784	\$ 6,064
Use of money and property	1,508	1,508	1,133	(375)
Intergovernmental	308	308	317	9
Total Revenues	<u>18,536</u>	<u>18,536</u>	<u>24,234</u>	<u>5,698</u>
Expenditures				
Current:				
Public ways/ facilities	<u>22,038</u>	<u>22,038</u>	<u>7,799</u>	<u>14,239</u>
Total Expenditures	<u>22,038</u>	<u>22,038</u>	<u>7,799</u>	<u>14,239</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(3,502)</u>	<u>(3,502)</u>	<u>16,435</u>	<u>19,937</u>
Other Financing Sources (Uses)				
Transfers in	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>--</u>
Net Financing Sources (Uses)	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>--</u>
Net Change in Fund Balances	<u>(2,502)</u>	<u>(2,502)</u>	<u>17,435</u>	<u>19,937</u>
Fund Balance - Beginning	<u>280,712</u>	<u>280,712</u>	<u>280,712</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 278,210</u>	<u>\$ 278,210</u>	<u>\$ 298,147</u>	<u>\$ 19,937</u>

COUNTY OF SHASTA

Special Revenue County Service Areas
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Taxes	\$ 100,227	\$ 100,227	\$ 92,770	\$ (7,457)
Use of money and property	3,360	3,360	\$ 2,618	(742)
Intergovernmental	1,700	1,700	1,602	(98)
Charges for other services	21,738	21,738	21,700	(38)
Total Revenues	<u>127,025</u>	<u>127,025</u>	<u>118,690</u>	<u>(8,335)</u>
Expenditures				
Current:				
Public ways/ facilities	<u>161,510</u>	<u>161,510</u>	<u>79,116</u>	<u>82,394</u>
Total Expenditures	<u>161,510</u>	<u>161,510</u>	<u>79,116</u>	<u>82,394</u>
Net Change in Fund Balances	(34,485)	(34,485)	39,574	74,059
Fund Balance - Beginning	<u>639,122</u>	<u>639,122</u>	<u>639,122</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 604,637</u>	<u>\$ 604,637</u>	<u>\$ 678,696</u>	<u>\$ 74,059</u>

COUNTY OF SHASTA

Permanent Road Divisions
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Taxes	\$ 500	\$ 500	\$ 875	\$ 375
Use of money and property	4,885	4,885	\$ 6,272	1,387
Intergovernmental	--	--	16	16
Charges for other services	460,094	460,094	453,078	(7,016)
Total Revenues	<u>465,479</u>	<u>465,479</u>	<u>460,241</u>	<u>(5,238)</u>
Expenditures				
Current:				
Public ways/ facilities	<u>879,771</u>	<u>879,771</u>	<u>254,671</u>	<u>625,100</u>
Total Expenditures	<u>879,771</u>	<u>879,771</u>	<u>254,671</u>	<u>625,100</u>
Net Change in Fund Balances	(414,292)	(414,292)	205,570	619,862
Fund Balance - Beginning	<u>954,369</u>	<u>954,369</u>	<u>954,369</u>	<u>--</u>
Fund Balance - Ending	<u>\$ 540,077</u>	<u>\$ 540,077</u>	<u>\$ 1,159,939</u>	<u>\$ 619,862</u>

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CAPITAL PROJECTS FUNDS

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COUNTY OF SHASTA

Combining Balance Sheet
 Non-Major Capital Projects Funds
 June 30, 2014

	<u>Accumulated Capital Outlay</u>	<u>Juvenile Hall</u>	<u>Adult Rehab Center</u>	<u>Total</u>
Assets				
Cash and investments	<u>\$ 5,785,174</u>	<u>\$ 127,824</u>	<u>\$ 2,476,222</u>	<u>\$ 8,389,220</u>
Total Assets	<u><u>\$ 5,785,174</u></u>	<u><u>\$ 127,824</u></u>	<u><u>\$ 2,476,222</u></u>	<u><u>\$ 8,389,220</u></u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	--	--	46,550	46,550
Due to other funds	<u>14,849</u>	<u>13,747</u>	--	<u>28,596</u>
Total Liabilities	<u>14,849</u>	<u>13,747</u>	<u>46,550</u>	<u>75,146</u>
Fund Balances:				
Assigned	<u>5,770,325</u>	<u>114,077</u>	<u>2,429,672</u>	<u>8,314,074</u>
Total Fund Balance	<u>5,770,325</u>	<u>114,077</u>	<u>2,429,672</u>	<u>8,314,074</u>
Total Liabilities and Fund Balances	<u><u>\$ 5,785,174</u></u>	<u><u>\$ 127,824</u></u>	<u><u>\$ 2,476,222</u></u>	<u><u>\$ 8,389,220</u></u>

COUNTY OF SHASTA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Capital Projects Funds
For the year ended June 30, 2014

	Accumulated Capital Outlay	Juvenile Hall	Adult Rehab Center	Total
Revenues				
Use of money and property	\$ 5,885	\$ (701)	\$ 5,043	\$ 10,227
Intergovernmental	--	2,967,344	--	2,967,344
Total Revenues	<u>5,885</u>	<u>2,966,643</u>	<u>5,043</u>	<u>2,977,571</u>
Expenditures				
Current				
General government	--	3,120,835	75,371	3,196,206
Total Expenditures	<u>--</u>	<u>3,120,835</u>	<u>75,371</u>	<u>3,196,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,885</u>	<u>(154,192)</u>	<u>(70,328)</u>	<u>(218,635)</u>
Other Financing Sources (Uses)				
Transfers in	7,505,089	--	2,500,000	10,005,089
Transfers out	<u>(2,685,984)</u>	<u>--</u>	<u>--</u>	<u>(2,685,984)</u>
Total Other Financing Sources (Uses)	<u>4,819,105</u>	<u>--</u>	<u>2,500,000</u>	<u>7,319,105</u>
Net Change in Fund Balances	4,824,990	(154,192)	2,429,672	7,100,470
Fund Balances - Beginning	<u>945,335</u>	<u>268,269</u>	<u>--</u>	<u>1,213,604</u>
Fund Balances - Ending	<u>\$ 5,770,325</u>	<u>\$ 114,077</u>	<u>\$ 2,429,672</u>	<u>\$ 8,314,074</u>

COUNTY OF SHASTA

Capital Projects - Accumulated Capital Outlay
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	\$ --	\$ --	\$ 5,885	\$ 5,885
Total Revenues	<u>--</u>	<u>--</u>	<u>5,885</u>	<u>5,885</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>--</u>	<u>--</u>	<u>5,885</u>	<u>5,885</u>
Other Financing Sources (Uses)				
Transfers in	7,505,089	7,505,089	7,505,089	--
Transfers out	<u>(2,736,000)</u>	<u>(2,686,000)</u>	<u>(2,685,984)</u>	16
Net Financing Sources (Uses)	<u>4,769,089</u>	<u>4,819,089</u>	<u>4,819,105</u>	<u>16</u>
Net Change in Fund Balances	4,769,089	4,819,089	4,824,990	5,901
Fund Balance - Beginning	<u>945,335</u>	<u>945,335</u>	<u>945,335</u>	<u>--</u>
Fund Balance - Ending	<u><u>\$ 5,714,424</u></u>	<u><u>\$ 5,764,424</u></u>	<u><u>\$ 5,770,325</u></u>	<u><u>\$ 5,901</u></u>

COUNTY OF SHASTA

Capital Projects - Juvenile Hall
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	\$ 4,000	\$ 2,000	\$ (701)	\$ (2,701)
Intergovernmental	13,000,000	6,500,000	2,967,344	(3,532,656)
Total Revenues	<u>13,004,000</u>	<u>6,502,000</u>	<u>2,966,643</u>	<u>(3,535,357)</u>
Expenditures				
Current:				
General government	13,400,718	6,700,359	3,120,835	3,579,524
Total Expenditures	<u>13,400,718</u>	<u>6,700,359</u>	<u>3,120,835</u>	<u>3,579,524</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(396,718)</u>	<u>(198,359)</u>	<u>(154,192)</u>	<u>44,167</u>
Net Change in Fund Balances	(396,718)	(198,359)	(154,192)	44,167
Fund Balance - Beginning	<u>268,269</u>	<u>268,269</u>	<u>268,269</u>	<u>--</u>
Fund Balance - Ending	<u><u>\$ (128,449)</u></u>	<u><u>\$ 69,910</u></u>	<u><u>\$ 114,077</u></u>	<u><u>\$ 44,167</u></u>

COUNTY OF SHASTA

Capital Projects - Adult Rehab Center
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	\$ --	\$ --	\$ 5,043	\$ 5,043
Total Revenues	<u>--</u>	<u>--</u>	<u>5,043</u>	<u>5,043</u>
Expenditures				
Current:				
General government	500,000	500,000	75,371	424,629
Total Expenditures	<u>500,000</u>	<u>500,000</u>	<u>75,371</u>	<u>424,629</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>(70,328)</u>	<u>429,672</u>
Other Financing Sources (Uses)				
Transfers in	2,500,000	2,500,000	2,500,000	--
Net Financing Sources (Uses)	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>--</u>
Net Change in Fund Balances	2,000,000	2,000,000	2,429,672	429,672
Fund Balance - Beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance - Ending	<u><u>\$ 2,000,000</u></u>	<u><u>\$ 2,000,000</u></u>	<u><u>\$ 2,429,672</u></u>	<u><u>\$ 429,672</u></u>

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DEBT SERVICE FUNDS

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COUNTY OF SHASTA

Combining Balance Sheet
 Non-Major Debt Service Funds
 June 30, 2014

	<u>Courthouse Improvement</u>	<u>Justice Center Renovation</u>	<u>Admin Center</u>	<u>Energy Retrofit</u>	<u>Total</u>
Assets					
Cash and investments	\$ 14,116	\$ 1,158	\$ 2,174	\$ 53	\$ 17,501
Cash and investments - restricted	--	570,520	84,111	--	654,631
Total Assets	<u>\$ 14,116</u>	<u>\$ 571,678</u>	<u>\$ 86,285</u>	<u>\$ 53</u>	<u>\$ 672,132</u>
Fund Balances					
Restricted	\$ 14,116	\$ 571,678	\$ 86,285	\$ 53	\$ 672,132
Total Fund Balances	<u>\$ 14,116</u>	<u>\$ 571,678</u>	<u>\$ 86,285</u>	<u>\$ 53</u>	<u>\$ 672,132</u>

COUNTY OF SHASTA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Debt Service Funds
For the Year Ended June 30, 2014

	<u>Courthouse Improvement</u>	<u>Justice Center Renovation</u>	<u>Admin Center</u>	<u>Energy Retrofit</u>	<u>Total</u>
Revenues					
Use of money and property	\$ 93	\$ 96	\$ 381	\$ 37	\$ 607
Fines and forfeitures	--	4,000	--	--	4,000
Total Revenues	<u>93</u>	<u>4,096</u>	<u>381</u>	<u>37</u>	<u>4,607</u>
Expenditures					
Debt service:					
Principal	410,000	610,000	1,325,000	300,663	2,645,663
Interest	120,641	38,806	1,053,450	32,391	1,245,288
Fiscal agent fees	--	5,790	2,235	--	8,025
Total Expenditures	<u>530,641</u>	<u>654,596</u>	<u>2,380,685</u>	<u>333,054</u>	<u>3,898,976</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(530,548)</u>	<u>(650,500)</u>	<u>(2,380,304)</u>	<u>(333,017)</u>	<u>(3,894,369)</u>
Other Financing Sources (Uses)					
Transfers in	530,641	650,511	2,378,450	333,054	3,892,656
Total Other Financing Sources (Uses)	<u>530,641</u>	<u>650,511</u>	<u>2,378,450</u>	<u>333,054</u>	<u>3,892,656</u>
Net Change in Fund Balances	93	11	(1,854)	37	(1,713)
Fund Balances - Beginning	<u>14,023</u>	<u>571,667</u>	<u>88,139</u>	<u>16</u>	<u>673,845</u>
Fund Balances - Ending	<u>\$ 14,116</u>	<u>\$ 571,678</u>	<u>\$ 86,285</u>	<u>\$ 53</u>	<u>\$ 672,132</u>

