

COUNTY *of* SHASTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

BRIAN MUIR,
AUDITOR-CONTROLLER





County of Shasta, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016

Prepared under the direction of Brian Muir, Auditor-Controller



COUNTY OF SHASTA

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INTRODUCTORY SECTION





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 6, 2016

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, 2016. 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, 2016 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, 2016. 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 178,000 as of January 1, 2015. 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.

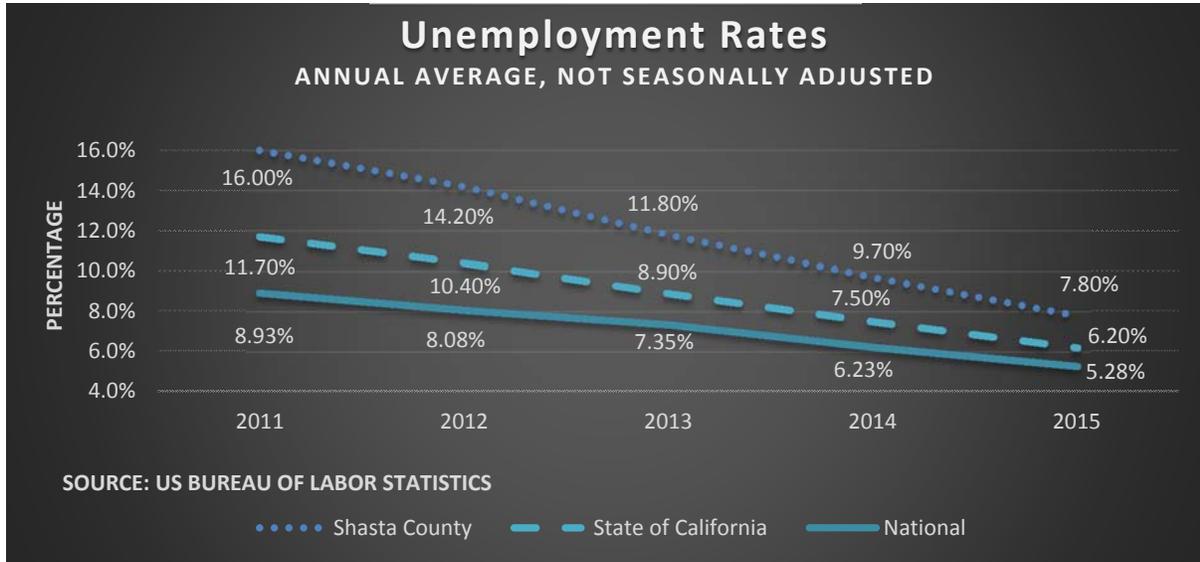
The annual budget serves as the foundation for the County’s financial planning and control. The County Budget Act, as presented in California Government Code sections 29000 and 30200, provides the general provisions and requirements for preparing and approving the County budget. All County departments 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 2016 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:

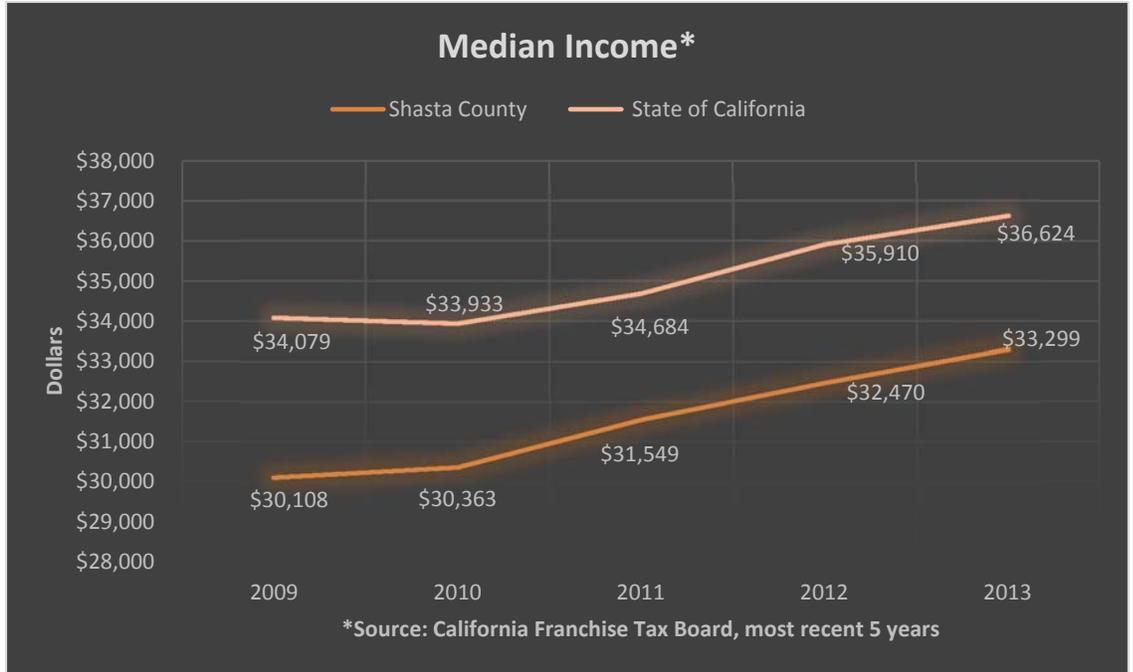
Shasta County’s employment has nearly recovered to pre-recession levels. Average unemployment in the County for 2015 was 7.8%, which is higher than the state rate of 6.2%, however only slightly above the unemployment rate in 2007 of 7.5%.



Total wage and salary employment is expected to increase an average of 1.2% per year through 2019.

Income:

Family average income of \$33,299, as reported to the Franchise Tax Board, increased 2.6% from 2012 to 2013 (the most recent data from FTB) for the residents of Shasta County.



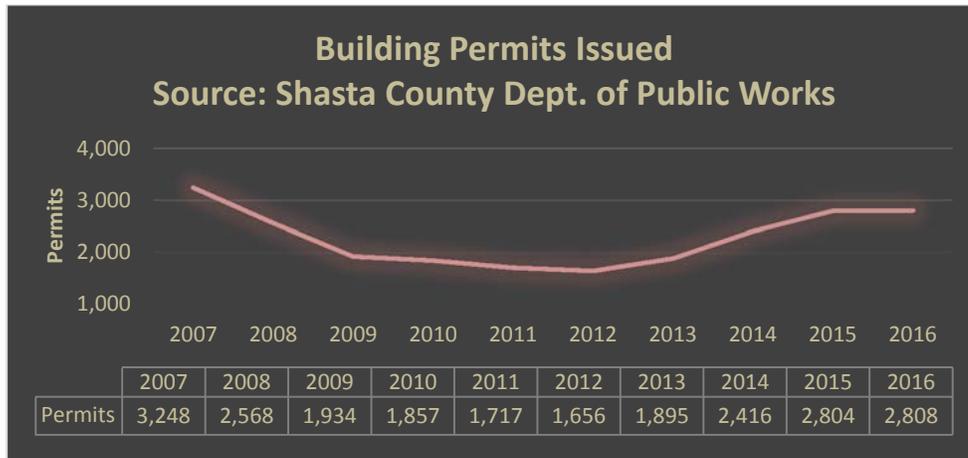
2013 median family income was approximately 10% lower than the State median. Shasta County ranked 30 out of 58 counties when comparing annual income in 2013; in 2012 we were also ranked 30th.

Inflation-adjusted salaries are expected to rise slowly, increasing by an average of .5% per year through 2019.

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 discretionary revenue finally began to stabilize in FY 2014-15 after several years of decline. Discretionary property tax revenue receipts were \$23.7M in 2015, compared to \$24.1M in 2016, an increase of 1.4% over the prior year.
- The median home prices increased from \$207,200 to \$220,700 from 2015 to 2016, an increase of 6.5%.

- Building permits issued remained relatively flat, increasing slightly .14% from 2015 to 2016 with 2,804 and 2,808 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.

While the State as a whole is entering its fifth year of a severe drought, Water year 2016 for the North State was a good one. Heavy rain in February and March nearly filled Lake Shasta and ended one of the County’s most severe dry periods on record bolstering houseboat and sales tax revenue generated by tourism activities there. Lake Shasta, the largest reservoir in the State, is one of the largest tourist attractions within the County.