COUNTY OF SHASTA

Budgetary Comparison Schedule
Debt Service - Courthouse Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	\$ --	\$ --	\$ 93	\$ 93
Total Revenues	<u>--</u>	<u>--</u>	<u>93</u>	<u>93</u>
Expenditures				
Current:				
Debt Service	1,061,282	530,641	530,641	--
Total Expenditures	<u>1,061,282</u>	<u>530,641</u>	<u>530,641</u>	<u>--</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(1,061,282)</u>	<u>(530,641)</u>	<u>(530,548)</u>	<u>93</u>
Other Financing Sources (Uses)				
Transfers in	1,061,282	530,641	530,641	--
Net Financing Sources (Uses)	<u>1,061,282</u>	<u>530,641</u>	<u>530,641</u>	<u>--</u>
Net Change in Fund Balances	--	--	93	93
Fund Balance - Beginning	<u>14,023</u>	<u>14,023</u>	<u>14,023</u>	<u>--</u>
Fund Balance - Ending	<u><u>\$ 14,023</u></u>	<u><u>\$ 14,023</u></u>	<u><u>\$ 14,116</u></u>	<u><u>\$ 93</u></u>

COUNTY OF SHASTA

Budgetary Comparison Schedule
Debt Service - Justice Center Bond
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ 4,000	\$ (1,000)
Use of money and property	--	--	96	96
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>4,096</u>	<u>(904)</u>
Expenditures				
Current:				
Debt Service	<u>1,306,614</u>	<u>655,807</u>	<u>654,596</u>	<u>1,211</u>
Total Expenditures	<u>1,306,614</u>	<u>655,807</u>	<u>654,596</u>	<u>1,211</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(1,301,614)</u>	<u>(650,807)</u>	<u>(650,500)</u>	<u>307</u>
Other Financing Sources (Uses)				
Transfers in	<u>1,301,614</u>	<u>650,807</u>	<u>650,511</u>	<u>(296)</u>
Net Financing Sources (Uses)	<u>1,301,614</u>	<u>650,807</u>	<u>650,511</u>	<u>(296)</u>
Net Change in Fund Balances	--	--	11	11
Fund Balance - Beginning	<u>571,666</u>	<u>571,666</u>	<u>571,667</u>	<u>1</u>
Fund Balance - Ending	<u>\$ 571,666</u>	<u>\$ 571,666</u>	<u>\$ 571,678</u>	<u>\$ 12</u>

COUNTY OF SHASTA

Budgetary Comparison Schedule
Debt Service - Admin Center Bond
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	\$ --	\$ --	\$ 381	\$ 381
Total Revenues	<u>--</u>	<u>--</u>	<u>381</u>	<u>381</u>
Expenditures				
Current:				
Debt Service	4,761,900	2,380,950	2,380,685	265
Total Expenditures	<u>4,761,900</u>	<u>2,380,950</u>	<u>2,380,685</u>	<u>265</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(4,761,900)</u>	<u>(2,380,950)</u>	<u>(2,380,304)</u>	<u>646</u>
Other Financing Sources (Uses)				
Transfers in	4,761,900	2,380,950	2,378,450	(2,500)
Net Financing Sources (Uses)	<u>4,761,900</u>	<u>2,380,950</u>	<u>2,378,450</u>	<u>(2,500)</u>
Net Change in Fund Balances	--	--	(1,854)	(1,854)
Fund Balance - Beginning	<u>88,139</u>	<u>88,139</u>	<u>88,139</u>	<u>--</u>
Fund Balance - Ending	<u><u>\$ 88,139</u></u>	<u><u>\$ 88,139</u></u>	<u><u>\$ 86,285</u></u>	<u><u>\$ (1,854)</u></u>

COUNTY OF SHASTA

Budgetary Comparison Schedule
Debt Service - Energy Retrofit
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Final to Actual
Revenues				
Use of money and property	\$ --	\$ --	\$ 37	\$ 37
Total Revenues	<u>--</u>	<u>--</u>	<u>37</u>	<u>37</u>
Expenditures				
Current:				
Debt Service	666,108	333,054	333,054	--
Total Expenditures	<u>666,108</u>	<u>333,054</u>	<u>333,054</u>	<u>--</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(666,108)</u>	<u>(333,054)</u>	<u>(333,017)</u>	<u>37</u>
Other Financing Sources (Uses)				
Transfers in	666,108	333,054	333,054	--
Net Financing Sources (Uses)	<u>666,108</u>	<u>333,054</u>	<u>333,054</u>	<u>--</u>
Net Change in Fund Balances	--	--	37	37
Fund Balance - Beginning	<u>16</u>	<u>16</u>	<u>16</u>	<u>--</u>
Fund Balance - Ending	<u><u>\$ 16</u></u>	<u><u>\$ 16</u></u>	<u><u>\$ 53</u></u>	<u><u>\$ 37</u></u>

NONMAJOR ENTERPRISE FUNDS

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COUNTY OF SHASTA

Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2014

	CSA #2 Sugarloaf Water	CSA #3 Castella Water	CSA # 8 Palo Cedro
Assets			
Current assets:			
Cash and investments	\$ 6,693	\$ 76,217	\$ 616,969
Receivables, net	4,130	10,906	30,225
Due from other funds	1,786	1,114	6,341
Due from other governments	--	--	--
Total current assets	12,609	88,237	653,535
Noncurrent Assets:			
Special assessments receivable	--	166,830	--
Cash and investments - restricted	--	5,258	--
Capital assets, non-depreciable	1,342	19,860	340,835
Capital assets, depreciable -net	37,260	807,865	1,229,147
Total noncurrent assets	38,602	999,813	1,569,982
Total Assets	51,211	1,088,050	2,223,517
Liabilities			
Current liabilities:			
Accounts payable	167	986	1,521
Interest payable	--	2,391	--
Due to other funds	3	1	9
Deposits from others	--	500	--
Unearned revenue	515	1,388	2,431
Bonds, notes payable	0	2,400	20,000
Total current liabilities	685	7,666	23,961
Noncurrent Liabilities:			
Advances from other funds	--	--	--
Bonds, notes payable	--	171,500	--
Total noncurrent liabilities	--	171,500	--
Total Liabilities	685	179,166	23,961
Net Position			
Net investment in capital assets	38,602	653,825	1,549,982
Unrestricted	11,924	255,059	649,574
Total Net Position	\$ 50,526	\$ 908,884	\$ 2,199,556

continued

COUNTY OF SHASTA

Combining Statement of Net Position (continued)
 Non-Major Enterprise Funds
 June 30, 2014

	CSA #11 French Gulch	CSA #13 Alpine Meadows	CSA # 17 Cotton- wood
	<u> </u>	<u> </u>	<u> </u>
Assets			
Current assets:			
Cash and investments	\$ 140,081	\$ 20,760	\$ 168,493
Receivables, net	15,947	6,448	155,687
Due from other funds	4,024	1,051	24,386
Due from other governments	--	--	--
Total current assets	<u>160,052</u>	<u>28,259</u>	<u>348,566</u>
Noncurrent Assets:			
Special assessments receivable	125,082	--	--
Cash and investments - restricted	--	--	--
Capital assets, non-depreciable	45,928	--	352,773
Capital assets, depreciable -net	825,242	141,407	2,486,948
Total noncurrent assets	<u>996,252</u>	<u>141,407</u>	<u>2,839,721</u>
Total Assets	<u>1,156,304</u>	<u>169,666</u>	<u>3,188,287</u>
Liabilities			
Current liabilities:			
Accounts payable	728	55	3,602
Interest payable	1,068	--	--
Due to other funds	3	1	31
Deposits from others	--	--	--
Unearned revenue	614	1,261	8,041
Bonds, notes payable	21,019	--	--
Total current liabilities	<u>23,432</u>	<u>1,317</u>	<u>11,674</u>
Noncurrent Liabilities:			
Advances from other funds	--	13,333	378,082
Bonds, notes payable	104,063	--	--
Total noncurrent liabilities	<u>104,063</u>	<u>13,333</u>	<u>378,082</u>
Total Liabilities	<u>127,495</u>	<u>14,650</u>	<u>389,756</u>
Net Position			
Net investments in capital assets	746,088	141,407	2,839,721
Unrestricted	282,721	13,609	(41,190)
Total Net Position	<u>\$ 1,028,809</u>	<u>\$ 155,016</u>	<u>\$ 2,798,531</u>

continued

COUNTY OF SHASTA

Combining Statement of Net Position (continued)
 Non-Major Enterprise Funds
 June 30, 2014

	CSA #23 Crag View Water	CSA #25 Keswick Water	Shasta Co Transit	Total
Assets				
Current assets:				
Cash and investments	\$ 62,452	\$ --	\$ 95,378	\$ 1,187,043
Receivables, net	8,591	10,777	--	242,711
Due from other funds	2,744	4,010	--	45,456
Due from other governments	--	--	407,030	407,030
Total current assets	<u>73,787</u>	<u>14,787</u>	<u>502,408</u>	<u>1,475,210</u>
Noncurrent Assets:				
Special assessments receivable	238,428	--	--	530,340
Cash and investments - restricted	--	--	--	5,258
Capital assets, non-depreciable	--	230	--	760,968
Capital assets, depreciable -net	1,384,736	235,266	--	7,147,871
Total noncurrent assets	<u>1,623,164</u>	<u>235,496</u>	<u>--</u>	<u>8,444,437</u>
Total Assets	<u>1,696,951</u>	<u>250,283</u>	<u>502,408</u>	<u>9,919,647</u>
Liabilities				
Current liabilities:				
Accounts payable	720	5,913	10,319	24,011
Interest payable	--	--	--	3,459
Due to other funds	2	172,772	--	172,822
Deposits from others	--	--	--	500
Unearned revenue	238,824	1,209	--	254,283
Bonds, notes payable	13,727	--	--	57,146
Total current liabilities	<u>253,273</u>	<u>179,894</u>	<u>10,319</u>	<u>512,221</u>
Noncurrent Liabilities:				
Advances from other funds	--	--	--	391,415
Bonds, notes payable	260,819	--	--	536,382
Total noncurrent liabilities	<u>260,819</u>	<u>--</u>	<u>--</u>	<u>927,797</u>
Total Liabilities	<u>514,092</u>	<u>179,894</u>	<u>10,319</u>	<u>1,440,018</u>
Net Position				
Net investments in capital assets	1,110,190	235,496	--	7,315,311
Unrestricted	72,669	(165,107)	492,089	1,571,348
Total Net Position	<u>\$ 1,182,859</u>	<u>\$ 70,389</u>	<u>\$ 492,089</u>	<u>\$ 8,886,659</u>

COUNTY OF SHASTA

Combining Statement of Revenues, Expenses and Changes in Net Position
 Non-Major Enterprise Funds
 For the Year Ended June 30, 2014

	CSA #2 Sugarloaf Water	CSA #3 Castella Water	CSA # 8 Palo Cedro
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues			
Charges for services	\$ 36,015	\$ 46,187	\$ 154,134
Total Operating Revenues	<u>36,015</u>	<u>46,187</u>	<u>154,134</u>
Operating Expenses			
Services and supplies	48,579	36,819	708,313
Central service costs	3,201	2,070	4,855
Depreciation	4,658	41,199	91,104
Total Operating Expenses	<u>56,438</u>	<u>80,088</u>	<u>804,272</u>
Operating Income (Loss)	<u>(20,423)</u>	<u>(33,901)</u>	<u>(650,138)</u>
Non-Operating Revenues (Expenses)			
Investment income	67	306	3,243
Property tax revenue	--	--	--
Licenses and permits revenue	--	--	--
Interest expense	--	(7,189)	--
Miscellaneous revenue	28	8,070	28
Miscellaneous expense	--	--	(60)
Total Non-Operating Revenues (Expenses)	<u>95</u>	<u>1,187</u>	<u>3,211</u>
Change in Net Position	(20,328)	(32,714)	(646,927)
Net Position - Beginning	<u>70,854</u>	<u>941,598</u>	<u>2,846,483</u>
Net Position - Ending	<u>\$ 50,526</u>	<u>\$ 908,884</u>	<u>\$ 2,199,556</u>

continued

COUNTY OF SHASTA

Combining Statement of Revenues, Expenses and Changes in Net Position (continued)
 Non-Major Enterprise Funds
 For the Year Ended June 30, 2014

	CSA #11 French Gulch	CSA #13 Alpine Meadows	CSA # 17 Cotton- wood
Operating Revenues			
Charges for services	\$ 86,042	\$ 36,010	\$ 576,002
Total Operating Revenues	<u>86,042</u>	<u>36,010</u>	<u>576,002</u>
Operating Expenses			
Services and supplies	58,353	26,881	584,038
Central service costs	2,972	2,158	12,261
Depreciation	43,056	7,070	240,599
Total Operating Expenses	<u>104,381</u>	<u>36,109</u>	<u>836,898</u>
Operating Income (Loss)	<u>(18,339)</u>	<u>(99)</u>	<u>(260,896)</u>
Non-Operating Revenues (Expenses)			
Investment income	498	79	830
Property tax revenue	--	--	--
Licenses and permits revenue	--	--	--
Interest expense	(4,613)	--	(15,926)
Miscellaneous revenue	49	18	359
Miscellaneous expense	--	(48)	--
Total Non-Operating Revenues (Expenses)	<u>(4,066)</u>	<u>49</u>	<u>(14,737)</u>
Change in Net Position	(22,405)	(50)	(275,633)
Net Position - Beginning	<u>1,051,214</u>	<u>155,066</u>	<u>3,074,164</u>
Net Position - Ending	<u>\$ 1,028,809</u>	<u>\$ 155,016</u>	<u>\$ 2,798,531</u>

continued

COUNTY OF SHASTA

Combining Statement of Revenues, Expenses and Changes in Net Position (continued)
 Non-Major Enterprise Funds
 For the Year Ended June 30, 2014

	CSA #23 Crag View Water	CSA #25 Keswick Water	Shasta Co Transit	Total
Operating Revenues				
Charges for services	\$ 38,570	\$ 53,859	\$ 493,225	\$ 1,520,044
Total Operating Revenues	<u>38,570</u>	<u>53,859</u>	<u>493,225</u>	<u>1,520,044</u>
Operating Expenses				
Services and supplies	39,335	326,274	420,074	2,248,666
Central service costs	7,212	4,871	--	39,600
Depreciation	30,976	14,404	--	473,066
Total Operating Expenses	<u>77,523</u>	<u>345,549</u>	<u>420,074</u>	<u>2,761,332</u>
			--	
Operating Income (Loss)	<u>(38,953)</u>	<u>(291,690)</u>	<u>73,151</u>	<u>(1,241,288)</u>
Non-Operating Revenues (Expenses)				
Investment income	3,183	(98)	563	8,671
Property tax revenue	6,032	--	--	6,032
Licenses and permits revenue	--	20,951	--	20,951
Interest expense	--	--	--	(27,728)
Miscellaneous revenue	14,093	4,013	--	26,658
Miscellaneous expense	(3,030)	--	--	(3,138)
Total Non-Operating Revenues (Expenses)	<u>20,278</u>	<u>24,866</u>	<u>563</u>	<u>31,446</u>
Change in Net Position	(18,675)	(266,824)	73,714	(1,209,842)
Net Position - Beginning	<u>1,201,534</u>	<u>337,213</u>	<u>418,375</u>	<u>10,096,501</u>
Net Position - Ending	<u>\$ 1,182,859</u>	<u>\$ 70,389</u>	<u>492,089</u>	<u>\$ 8,886,659</u>

COUNTY OF SHASTA

Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2014

	CSA #2 Sugarloaf Water	CSA #3 Castella Water	CSA # 8 Palo Cedro
Cash Flows from Operating Activities			
Receipts from customers	\$ 35,754	\$ 46,090	\$ 148,489
Payments to suppliers	(52,287)	(39,485)	(711,906)
Operating subsidies and transfers	--	--	--
Net Cash Provided (Used) by Operating Activities	<u>(16,533)</u>	<u>6,605</u>	<u>(563,417)</u>
Cash Flows from Non-Capital Financing Activities:			
Property taxes	--	--	--
Other revenue (expense)	28	291	(31)
Nonoperating subsidies and transfers	(291)	--	897
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(263)</u>	<u>291</u>	<u>866</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	--	--	(37,389)
Transfers for capital acquisition	--	1	(1)
Principal payments on capital debt	--	(2,300)	--
Proceeds from capital-type special assessments	--	8,965	--
Capital grants received	--	--	--
Interest payments on capital debt	--	(7,221)	--
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(555)</u>	<u>(37,390)</u>
Cash Flows from Investing Activities			
Income on investments	66	307	3,242
Net Cash Provided (Used) by Investing Activities	<u>66</u>	<u>307</u>	<u>3,242</u>
Net Increase (Decrease) in Cash	(16,730)	6,648	(596,699)
Cash and cash equivalents, beginning of year	<u>23,423</u>	<u>74,827</u>	<u>1,213,668</u>
Cash and cash equivalents, end of year	<u>\$ 6,693</u>	<u>\$ 81,475</u>	<u>\$ 616,969</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(20,423)	(33,901)	(650,138)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:			
Depreciation expense	4,658	41,199	91,104
Changes in assets and liabilities:			
Receivables, net	1,525	343	415
Due from other funds	(1,786)	--	(6,060)
Due from other governments	--	--	--
Other assets	20	(153)	(82)
Accounts payable	(530)	(383)	1,335
Due to other funds	3	(60)	9
Unearned revenue	--	(440)	--
Due to other governments	--	--	--
Net Cash Provided (Used) by Operating Activities	<u>\$ (16,533)</u>	<u>\$ 6,605</u>	<u>(563,417)</u>

continued

COUNTY OF SHASTA

Combining Statement of Cash Flows (continued)
 Non-Major Enterprise Funds
 For the Fiscal Year Ended June 30, 2014

	CSA #11 French Gulch	CSA #13 Alpine Meadows	CSA # 17 Cotton- wood
Cash Flows from Operating Activities			
Receipts from customers	\$ 86,255	\$ 36,088	\$ 563,992
Payments to suppliers	(62,021)	(29,838)	(596,303)
Operating subsidies and transfers	--	--	
Net Cash Provided (Used) by Operating Activities	<u>24,234</u>	<u>6,250</u>	<u>(32,311)</u>
Cash Flows from Non-Capital Financing Activities:			
Property taxes	--	--	--
Other revenue (expense)	48	(31)	359
Nonoperating subsidies and transfers	--	(1,667)	(20,066)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>48</u>	<u>(1,698)</u>	<u>(19,707)</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	--	--	--
Transfers for capital acquisition	--	--	--
Principal payments on capital debt	(20,320)	--	--
Proceeds from capital-type special assessments	20,320	--	--
Capital grants received	2,920	--	4,869
Interest payments on capital debt	(4,787)	--	(15,926)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,867)</u>	<u>--</u>	<u>(11,057)</u>
Cash Flows from Investing Activities			
Income on investments	499	82	832
Net Cash Provided (Used) by Investing Activities	<u>499</u>	<u>82</u>	<u>832</u>
Net Increase (Decrease) in Cash	22,914	4,634	(62,243)
Cash and cash equivalents, beginning of year	<u>117,167</u>	<u>16,126</u>	<u>230,736</u>
Cash and cash equivalents, end of year	<u>\$ 140,081</u>	<u>\$ 20,760</u>	<u>\$ 168,493</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (18,339)	\$ (99)	\$ (260,896)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:			
Depreciation expense	43,056	7,070	240,599
Changes in assets and liabilities:			
Receivables, net	4,237	275	6,938
Due from other funds	(4,024)	(1,051)	(24,386)
Due from other governments	--	--	--
Other assets	98	48	3,504
Accounts payable	(797)	(567)	(3,539)
Due to other funds	3	(280)	31
Unearned revenue	--	854	5,438
Due to other governments	--	--	--
Net Cash Provided (Used) by Operating Activities	<u>\$ 24,234</u>	<u>\$ 6,250</u>	<u>\$ (32,311)</u>

continued

COUNTY OF SHASTA

Combining Statement of Cash Flows (continued)
 Non-Major Enterprise Funds
 For the Fiscal Year Ended June 30, 2014

	CSA #23 Crag View Water	CSA #25 Keswick Water	Shasta Co Transit	Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 50,287	\$ 55,519	\$ 480,319	\$ 1,502,793
Payments to suppliers	(47,582)	(160,236)	(430,444)	(2,130,102)
Operating subsidies and transfers	(369)	--	--	(369)
Net Cash Provided (Used) by Operating Activities	<u>2,336</u>	<u>(104,717)</u>	<u>49,875</u>	<u>(627,678)</u>
Cash Flows from Non-Capital Financing Activities:				
Property taxes	6,032	--	--	6,032
Other revenue (expense)	(2,931)	24,963	--	22,696
Nonoperating subsidies and transfers	--	--	--	(21,127)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>3,101</u>	<u>24,963</u>	<u>--</u>	<u>7,601</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	--	--	--	(37,389)
Transfers for capital acquisition	--	--	--	--
Principal payments on capital debt	--	--	--	(22,620)
Proceeds from capital-type special assessments	--	(1)	--	29,284
Capital grants received	1,523	(520)	--	8,792
Interest payments on capital debt	--	210	--	(27,724)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,523</u>	<u>(311)</u>	<u>--</u>	<u>(49,657)</u>
Cash Flows from Investing Activities				
Income on investments	3,183	(98)	563	8,676
Net Cash Provided (Used) by Investing Activities	<u>3,183</u>	<u>(98)</u>	<u>563</u>	<u>8,676</u>
Net Increase (Decrease) in Cash	10,143	(80,163)	50,438	(661,058)
Cash and cash equivalents, beginning of year	<u>52,309</u>	<u>80,163</u>	<u>44,940</u>	<u>1,853,359</u>
Cash and cash equivalents, end of year	<u>\$ 62,452</u>	<u>\$ --</u>	<u>\$ 95,378</u>	<u>\$ 1,192,301</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (38,953)	\$ (291,690)	\$ 73,151	\$ (1,241,288)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:				
Depreciation expense	30,976	14,404	--	473,066
Changes in assets and liabilities:				
Receivables, net	(964)	1,294	--	14,063
Due from other funds	(2,744)	(4,010)	--	(44,061)
Due from other governments	--	733	--	733
Other assets	253	(356)	--	3,332
Accounts payable	(252)	2,504	--	(2,229)
Due to other funds	2	172,404	--	172,112
Unearned revenue	14,018	--	--	19,870
Due to other governments	--	--	(23,276)	(23,276)
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,336</u>	<u>\$ (104,717)</u>	<u>\$ 49,875</u>	<u>\$ (627,678)</u>