Long Term Financial Planning:

There has been no significant improvement to revenues, and the County continues to adhere to conservative spending due to economic uncertainty. 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.

Budget Overview:

The FY 2016-17 Recommended Budget totals \$437,939,681, including,

GOVERNMENTAL FUNDS

- \$231,596,849 General Fund
- \$130,954,074 Special Revenue Funds
- \$ 4,195,469 Capital Project Funds
- \$ 2,957,172 Debt Service Funds
- \$369,703,564 Total Governmental Funds

OTHER FUNDS

- \$ 26,714,956 Internal Service Funds
- \$ 29,641,886 Enterprise Funds
- \$ 11,879,275 Special Districts and Other Agencies
- \$ 68,236,117 Total Other Funds

This represents an increase of \$15.8 million, or 3.7 percent, when compared to the FY 2015-16 Adopted Budget.

About 80 percent of the overall budget is for non-general fund operating departments. Most have various state and federal funds earmarked for specific purposes.

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, 2015. The County has received this award for 18 consecutive years, since the State implemented the award program in 1997.
- The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Shasta for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the second year the County has received this prestigious award. In order to be awarded a Certificate of Achievement the County published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,

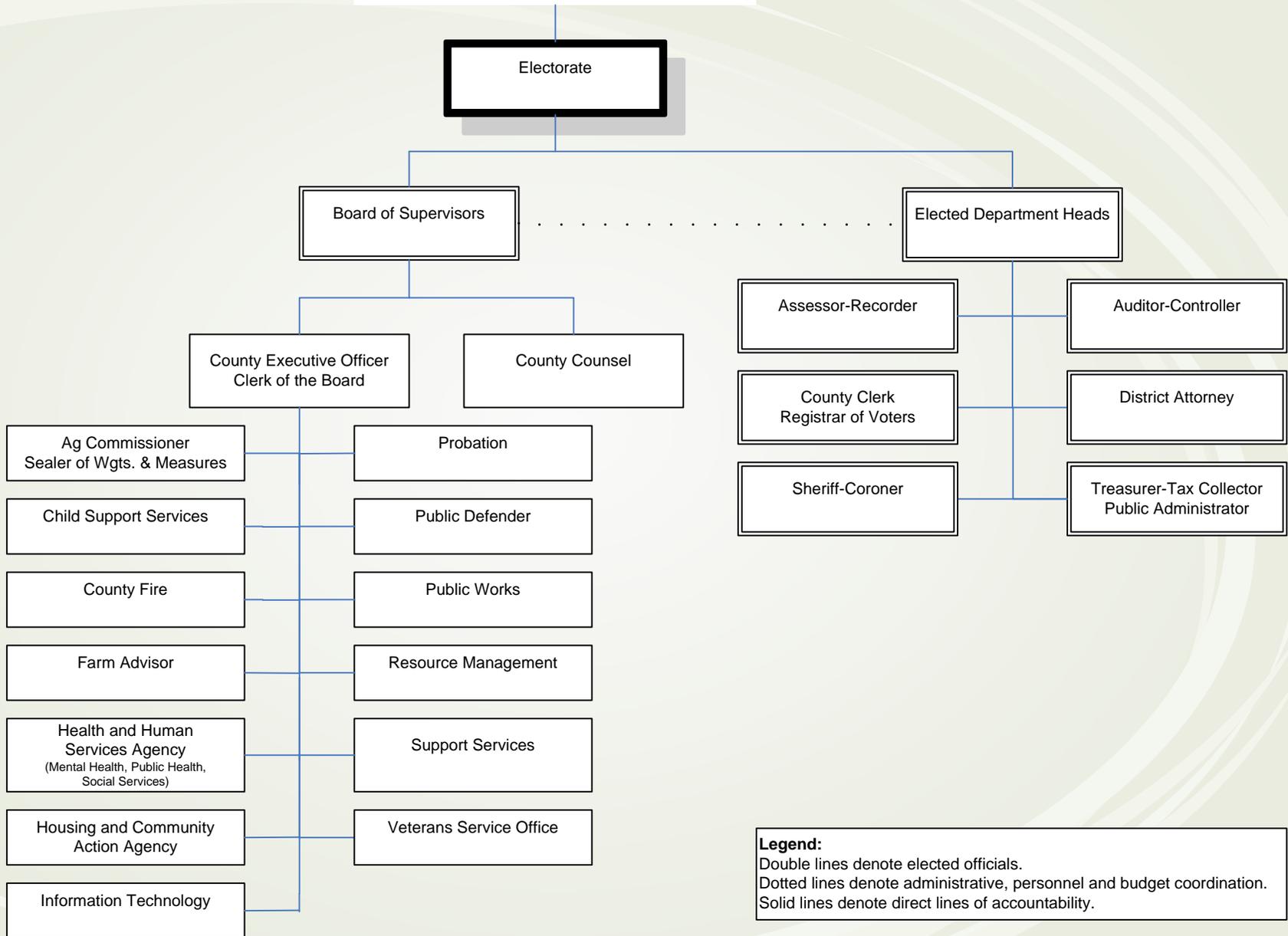


Brian Muir
Auditor-Controller



Lawrence G. Lees
County Executive Officer

County of Shasta
Organizational Chart
September 2016



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

COUNTY OF SHASTA

COUNTY OFFICIALS

JUNE 30, 2016

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Shasta
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION





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, 2016, 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, 2016, 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 changes in the net position liability and related ratios and schedule of contributions, schedule of funding progress – other postemployment benefits, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section 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 and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are 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 6, 2016, 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 6, 2016

MANAGEMENT'S DISCUSSION & ANALYSIS (MD & A)



COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

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, 2016. 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