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INTERNAL SERVICE FUNDS

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COUNTY OF SHASTA

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

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Systems</u>
Assets			
Current Assets:			
Cash and investments	\$ 4,795,859	\$ 28,649,315	\$ 2,285,519
Receivables, net	9,567	2,699	--
Due from other governments	--	147	6,960
Inventories	45,967	--	--
Due from other funds	30,374	--	3,631
Other assets	39	7,402	139,659
Total current assets	<u>4,881,806</u>	<u>28,659,563</u>	<u>2,435,769</u>
Noncurrent Assets:			
Advances to other funds	--	378,082	--
Capital assets, non-depreciable	55,375	--	--
Capital assets, depreciable -net	1,808,855	--	616,771
Total noncurrent assets	<u>1,864,230</u>	<u>378,082</u>	<u>616,771</u>
Total Assets	<u>6,746,036</u>	<u>29,037,645</u>	<u>3,052,540</u>
Liabilities			
Current Liabilities:			
Accounts payable	33,786	337,350	76,931
Salaries and benefits payable	17,212	33,865	151,627
Due to other governments	--	--	--
Due to other funds	213,668	17,141	21,918
Deposits from others	--	300	--
Claims payable	--	2,810,613	--
Compensated absences payable	9,814	32,236	129,722
Total current liabilities	<u>274,480</u>	<u>3,231,505</u>	<u>380,198</u>
Noncurrent Liabilities:			
Claims payable	--	17,532,387	--
Compensated absences payable	8,895	29,216	117,572
Total noncurrent liabilities	<u>8,895</u>	<u>17,561,603</u>	<u>117,572</u>
Total Liabilities	<u>283,375</u>	<u>20,793,108</u>	<u>497,770</u>
Net Position			
Net investment in capital assets	1,864,230	--	616,771
Unrestricted	4,598,431	8,244,537	1,937,999
Total Net Position	<u>\$ 6,462,661</u>	<u>\$ 8,244,537</u>	<u>\$ 2,554,770</u>

continued

COUNTY OF SHASTA

Combining Statement of Net Position (continued)
Internal Service Funds
June 30, 2014

	<u>Facilities Management</u>	<u>County Utilities</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and investments	\$ 1,027,950	\$ 443,020	\$ 37,201,663
Receivables, net	170	693	13,129
Due from other governments	--	--	7,107
Inventories	41,730	--	87,697
Due from other funds	237,619	221,106	492,730
Other assets	40	--	147,140
Total current assets	<u>1,307,509</u>	<u>664,819</u>	<u>37,949,466</u>
Noncurrent Assets:			
Advances to other funds	--	--	378,082
Capital assets, non-depreciable	--	--	55,375
Capital assets, depreciable -net	89,362	--	2,514,988
Total noncurrent assets	<u>89,362</u>	<u>--</u>	<u>2,948,445</u>
Total Assets	<u>1,396,871</u>	<u>664,819</u>	<u>40,897,911</u>
Liabilities			
Current Liabilities:			
Accounts payable	129,424	17,318	594,809
Salaries and benefits payable	91,043	--	293,747
Due to other governments	6,964	197,992	204,956
Due to other funds	347	--	253,074
Deposits from others	--	--	300
Claims payable	--	--	2,810,613
Compensated absences payable	75,956	--	247,728
Total current liabilities	<u>303,734</u>	<u>215,310</u>	<u>4,405,227</u>
Noncurrent Liabilities:			
Claims payable	--	--	17,532,387
Compensated absences payable	68,842	--	224,525
Total noncurrent liabilities	<u>68,842</u>	<u>--</u>	<u>17,756,912</u>
Total Liabilities	<u>372,576</u>	<u>215,310</u>	<u>22,162,139</u>
Net Position			
Net investment in capital assets	89,362	--	2,570,363
Unrestricted	934,933	449,509	16,165,409
Total Net Position	<u>\$ 1,024,295</u>	<u>\$ 449,509</u>	<u>\$ 18,735,772</u>

COUNTY OF SHASTA

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

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Systems</u>
Operating Revenues			
Charges for services	<u>\$ 1,758,183</u>	<u>\$ 5,479,959</u>	<u>\$ 5,406,180</u>
Total Operating Revenues	<u>1,758,183</u>	<u>5,479,959</u>	<u>5,406,180</u>
Operating Expenses			
Salaries and benefits	383,099	810,779	3,438,315
Services and supplies	1,134,720	1,209,068	1,416,811
Central service costs	71,672	194,232	827,856
Insurance premiums	--	1,455,042	--
Claims expense	--	3,267,182	--
Depreciation	442,964	644	208,945
Total Operating Expenses	<u>2,032,455</u>	<u>6,936,947</u>	<u>5,891,927</u>
Operating Income (Loss)	<u>(274,272)</u>	<u>(1,456,988)</u>	<u>(485,747)</u>
Non-Operating Revenues (Expenses)			
Investment income (loss)	19,110	127,151	8,420
Miscellaneous revenue (expense)	(8,121)	338,688	5,285
Gain (loss) on disposition of capital assets	<u>(117,928)</u>	<u>--</u>	<u>--</u>
Total Non-Operating Revenues (Expenses)	<u>(106,939)</u>	<u>465,839</u>	<u>13,705</u>
Net Income (Loss) Before Transfers	<u>(381,211)</u>	<u>(991,149)</u>	<u>(472,042)</u>
Transfers in	27,571	--	569,402
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>
Change in Net Position	<u>(353,640)</u>	<u>(991,149)</u>	<u>97,360</u>
Net Position - Beginning	<u>6,816,301</u>	<u>9,235,686</u>	<u>2,457,410</u>
Net Position - Ending	<u>\$ 6,462,661</u>	<u>\$ 8,244,537</u>	<u>\$ 2,554,770</u>

continued

COUNTY OF SHASTA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position (continued)
Internal Service Funds
For the Year Ended June 30, 2014

	Facilities Management	County Utilities	Total
Operating Revenues			
Charges for services	\$ 3,528,151	\$ 1,718,701	\$ 17,891,174
Total Operating Revenues	<u>3,528,151</u>	<u>1,718,701</u>	<u>17,891,174</u>
Operating Expenses			
Salaries and benefits	2,233,416	--	6,865,609
Services and supplies	1,058,496	1,289,458	6,108,553
Central service costs	137,522	--	1,231,282
Insurance premiums	--	--	1,455,042
Claims expense	--	--	3,267,182
Depreciation	21,967	--	674,520
Total Operating Expenses	<u>3,451,401</u>	<u>1,289,458</u>	<u>19,602,188</u>
Operating Income (Loss)	<u>76,750</u>	<u>429,243</u>	<u>(1,711,014)</u>
Non-Operating Revenues (Expenses)			
Investment income (loss)	2,087	995	157,763
Miscellaneous revenue (expense)	36,500	--	372,352
Gain (loss) on disposition of capital assets	--	--	(117,928)
Total Non-Operating Revenues (Expenses)	<u>38,587</u>	<u>995</u>	<u>412,187</u>
Net Income (Loss) Before Transfers	115,337	430,238	(1,298,827)
Transfers in	10,657	--	607,630
Transfers out	--	(333,054)	(333,054)
Change in Net Position	125,994	97,184	(1,024,251)
Net Position - Beginning	<u>898,301</u>	<u>352,325</u>	<u>19,760,023</u>
Net Position - Ending	<u>\$ 1,024,295</u>	<u>\$ 449,509</u>	<u>\$ 18,735,772</u>

COUNTY OF SHASTA

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

	<u>Fleet Management</u>	<u>Risk Management</u>	<u>Information Systems</u>
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,808,024	\$ 5,768,277	\$ 5,402,873
Payments to suppliers	(1,827,724)	(2,883,334)	(2,300,094)
Payments to employees	(371,909)	(812,892)	(3,392,167)
Claims paid	--	(3,261,182)	--
Net Cash Provided (Used) by Operating Activities	<u>(391,609)</u>	<u>(1,189,131)</u>	<u>(289,388)</u>
Cash Flows from Non-Capital Financing Activities:			
Other revenue (expense)	(8,122)	338,686	5,284
Operating subsidies and transfers out	27,571	20,365	569,402
Net Cash Provided (Used) by Noncapital Financing Activities	<u>19,449</u>	<u>359,051</u>	<u>574,686</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(123,621)	--	(189,047)
Cash Flows from Capital and Related and Related Financing Activities	<u>(123,621)</u>	<u>--</u>	<u>(189,047)</u>
Cash Flows from Investing Activities			
Income on investments	19,110	127,153	8,420
Net Increase (Decrease) in Cash	(476,671)	(702,927)	104,671
Cash at Beginning of Year	<u>5,272,530</u>	<u>29,352,242</u>	<u>2,180,848</u>
Cash at End of Year	<u>\$ 4,795,859</u>	<u>\$ 28,649,315</u>	<u>\$ 2,285,519</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (274,272)	\$ (1,456,988)	\$ (485,747)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:			
Depreciation expense	442,964	644	208,945
Changes in assets and liabilities:			
Receivables, net	(9,465)	287,088	1,004
Due from other funds	(7,884)	1,230	(1,423)
Due from other governments	--	--	(2,888)
Inventories	(4,597)	--	--
Other assets	--	6,575	(83,020)
Accounts payable	(616,735)	(45,674)	18,675
Salaries and benefits payable	402	4,667	22,088
Due to other funds	67,190	14,107	8,918
Claims payable	--	6,000	--
Due to other governments	--	--	--
Compensated absences payable	10,788	(6,780)	24,060
Net Cash Provided (Used) by Operating Activities	<u>\$ (391,609)</u>	<u>\$ (1,189,131)</u>	<u>\$ (289,388)</u>

continued

COUNTY OF SHASTA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2014

	Facilities Management	Shasta County Utilities	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 3,446,035	\$ 1,614,833	\$ 18,040,042
Payments to suppliers	(1,100,759)	(1,189,310)	(9,301,221)
Payments to employees	(2,213,536)	--	(6,790,504)
Claims paid	--	--	(3,261,182)
Net Cash Provided (Used) by Operating Activities	<u>131,740</u>	<u>425,523</u>	<u>(1,312,865)</u>
Cash Flows from Non-Capital Financing Activities:			
Other revenue (expense)	36,500	--	372,348
Operating subsidies and transfers out	10,657	(333,056)	294,939
Net Cash Provided (Used) by Noncapital Financing Activities	<u>47,157</u>	<u>(333,056)</u>	<u>667,287</u>
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(9,621)	--	(322,289)
Cash Flows from Capital and Related and Related Financing Activities	<u>(9,621)</u>	<u>--</u>	<u>(322,289)</u>
Cash Flows from Investing Activities			
Income on investments	2,078	996	157,757
Net Increase (Decrease) in Cash	171,354	93,463	(810,110)
Cash at Beginning of Year	<u>856,596</u>	<u>349,557</u>	<u>38,011,773</u>
Cash at End of Year	<u>\$ 1,027,950</u>	<u>\$ 443,020</u>	<u>\$ 37,201,663</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 76,750	\$ 429,243	\$ (1,711,014)
Adjustments to reconcile net operating income to net cash provided (used) by operating activities:			
Depreciation expense	21,966	--	674,519
Changes in assets and liabilities:			
Receivables, net	105	(693)	278,039
Due from other funds	(82,221)	(103,174)	(193,472)
Due from other governments	--	--	(2,888)
Inventories	490	--	(4,107)
Other assets	(40)	--	(76,485)
Accounts payable	88,615	10,544	(544,575)
Salaries and benefits payable	9,505	--	36,662
Due to other funds	313	--	90,528
Claims payable	--	--	6,000
Due to other governments	5,843	89,603	95,446
Compensated absences payable	10,414	--	38,482
Net Cash Provided (Used) by Operating Activities	<u>\$ 131,740</u>	<u>\$ 425,523</u>	<u>\$ (1,312,865)</u>

TRUST AND AGENCY FUNDS

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COUNTY OF SHASTA

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

	<u>Schools Districts</u>	<u>Special Districts</u>	<u>Total</u>
Assets			
Cash and investments	\$ 137,361,653	\$ 11,172,961	\$ 148,534,614
Accounts receivable, net	--	30,173	30,173
Due from other governments	--	40,468	40,468
Due from other funds	504,000	244,345	748,345
Total Assets	<u>137,865,653</u>	<u>11,487,947</u>	<u>149,353,600</u>
Liabilities			
Due to other funds	504,000	62,220	566,220
Due to other governments	--	44,331	44,331
Advances from other funds	--	4,000	4,000
Total Liabilities	<u>504,000</u>	<u>110,551</u>	<u>614,551</u>
Net Position			
Net assets held in trust for investment pool participants	137,361,653	11,377,396	148,739,049
Total Net Position	<u>\$ 137,361,653</u>	<u>\$ 11,377,396</u>	<u>\$ 148,739,049</u>

COUNTY OF SHASTA

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the year ended June 30, 2014

	<u>Schools Districts</u>	<u>Special Districts</u>	<u>Total</u>
Additions			
Contributions to investment pool	\$ 391,749,178	\$ 13,702,017	\$ 405,451,195
Deductions			
Distributions from investment pool	<u>401,261,926</u>	<u>13,984,603</u>	<u>415,246,529</u>
Change in Net Assets	(9,512,748)	(282,586)	(9,795,334)
Net Position, Beginning	<u>146,874,401</u>	<u>11,659,982</u>	<u>158,534,383</u>
Net Position, Ending of Year	<u>\$ 137,361,653</u>	<u>\$ 11,377,396</u>	<u>\$ 148,739,049</u>

COUNTY OF SHASTA

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
Clearing and revolving funds				
Assets:				
Cash and cash equivalents	\$ 33,163,600	\$497,644,000	\$506,705,012	\$ 24,102,588
Accounts receivable, net	435,958	458,578	430,907	463,629
Taxes receivable, net	15,494,901	13,991,217	15,494,900	13,991,218
Due from other governments	521,607	1,441,372	521,607	1,441,372
Due from other funds	4,423	601,104	4,424	601,103
Total assets	<u>\$ 49,620,489</u>	<u>\$514,136,271</u>	<u>\$523,156,850</u>	<u>\$ 40,599,910</u>
Liabilities:				
Due to other funds	\$ 2,789,210	\$ 3,197,539	\$ 2,789,211	\$ 3,197,538
Due to other governments	3,727,847	105,169,858	101,475,095	7,422,610
Taxes due to other funds	25,256,994	212,807,763	224,277,931	13,786,826
Agency funds liabilities	17,846,438	192,961,111	194,614,613	16,192,936
Total liabilities	<u>\$ 49,620,489</u>	<u>\$514,136,271</u>	<u>\$523,156,850</u>	<u>\$ 40,599,910</u>

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STATISTICAL SECTION

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County of Shasta
Net Position by Component
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)

	Fiscal Year									
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 52,954,949	\$ 68,227,266	\$ 77,296,915	\$ 83,658,728	\$ 78,476,334	\$ 90,281,650	\$ 92,540,981	\$ 95,466,593	\$ 106,549,647	\$ 113,574,434
Restricted	49,280,835	45,933,254	58,776,922	63,512,379	61,914,876	56,759,374	74,976,230	74,693,028	78,246,397	88,525,216
Unrestricted	50,480,199	67,268,950	62,291,574	71,132,894	60,952,680	64,129,625	53,115,683	39,196,434	28,137,948	29,211,514
Total governmental activities net position	\$ 152,715,983	\$ 181,429,470	\$ 198,365,411	\$ 218,304,001	\$ 201,343,890	\$ 211,170,649	\$ 220,632,894	\$ 209,356,055	\$ 212,933,992	\$ 231,311,164
Business-type activities										
Invested in Capital Assets, net of related debt	\$ 12,006,898	\$ 14,237,616	\$ 23,682,289	\$ 25,841,139	\$ 27,908,105	\$ 26,665,301	\$ 29,657,997	\$ 33,010,243	\$ 35,729,733	\$ 35,822,699
Restricted	143,964	146,401	150,096	70,078	665,437	665,437	2,022	2,272	-	-
Unrestricted	5,369,654	6,162,107	2,278,101	2,296,766	8,657,983	9,708,343	9,134,074	8,281,152	11,475,317	11,210,859
Total business-type activities net position	\$ 17,520,516	\$ 20,546,124	\$ 26,110,486	\$ 28,207,983	\$ 37,231,525	\$ 37,039,081	\$ 38,794,093	\$ 41,293,667	\$ 47,205,050	\$ 47,033,558
Total Primary Government										
Invested in Capital Assets, net of related debt	\$ 64,961,847	\$ 82,464,882	\$ 100,979,204	\$ 109,499,867	\$ 106,384,439	\$ 116,946,951	\$ 122,198,978	\$ 128,476,836	\$ 142,279,380	\$ 149,397,133
Restricted	49,424,799	46,079,655	58,927,018	63,582,457	62,580,313	57,424,811	74,978,252	74,695,300	78,246,397	88,525,216
Unrestricted	55,849,853	73,431,057	64,569,675	73,429,660	69,610,663	73,837,968	62,249,757	47,477,586	39,613,265	40,422,373
Total primary government net position	\$ 170,236,499	\$ 201,975,594	\$ 224,475,897	\$ 246,511,984	\$ 238,575,415	\$ 248,209,730	\$ 259,426,987	\$ 250,649,722	\$ 260,139,042	\$ 278,344,722

Notes:

Source - Statement of Net Assets for FY 2004-2005 through 2011-2012
Statement of Net Position beginning in 2012-2013 and ongoing

County of Shasta
Changes in Net Position
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities										
General government	\$ 15,922,754	\$ 16,100,711	\$ 19,982,485	\$ 15,035,505	\$ 8,000,492	\$ 8,658,164	\$ 9,193,605	\$ 11,146,780	\$ 13,452,033	\$ 11,213,088
Public protection	66,740,890	66,218,011	74,422,953	84,214,777	83,197,270	77,730,072	74,254,780	78,107,256	85,761,280	83,041,195
Public ways and facilities	14,195,467	13,759,296	16,385,271	17,190,821	17,867,634	17,704,672	17,138,414	18,987,823	19,420,556	18,562,429
Health and sanitation	46,133,792	51,253,311	52,807,236	55,315,876	54,291,652	52,408,552	54,210,042	51,143,794	53,093,987	48,412,973
Public assistance	76,331,177	78,964,808	84,029,229	89,550,096	94,471,990	95,392,171	95,159,656	99,454,530	98,469,726	99,328,821
Education	1,131,145	1,203,960	1,595,697	1,724,953	1,439,519	1,392,399	1,421,313	1,445,038	1,489,427	1,570,586
Recreation	95,429	122,341	200,993	245,113	330,896	121,441	118,389	91,448	161,508	140,434
Interest and fiscal charges	2,832,276	2,754,685	2,807,108	2,575,722	2,504,848	2,428,959	2,366,862	2,308,379	1,927,024	1,223,426
Total Governmental Activities Expenses	223,382,930	230,377,123	252,230,972	265,852,863	262,104,301	255,836,430	253,863,061	262,685,048	273,775,541	263,492,952
Business-type Activities Expenses										
Airport	65,167	78,125	90,573	99,242	110,543	79,725	77,663	94,044	88,653	98,206
Solid Waste	1,259,577	765,728	2,560,563	874,601	1,469,814	2,404,051	803,511	1,074,404	1,213,600	722,156
Landfill	994,917	1,032,196	994,383	977,923	508,538	521,702	505,621	512,999	1,004,502	1,925,524
County Service Areas	1,569,717	1,599,950	1,692,468	1,648,190	1,760,142	1,762,766	1,866,870	1,829,597	1,809,374	2,730,713
Shasta County Transit	-	-	-	-	-	-	-	-	334,970	420,074
Total Business-type Activities Expenses	3,889,378	3,475,999	5,337,987	3,599,956	3,849,037	4,768,244	3,253,665	3,511,044	4,451,099	5,896,673
Total Primary Government Expenses	\$ 227,272,308	\$ 233,853,122	\$ 257,568,959	\$ 269,452,819	\$ 265,953,338	\$ 260,604,674	\$ 257,116,726	\$ 266,196,092	\$ 278,226,640	\$ 269,389,625
Program Revenues										
Governmental Activities										
Fees, Fines, Charges for Services										
General government	\$ 4,510,914	\$ 5,537,985	\$ 5,438,470	\$ 6,636,321	\$ 5,324,782	\$ 5,942,005	\$ 5,609,760	\$ 6,390,118	\$ 5,500,266	\$ 12,574,238
Public protection	14,727,528	12,852,753	14,893,185	15,317,744	16,275,884	17,476,373	13,454,659	12,669,740	13,361,189	12,732,788
Public ways and facilities	1,269,072	1,672,727	2,047,728	1,917,056	1,752,368	2,201,073	1,204,783	1,260,447	1,277,666	1,845,043
Health and sanitation	4,353,485	3,408,046	3,637,375	2,819,608	3,103,053	3,268,573	3,162,807	3,377,374	3,287,327	3,226,054
Public assistance	1,891,132	2,302,828	2,906,388	3,076,029	3,070,275	2,662,255	2,400,354	2,392,279	2,192,959	2,422,951
Education	59,019	61,402	44,704	33,088	26,250	23,303	22,096	20,713	24,958	27,997
Recreation	3,915	3,207	2,701	2,253	3,047	1,780	4,716	4,447	4,911	4,725
Interest and fiscal charges	88,801	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions										
General Government	3,358,818	3,836,649	4,397,482	1,700,084	2,050,863	1,509,696	2,968,085	3,766,807	1,056,344	1,333,966
Public Protection	31,843,947	31,296,741	32,558,166	33,011,650	28,972,214	32,968,365	29,076,815	30,824,886	37,760,105	37,957,650
Public ways and facilities	6,512,609	6,430,400	8,575,844	12,574,140	8,883,846	12,871,057	11,970,195	5,065,709	3,930,464	4,667,179
Health and sanitation	32,093,983	35,251,867	37,388,731	36,313,568	38,039,374	37,390,271	43,786,693	41,653,502	47,438,840	45,530,933
Public assistance	73,162,435	73,679,623	76,663,257	84,321,782	80,956,071	84,589,323	85,246,185	86,272,245	91,762,798	92,407,928
Education	398,800	511,132	294,119	73,331	5,683	2,153	-	-	-	-
Recreation	29,562	84,600	500	82,605	185,035	-	-	330	-	-
Capital Grants and Contributions										
General government	3,130,964	8,130,852	3,178,064	547,774	644,255	1,750,428	403,859	1,576,876	10,627,417	2,967,346
Public protection	847,266	485,372	651,399	577,577	10,767,545	11,824	22,400	3,500	79,982	47,746
Public ways and facilities	3,352,701	2,618,282	3,885,332	8,358,784	986	3,024,374	2,874,009	1,787,009	3,365,137	6,013,340
Health and sanitation	2,042	-	-	-	384,921	-	75,000	-	-	10,161
Public assistance	-	1,338	-	-	-	267,320	170,672	84,436	100,548	146,203
Recreation	-	-	-	-	-	7,403	27,169	-	-	-
Total Governmental Activities	181,636,993	188,165,804	196,563,445	207,363,394	200,446,452	205,967,576	202,480,257	197,150,418	221,770,911	223,916,248

Source: Statement of Activities

(continued)

County of Shasta
Changes in Net Position (continued)
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type Activities										
Fees, Fines, Charges for Services										
Airport	63,293	166,513	450,692	82,640	94,590	78,460	72,893	61,387	71,412	74,635
Solid Waste	1,224,619	1,447,740	1,066,173	1,633,828	1,176,836	1,242,374	939,425	839,951	1,245,455	2,147,279
Landfill	1,963,666	2,137,983	2,025,671	1,936,877	1,739,482	1,788,733	2,053,640	1,405,292	2,652,150	549,082
Shasta County Transit	-	-	-	-	-	-	-	-	506,664	22,185
County Service Areas	824,771	961,043	1,018,327	1,161,201	1,362,432	1,153,535	1,154,664	1,280,792	1,391,520	1,292,624
Operating Grants and Contributions										
Airport	732,400	805,088	10,000	-	10,000	-	20,000	10,000	10,000	10,000
Solid Waste	-	-	-	-	-	-	-	-	-	-
Landfill	-	-	-	-	-	-	-	-	-	-
Shasta County Transit	-	-	-	-	-	-	-	-	-	471,040
County Service Areas	723	587	693	-	-	-	-	-	-	-
Capital Grants and Contributions										
Airport	5,478	63,574	5,385,949	1,626,839	1,171,176	147,963	107,798	117,073	374,854	168,126
County Service Areas	181,103	244,067	166,227	42,677	561,467	66,415	548,908	2,201,561	3,922,250	389,183
Total Business-type Activities Revenues	<u>4,996,053</u>	<u>5,826,595</u>	<u>10,123,732</u>	<u>6,484,062</u>	<u>6,115,983</u>	<u>4,477,480</u>	<u>4,897,328</u>	<u>5,916,056</u>	<u>10,174,305</u>	<u>5,124,154</u>
Total Primary Government Revenues	<u>\$ 186,633,046</u>	<u>\$ 193,992,399</u>	<u>\$ 206,687,177</u>	<u>\$ 213,847,456</u>	<u>\$ 206,562,435</u>	<u>\$ 210,445,056</u>	<u>\$ 207,377,585</u>	<u>\$ 203,066,474</u>	<u>\$ 231,945,216</u>	<u>\$ 229,040,402</u>
Net (Expense)/Revenues										
Governmental Activities	\$ (41,745,937)	\$ (42,211,319)	\$ (55,667,527)	\$ (58,489,469)	\$ (61,657,849)	\$ (49,868,854)	\$ (51,382,804)	\$ (65,534,630)	\$ (52,004,630)	\$ (39,576,704)
Business-Type Activities	1,106,675	2,350,596	4,785,745	2,884,106	2,266,946	(290,764)	1,643,663	2,405,012	5,723,206	(772,519)
Total Primary Government net expense	<u>\$ (40,639,262)</u>	<u>\$ (39,860,723)</u>	<u>\$ (50,881,782)</u>	<u>\$ (55,605,363)</u>	<u>\$ (59,390,903)</u>	<u>\$ (50,159,618)</u>	<u>\$ (49,739,141)</u>	<u>\$ (63,129,618)</u>	<u>\$ (46,281,424)</u>	<u>\$ (40,349,223)</u>
General Revenue and Other Changes in Net Position										
Governmental Activities										
Taxes:										
Property Taxes	\$ 21,458,520	\$ 23,094,000	\$ 25,040,801	\$ 26,853,110	\$ 24,583,485	\$ 25,176,914	\$ 22,583,995	\$ 22,567,528	\$ 28,123,370	\$ 26,099,941
Sales and use taxes	\$ 1,955,088	2,424,408	2,695,549	2,512,380	2,382,171	2,225,664	2,514,664	2,793,109	3,656,601	2,832,878
Other Taxes	18,036,687	21,900,097	23,994,638	24,046,131	26,598,315	24,921,443	28,191,931	29,511,909	28,641,268	30,264,957
Motor Vehicles in-lieu	10,997,072	16,371,962	12,154,904	12,889,149	11,348,630	10,968,549	9,396,093	631,674	636,678	613,035
Interest and investment income	2,528,450	4,883,990	6,614,869	5,973,678	3,059,428	1,126,767	1,198,624	1,016,883	523,069	757,850
Miscellaneous	2,221,650	2,224,372	2,123,262	3,145,145	3,658,536	3,335,110	3,999,661	3,802,082	4,188,729	3,875,881
Transfers	-	-	-	-	(17,584,873)	-	-	-	107,477	100,000
Total Governmental Actives	<u>57,197,467</u>	<u>70,898,829</u>	<u>72,624,023</u>	<u>75,419,593</u>	<u>54,045,692</u>	<u>67,754,447</u>	<u>67,884,968</u>	<u>60,323,185</u>	<u>65,877,192</u>	<u>64,544,542</u>
Business-type Activities										
Taxes:										
Property Taxes	17,408	19,094	33,497	-	28,923	28,890	23,366	29,046	26,903	26,984
Interest and investment income	292,842	667,642	746,793	593,265	358,004	128,474	134,680	112,073	52,713	88,880
Miscellaneous	7,312	8,375	639	104,807	4,329	4,545	4,741	7,057	31,054	653,532
Transfers	-	-	-	-	-	-	-	-	(107,477)	(100,000)
Change in estimate	-	-	-	-	6,209,920	-	-	-	-	-
Total Business-type Activities	<u>317,562</u>	<u>695,111</u>	<u>780,929</u>	<u>698,072</u>	<u>6,601,176</u>	<u>161,909</u>	<u>162,787</u>	<u>148,176</u>	<u>3,193</u>	<u>669,396</u>
Total Primary Government	<u>\$ 57,515,029</u>	<u>\$ 71,593,940</u>	<u>\$ 73,404,952</u>	<u>\$ 76,117,665</u>	<u>\$ 60,646,868</u>	<u>\$ 67,916,356</u>	<u>\$ 68,047,755</u>	<u>\$ 60,471,361</u>	<u>\$ 65,880,385</u>	<u>\$ 65,213,938</u>
Change in Net Position										
Governmental Activities	\$ 15,451,530	\$ 28,687,510	\$ 16,956,496	\$ 16,930,124	\$ (7,612,157)	\$ 17,885,593	\$ 16,502,164	\$ (5,211,445)	\$ 13,872,562	\$ 24,967,838
Business-Type Activities	1,424,237	3,045,707	5,566,674	3,582,178	8,868,122	(128,855)	1,806,450	2,553,188	5,726,399	(103,123)
Total Primary Government	<u>\$ 16,875,767</u>	<u>\$ 31,733,217</u>	<u>\$ 22,523,170</u>	<u>\$ 20,512,302</u>	<u>\$ 1,255,965</u>	<u>\$ 17,756,738</u>	<u>\$ 18,308,614</u>	<u>\$ (2,658,257)</u>	<u>\$ 19,598,961</u>	<u>\$ 24,864,715</u>

County of Shasta
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)

	Fiscal Year					
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund						
Reserved	\$ 3,648,820	\$ 4,222,482	\$ 10,377,817	\$ 11,289,232	\$ 10,382,869	\$ 7,883,512
Unreserved	45,986,202	53,785,158	37,022,235	43,017,686	42,858,545	51,011,229
Total General Fund	<u>\$ 49,635,022</u>	<u>\$ 58,007,640</u>	<u>\$ 47,400,052</u>	<u>\$ 54,306,918</u>	<u>\$ 53,241,414</u>	<u>\$ 58,894,741</u>
All Other Governmental Funds						
Reserved	\$ 5,476,131	\$ 4,488,688	\$ 6,785,628	\$ 11,986,428	\$ 18,726,038	\$ 16,935,166
Unreserved, reported in:						
Special Revenue Funds	32,559,083	32,579,257	28,138,648	32,189,776	28,344,950	30,364,864
Debt Service Funds	689,758	120,360	-	-	6,238,266	1,616,876
Capital Project Funds	10,569,984	8,888,495	15,399,724	18,231,576	4,672,909	5,827,719
Total all other Governmental Funds	<u>\$ 49,294,956</u>	<u>\$ 46,076,800</u>	<u>\$ 50,324,000</u>	<u>\$ 62,407,780</u>	<u>\$ 57,982,163</u>	<u>\$ 54,744,625</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>		
General Fund						
Nonspendable	\$ 33,072	\$ 592,402	\$ 44,253	\$ 74,088		
Restricted	9,944,170	12,218,791	12,785,283	13,206,437		
Committed	-	-	-	-		
Assigned	36,744,051	6,173,249	5,176,096	5,782,963		
Unassigned	16,964,903	50,137,200	56,623,429	65,154,048		
Total General Fund	<u>\$ 63,686,196</u>	<u>\$ 69,121,642</u>	<u>\$ 74,629,061</u>	<u>\$ 84,217,536</u>		
All Other Governmental Funds						
Nonspendable	\$ 561,284	\$ 601,309	\$ 869,013	\$ 456,764		
Restricted	58,604,305	57,136,145	63,306,531	66,395,382		
Committed	952,929	842,301	716,281	602,507		
Assigned	4,767,715	5,425,666	1,213,604	8,321,567		
Unassigned	(134,626)	-	-	-		
Total all other Governmental Funds	<u>\$ 64,751,607</u>	<u>\$ 64,005,421</u>	<u>\$ 66,105,429</u>	<u>\$ 75,776,220</u>		

Note: In 2011, the County began implementation of GASB Statement 54, which changed the classifications of the fund balance. Fund balance information in years prior to 2011 is presented according to the previous guidelines.

Source: Balance Sheet - Governmental Funds

County of Shasta
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 48,961,821	\$ 57,565,165	\$ 64,067,260	\$ 65,518,036	\$ 49,008,924	\$ 48,580,264	\$ 47,617,793	\$ 47,160,855	\$ 49,228,881	\$ 49,221,515
Licenses and permits	4,386,327	4,338,299	4,088,071	3,688,130	3,292,981	3,550,460	3,075,646	3,060,563	3,285,427	3,779,516
Fines and forfeitures	4,993,470	4,269,326	4,773,715	5,006,304	4,170,109	5,324,124	4,555,635	3,885,459	6,010,757	11,763,679
Use of money and property	2,874,786	4,622,909	5,863,808	5,227,636	3,237,731	1,495,074	1,458,299	1,256,918	1,027,287	1,071,089
Intergovernmental	155,180,755	165,027,000	155,703,560	179,178,421	183,958,043	184,796,011	192,500,322	181,289,388	203,751,373	199,302,430
Charges for current services	18,625,480	17,829,242	18,628,107	19,306,530	21,385,727	20,232,485	17,427,853	17,754,230	18,048,550	17,646,160
Miscellaneous revenue	3,694,166	6,336,924	5,337,874	5,880,930	5,079,708	4,713,982	3,809,338	4,126,218	4,699,508	4,220,108
Total revenues	<u>238,716,805</u>	<u>259,988,865</u>	<u>258,462,395</u>	<u>283,805,987</u>	<u>270,133,223</u>	<u>268,692,400</u>	<u>270,444,886</u>	<u>258,533,631</u>	<u>286,051,783</u>	<u>287,004,497</u>
Expenditures										
Current:										
General government	26,166,475	24,265,536	20,987,796	16,576,871	7,357,730	11,967,366	9,571,907	10,347,235	22,169,866	12,071,247
Public protection	72,591,370	74,239,360	80,903,127	84,572,152	82,919,537	80,082,549	73,929,917	73,363,853	81,199,355	82,143,959
Public ways and facilities	77,619,111	81,152,583	85,485,950	89,347,777	29,609,907	21,316,923	18,406,798	18,760,388	18,397,568	21,304,334
Health and sanitation	16,648,006	17,976,059	18,872,354	23,899,525	53,878,534	52,096,902	53,596,348	49,005,224	51,568,149	47,893,733
Public assistance	47,244,529	53,994,506	55,998,895	55,387,792	93,470,995	94,505,832	94,121,171	96,330,389	95,907,960	98,645,285
Education	1,243,820	1,360,592	1,758,579	1,769,668	1,519,566	1,404,193	1,413,145	1,414,406	1,485,497	1,584,812
Recreation	98,336	131,568	203,535	246,240	336,902	121,725	121,309	110,109	175,829	160,637
Debt service	347,766	1,017,221	401,631	281,271	4,384,870	4,403,906	4,395,742	10,296,149	41,269,706	3,898,976
Total expenditures	<u>241,959,413</u>	<u>254,137,425</u>	<u>264,611,867</u>	<u>272,081,296</u>	<u>273,478,041</u>	<u>265,899,396</u>	<u>255,556,337</u>	<u>259,627,753</u>	<u>312,173,930</u>	<u>267,702,983</u>
Excess (deficiency) of revenues over expenditures	<u>(3,242,608)</u>	<u>5,851,440</u>	<u>(6,149,472)</u>	<u>11,724,691</u>	<u>(3,344,818)</u>	<u>2,793,004</u>	<u>14,888,549</u>	<u>(1,094,122)</u>	<u>(26,122,147)</u>	<u>19,301,514</u>

(continued)

County of Shasta
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)

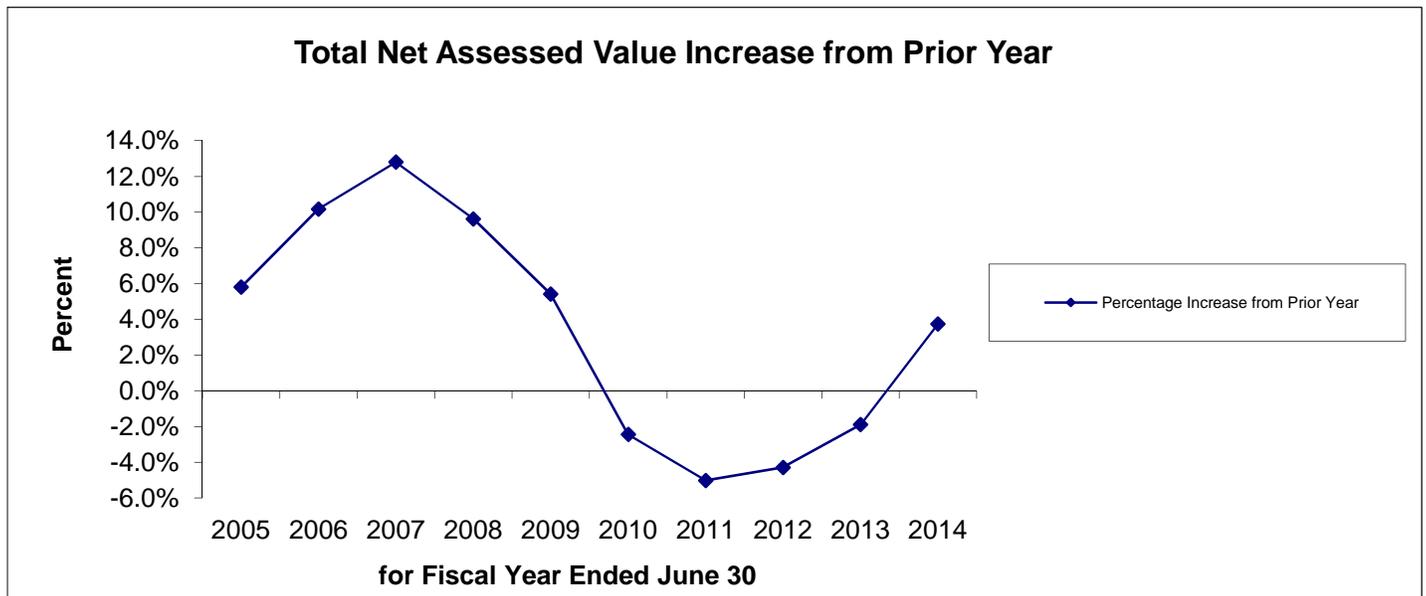
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Other Financing Sources										
Premium on long term debt issued	-	-	-	-	-	-	-	-	578,107	-
Long term debt issued	-	-	-	-	-	-	389,160	5,458,011	33,505,000	-
Transfers in	22,758,092	26,552,816	35,420,276	28,459,897	41,508,133	42,746,594	30,069,893	32,280,948	37,028,486	40,784,986
Transfers out	(22,639,878)	(27,609,528)	(35,693,212)	(29,046,113)	(42,629,368)	(43,217,473)	(30,593,708)	(32,759,017)	(37,290,210)	(40,959,562)
Sale of capital assets	147,295	354,846	84,892	81,988	152,547	93,664	44,543	803,440	154,511	132,330
Total other financing sources and uses	265,509	(701,866)	(188,044)	(504,228)	(968,688)	(377,215)	(90,112)	5,783,382	33,397,787	(42,246)
Net change in fund balances	\$ (2,977,099)	\$ 5,149,574	\$ (6,337,516)	\$ 11,220,463	\$ (4,313,506)	\$ 2,415,789	\$ 14,798,437	\$ 4,689,260	\$ 7,275,640	\$ 19,259,268
Debt Service as a percentage of non-capital expenditures	0.13%	0.37%	0.15%	0.10%	1.52%	1.58%	1.68%	3.87%	12.62%	1.40%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

**County of Shasta
Assessed Valuation*
Last Ten Fiscal Years (in thousands)
(UNAUDITED)**

Fiscal Year	Secured	Unsecured	Exemptions	Net Assessed Valuations	Percentage Increase from Prior Year	Tax Rate
2005	10,626,979	606,032	(269,762)	10,963,249	5.8%	1.0000
2006	11,698,874	650,884	(270,936)	12,078,822	10.2%	1.0000
2007	13,189,773	706,800	(271,096)	13,625,477	12.8%	1.0000
2008	14,438,077	770,976	(273,172)	14,935,881	9.6%	1.0000
2009	15,180,022	837,852	(274,227)	15,743,647	5.4%	1.0000
2010	14,797,030	834,255	(273,331)	15,357,954	-2.4%	1.0000
2011	14,076,459	781,995	(271,755)	14,586,699	-5.0%	1.0000
2012	13,329,287	899,460	(268,305)	13,960,442	-4.3%	1.0000
2013	13,083,035	876,092	(263,631)	13,695,496	-1.9%	1.0000
2014	13,618,835	849,884	(260,286)	14,208,433	3.7%	1.0000

Source: www.co.shasta.ca.us/index/auditor_index/prop_tax_reports.aspx



*Due to Article XIII-A, added to the California Constitution by Proposition 13 in 1978, the County does not track the estimated actual value of all county properties. Proposition 13 fixed the base for valuation of real property at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect: (1) annual inflation up to two percent; (2) current market value at time of ownership change; and (3) market value for new construction. As a result, similar properties can have substantially different assessed values based on the date of purchase.

County of Shasta
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(per \$100 of assessed values)
(UNAUDITED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
County Direct Rates										
GENERAL	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Cities, Schools, and Special Districts Combined Rates										
MAYERS MEMORIAL HOSPITAL GOB 2010	-	-	-	-	-	-	-	0.0568	0.0159	0.0372
BURNEY WATER BOND	0.0246	0.0203	0.0175	0.0088	0.0109	0.0136	0.0072	0.0114	-	-
CRAGVIEW WATER BOND	0.1124	0.0983	0.0826	0.0352	0.0435	0.0475	0.0001	0.0477	-	-
CENTERVILLE CSD BOND	0.0050	0.0044	0.0031	0.0036	0.0034	0.0036	0.0040	0.0036	0.0063	0.0043
SHASTA DAM (GRUNSKY)	0.0010	0.0026	0.0010	0.0002	0.0001	0.0001	0.0001	0.0001	0.0001	0.0019
SHASTA DAM (CA LOAN)	0.0155	0.0124	0.0129	0.0033	-	-	-	-	-	-
GATEWAY UNIFIED SD G O BOND 2002	0.0255	0.0329	0.0440	0.0352	0.0343	0.0397	0.0422	0.0604	0.0621	0.0194
GATEWAY UNIFIED SD G O BOND 2008	-	-	-	-	-	0.0101	0.0062	0.0188	0.0141	0.0138
ANDERSON UNION HSD G O BOND 1976	0.1325	0.1288	-	-	-	-	-	-	-	-
ANDERSON UNION HSD G O BOND 2012	-	-	-	-	-	-	-	-	-	0.0185
DUNSMUIR JT UNION SSB	0.0553	0.0478	0.0601	0.0236	-	-	-	-	-	-
FALL RIVER MILLS JUSD G O BOND 2004	-	0.0260	0.0551	0.0340	0.0285	0.0380	0.0376	0.0423	0.0277	0.0319
SHASTA UNION HSD G O BOND 2001	0.0222	0.0202	0.0181	0.0160	0.0171	0.0187	0.0205	0.0289	0.0189	0.0219
S T & T JT COMM COLL G O BOND 2002	0.0045	0.0037	0.0069	0.0118	0.0091	0.0101	0.0095	0.0162	0.0054	0.0088
CASCADE ESD G O BOND 2008	-	-	-	-	-	0.0354	0.0336	0.0230	0.0150	0.0302
COLUMBIA ESD G O BOND 1996	0.0505	0.0427	0.0371	0.0276	0.0342	0.0228	0.0357	0.0407	0.0308	0.0321
COTTONWOOD ESD G O BOND 2003	0.0237	0.0196	0.0186	0.0172	0.0168	0.0197	0.0210	0.0285	0.0233	0.0237
ENTERPRISE ESD G O BOND 1990	0.0576	0.0548	0.0498	0.0367	0.0440	0.0487	0.0731	0.0396	0.0399	0.0472
ENTERPRISE ESD G O BOND 2008	-	-	-	-	0.0223	0.0278	0.0338	0.0608	0.0092	0.0187
GRANT ESD G O BOND 2004	0.0299	0.0290	0.0237	0.0228	0.0215	0.0275	0.0327	0.0411	0.0333	0.0375
HAPPY VALLEY ESD SSB BOND	0.0622	0.0631	0.0613	0.0598	0.0671	0.0753	0.0842	0.0778	0.0791	0.0195
HAPPY VALLEY ESD G O BOND 2008	-	-	-	-	-	-	-	-	0.0495	0.0405
JUNCTION SCHOOL SSB BOND	0.0651	0.0641	0.0644	0.0637	0.0681	0.0774	0.0385	-	-	-
NORTH COW CREEK SSB BOND	0.0665	0.0667	0.0613	0.0619	0.0721	0.0833	0.0819	-	-	-
PACHECO UNION ESD G O BOND 2008	-	-	-	-	-	0.0342	0.0341	0.0390	0.0341	0.0318
REDDING ESD G O BOND 1991	0.0819	0.0739	0.0649	0.0564	0.0555	0.0622	0.0574	0.0600	0.0693	0.0615
BELLA VISTA WATER (LAND ONLY)	0.3472	0.3544	0.3332	0.3344	0.3529	0.3700	0.3700	0.3700	0.3700	0.3700

Source: www.co.shasta.ca.us/index/auditor_index/prop_tax_reports.aspx

**County of Shasta
Principal Property Taxpayers
Current Year and Nine Years Ago
(in Thousands)
(UNAUDITED)**

Taxpayer	Industry	Fiscal Year 2014			Fiscal Year 2005		
		Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Pacific Gas and Electric Company	Utility	690,894	1	4.86%	483,873	1	4.41%
Hatchet Ridge Wind LLC	Utility	168,099	2	1.18%			
Knauf Fiber Glass	Manufacturing	133,163	3	0.94%	141,304	2	1.29%
Sierra Pacific Industries	Lumber	117,703	4	0.83%	63,668	4	0.58%
MPT of Shasta LP	Hospital	63,727	5	0.45%			-
Lehigh Southwest Cement Co.	Manufacturing	49,296	6	0.35%			-
Pacific Bell Telephone Company	Telephone	48,260	7	0.34%			-
Wheelabrator	Energy	41,664	8	0.29%	49,708	6	0.45%
Wal-Mart Real Estate Bus Trst	Retail	39,600	9	0.28%			0.00%
Mt Shasta Mall LLC Etal	Retail	33,989	10	0.24%	28,693	10	0.26%
Shasta Regional Medical Center	Hospital	-	-	-	74,003	3	0.68%
SBC California	Telephone	-	-	-	54,094	5	0.49%
Calaveras Cement Company	Manufacturing	-	-	-	47,946	7	0.44%
Charter Communications	Utility	-	-	-	32,187	8	0.29%
Safeway Inc	Grocery	-	-	-	29,252	9	0.27%
Total		\$ 1,386,395		9.76%	\$ 1,004,728		9.16%
Total County Assessed Value		\$ 14,208,433			\$ 10,963,249		

Source: County Property Tax System

**County of Shasta
Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)**

Fiscal Year*	Total Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Delinquent Amount	% of Levy Delinquent
		Collected Amount	% of Original Levy			
2008	173,196,924.51	167,350,492.43	96.62%	5,846,432.08	0.00	0.00%
2009	182,199,601.30	175,050,094.87	96.08%	7,149,506.43	(0.00)	0.00%
2010	179,240,889.21	173,186,075.68	96.62%	6,054,813.53	(0.00)	0.00%
2011	169,859,547.68	164,784,162.93	97.01%	5,026,774.05	48,610.70	0.03%
2012	167,885,057.90	163,919,052.10	97.64%	3,029,564.91	936,440.89	0.56%
2013	162,661,958.99	159,690,804.36	98.17%	1,958,948.13	1,012,206.50	0.62%
2014	166,262,879.27	164,176,549.35	98.75%	-	2,086,329.92	1.25%

Note:

Amounts do not include Tax collections for Bonds or Special Assessments

Source: County Property Tax Booklet

* Data not available prior to FY07/08

County of Shasta
Ratios of Total Debt Outstanding
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Lease Revenue Bonds	\$55,380	\$53,935	\$52,445	\$50,900	\$49,290	\$47,610	\$45,865	\$43,525	\$39,415	\$37,070
Less deferred amounts:										
For issuance discounts:										
Add deferred amounts:										
For issuance premiums:	1,324	1,276	1,225	1,178	1,131	1,084	1,037	990	570	540
Notes Payable							389	522	500	463
Capital Leases	2,202	1,991	1,780	1,559	1,328	1,114	889	651	401	137
Total bonds and notes payable	\$56,704	\$55,211	\$53,670	\$52,078	\$50,421	\$48,694	\$47,291	\$45,037	\$40,485	\$38,073
Less resources restricted for principal repayment	840	120	9,591	-	6,875	5,899	4,828	3,470	673	
Net total bonds and notes payable	\$57,544	\$55,331	\$63,261	\$52,078	\$57,296	\$54,593	\$52,119	\$48,507	\$41,158	\$38,073
Business Type										
Bonds Payable	5,112	4,515	3,532	2,826	2,285	1,698	1,029	990	949	912
Financing Leases				2,000	1,891	1,779	1,664	1,545	1,423	1,298
Notes Payable	397	369	339	307	277	246	314	3,087	4,441	3,799
Total bonds and notes payable	5,509	4,884	3,871	5,133	4,453	3,723	3,007	5,622	6,813	6,009
Less resources restricted for principal repayment	-	-	150	70	665	665	2	-	-	-
Net total bonds and notes payable	\$5,509	\$4,884	\$4,021	\$5,203	\$5,118	\$4,388	\$3,009	\$5,622	\$6,813	\$6,009
Total Outstanding Debt less restricted resources	\$63,053	\$60,215	\$67,282	\$57,281	\$62,414	\$58,981	\$55,128	\$54,129	\$47,971	\$44,082
Percentage of Personal Income	1.11%	0.99%	1.09%	0.84%	0.93%	0.88%	0.83%	N/A	N/A	N/A
Percentage of Assessed Value of Taxable Property*	0.58%	0.50%	0.49%	0.38%	0.40%	0.38%	0.38%	0.39%	0.35%	0.31%
Net outstanding debt Per Capita	\$ 352.80	\$ 334.04	\$ 371.05	\$ 313.01	\$ 339.34	\$ 332.34	\$ 309.38	N/A	N/A	N/A

Note:

1. See the Demographic Statistics Schedule for detail information on personal income and population.
 2. Source - Notes to the Financial Statements, Note 10
- * Due to Article XIII-A, added to the California Constitution by Proposition 13 in 1978, the County does not track the estimated actual value of all county properties; therefore, the ratio of net outstanding debt to the estimated actual value of taxable property is unable to be determined; however, the ratio of net outstanding debt to the assessed value of taxable property is determinable and presented in the table.

**County of Shasta
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)
(UNAUDITED)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Value of Property (a)	10,963,249	12,078,822	13,625,477	14,935,881	15,743,647	15,357,954	14,586,699	13,960,442	13,695,496	14,208,433
Debt Limit, 1.25% of Assessed Value	137,041	150,985	170,318	186,699	196,796	191,974	182,334	174,506	171,194	177,605
<i><u>Amount of Debt Applicable to Limit</u></i>										
General Obligation Bonds (b)	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 137,041	\$ 150,985	\$ 170,318	\$ 186,699	\$ 196,796	\$ 191,974	\$ 182,334	\$ 174,506	\$ 171,194	\$ 177,605
Total Debt Applicable as a Percentage of the Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source:

(a) Countywide Assessed Values & Exemptions

(b) The County does not have any general bonded debt.

County of Shasta
Demographic and Economic Statistics
Last Ten Fiscal Years
(UNAUDITED)

Calendar Year	Population (1,4,a)	Personal Income <i>(in thousands)</i>		School Enrollment (3,b)	Unemployment Rate (2,a)
		(2,a,d)	(2,a,d)		
2005	178,724	5,189,454	29,229	29,455	7.3%
2006	180,265	5,586,044	31,338	29,357	6.6%
2007	181,328	5,827,454	32,543	28,908	7.5%
2008	183,001	6,207,369	34,387	28,438	10.0%
2009	183,928	6,169,681	34,068	28,348	14.6%
2010	177,472	6,214,299	35,048	27,753	15.8%
2011	178,189	6,304,893	35,466	27,392	14.9%
2012	178,477	N/A	N/A	27,173	13.3%
2013	178,980	N/A	N/A	27,176	10.9%
2014	N/A	N/A	N/A	N/A	9.9%*

Sources:

1. State Department of Finance
2. Employment Development Department
3. As cited on kidsdata.org, California Dept. of Education, California Basic Educational Data System (CBEDS); National Center for Education Stat
4. U.S. Census Bureau

Notes:

N/A = not available

a. Data for Calendar Years

b. Data includes kindergarten through grade 12

* Unemployment rate as of June 2014

County of Shasta
Full Time Equivalent County Government Employees by Function
Last Ten Fiscal Years
(UNAUDITED)

Function/Program	Full Time Equivalent Employees per Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	239.90	241.90	245.00	247.00	247.00	247.00	229.00	230.00	226.00	226.00
Public Protection	687.75	659.25	669.50	683.00	687.00	687.00	582.00	581.00	619.00	622.00
Public Ways and Facilities	100.00	99.00	98.00	100.00	99.00	98.00	98.00	98.00	90.00	90.00
Health and Sanitation	410.55	395.80	387.30	376.50	352.50	346.50	323.00	323.50	329.00	326.00
Public Assistance	505.00	504.00	502.00	513.00	536.00	543.00	536.00	546.00	570.00	632.00
Education	23.13	16.38	16.38	3.50	2.50	2.50	1.50	1.50	2.50	2.50
Recreation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,966.33	1,916.33	1,918.18	1,923.00	1,924.00	1,924.00	1,769.50	1,780.00	1,836.50	1,898.50

Source: County Budget Report

Notes:

Position allocation figures are calculated at the time of budget preparation for the following year.

**County of Shasta
Operating Indicators by Function
Last Ten Fiscal Years
(UNAUDITED)**

Function / Department	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Protection										
Planning and Building										
<i>Total Permits Issued</i>	3,499	3,537	3,248	2,568	1,934	1,857	1,717	1,656	1,895	2,416
Sheriff										
<i>Main Jail</i>										
<i>Jail bookings</i>	11,771	12,899	14,052	13,803	12,913	12,603	11,210	11,960	11,741	13,200
<i>Average daily population</i>	373	370	355	336	268	226	231	274	332	330
Probation										
<i>Juvenile Hall</i>										
<i>Average daily population</i>	54	53	55	54	41	33	31	29	30	24
<i>Crystal Creek Camp</i>	45	45	45	45	45	45	0	0	0	0
<i>Average Daily Population</i>	NA	NA	43	35	34	**20	0	0	0	0
Health and Sanitation										
Environmental health										
<i>Septic Permits Issued</i>	694	642	476	349	275	229	182	203	218	266
<i>Waivers Issued</i>	190	180	149	117	71	57	50	42	48	51
<i>Wells Permits Issued</i>	519	429	341	319	315	271	201	337	227	285
Health and Sanitation										
<i>Mental Health</i>										
<i>Total number of patient days in State Hospitals</i>	160	227	232	597	503	181	778	513	657	18
<i>Day Treatment Days provided to youth in out-of-county group home facilities</i>										
	233	144	420	280	639	351	1020	1221	403	491
<i>Public Health</i>										
<i>Number of Children enrolled in the Healthy Families Program</i>	111	90	96	119	122	127	102	95	98	107
<i>Percentage of the State allocated caseload enrolled in the Women, Infants & Children(WIC) Program</i>										
	Not Available	99%	100%	101%	101%	95%	98%	99%	98%	94%
<i>Percentage of live born infants whose mothers received prenatal care in the first trimester.</i>										
	89%	87%	68%	68%	70%	69%	71%	65%	Not Available	Not Available
Solid Waste										
<i>West Central Landfill</i>										
<i>Tonnage per year</i>	146,871	152,374	146,792	144,362	126,778	130,060	127,655	126,286	122,847	124,379
<i>% of Capacity</i>	48%	53%	57%	60%	***40%	42%	45%	47%	49%	51%
Public Assistance										
Social Services										
<i>Rate per 1,000 children entering out-of-home care for the first time (State Rate is 2.8)</i>										
	6.1	6.6	6.5	8.1	6.3	6.9	6.6	7.8	6.1	5.6
<i>Percentage of child abuse/neglect referrals where a response is required within 10 days that were timely</i>										
	81.4	86.0	93.9	92.0	97.3	98.5	98.7	98.1	97.6	93.7

Education

Library

Annual Expenditure per capita for total

Library budget (\$) 6.36 6.46 *8.7 8.76 7.41 6.77 7.31 6.94 7.04 7.41

Public Ways and Facilities

Roads

Pavement Condition Rating for all

county roads (70 = "good") Not Available Not Available 64 64 67 67 57 57 60 60

Airport

Airport

Takeoffs and Landings Not Tracked

Passenger Enplanements Not Tracked

*Library Ownership and Operation transferred to City of Redding; County maintains same level of contribution.

**Camp was closed in August of 2009 due to budget controls.

***Landfill Capacity increased 58% with Unit 4A addition.

^<http://www.savecaliforniastreet.org/wp-content/uploads/2014/10/2014-Statewide-Report-FINAL-10-28-14.pdf>

**County of Shasta
Capital Asset Statistics by Function
Last Ten Fiscal Years
(UNAUDITED)**

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Recreation and Cultural Services										
Park acreage	27	27	27	27	27	27	27	27	27	27
Public Protection										
Correction facility capacities:										
Main Jail	342	342	342	342	^223	223	223	285	342	342
Juvenile hall	56	56	56	56	56	*35	35	35	35	**30
Crystal Creek Camp	45	45	45	45	45	45	***0	***0	***0	***0
Public Ways and Facilities										
Miles of county roads	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191	1,191
Libraries										
Main and Branches	3	3	****3	3	3	3	3	3	3	3
Airport										
Number of runways	1	1	1	1	1	1	1	1	1	1

Note:

Majority of County assets are in buildings and equipment, which are under the Functional area of General Government

Source: County management

*Juv Hall beds were limited to 35 due to budget controls.

**On January 26, 2014 we moved from the Juvenile Hall to the Juvenile Rehabilitation Facility
Bed space went from 35 to 90. We have limited the beds to 30 due to staff scheduling.

***Camp was closed in August of 2009 due to budget controls.

****Library Ownership and Operation transferred to City of Redding; County maintains same level of contribution.

^One floor of Jail closed due to budget restrictions; 1/2 floor re-opened in 2012; full floor opened in 2013.