- At the close of the most recent fiscal year *net position* of the County is \$133,230,696. Of the net position, \$111,410,963 is restricted for specific purpose (*restricted net position*), and \$161,063,980 is the net investment in capital assets. This leaves an unrestricted net position of \$(139,244,247), compared to an unrestricted net position in the previous year of \$(123,275,775). The government's total net position increased by \$7,977,153 in comparison with the prior year.
- The County's net position net investment in capital assets, increased by \$8,669,266.
- The County's governmental funds reported combined fund balances of \$188,550,099 an increase of \$10,595,107 in comparison with the prior year.
- The County's unrestricted fund balance for the governmental funds was \$87,705,552, or 31% 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 service areas, the Shasta County Water Agency, the Shasta County Air Quality Management District, the Shasta County Fire

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

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, 2016

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.

The County's Net Position (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total Activities | |
|----------------------------------|-------------------------|------------|--------------------------|-----------|------------------|------------|
| | FY 2016 | FY 2015 | FY 2016 | FY 2015 | FY 2016 | FY 2015 |
| Current and Other Assets | \$ 254,132 | \$ 236,262 | \$ 30,280 | \$ 29,422 | \$ 284,412 | \$ 265,684 |
| Capital Assets | 158,232 | 152,194 | 41,810 | 41,505 | 200,042 | 193,699 |
| Total Assets | 412,364 | 388,456 | 72,090 | 70,927 | 484,454 | 459,383 |
| Deferred Inflows of Resources | 16,761 | 15,810 | - | - | 16,761 | 15,810 |
| Current and Other Liabilities | 32,799 | 27,812 | 928 | 661 | 33,727 | 28,473 |
| Long-Term Liabilities | 300,055 | 267,263 | 16,753 | 16,565 | 316,808 | 283,828 |
| Total Liabilities | 332,854 | 295,075 | 17,681 | 17,226 | 350,535 | 312,301 |
| Deferred Inflows of Resources | 17,449 | 37,638 | - | - | 17,449 | 37,638 |
| Net investment in capital assets | 124,597 | 116,638 | 36,467 | 35,756 | 161,064 | 152,394 |
| Restricted | 111,411 | 96,135 | - | - | 111,411 | 96,135 |
| Unrestricted | (157,186) | (141,220) | 17,942 | 17,945 | (139,244) | (123,275) |
| Total Net Position | \$ 78,822 | \$ 71,553 | \$ 54,409 | \$ 53,701 | \$ 133,231 | \$ 125,254 |

A significant portion of the County's net position, \$161.1M, 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, \$111.4M, represents 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 two of the three categories of net position, both for the County as a whole, as well as for its separate governmental activities and business-type activities.

The County's net position increased by \$8.0M during the current fiscal year. The net increase in net position represents a variety of activity during the year, comprised mainly of:

- An increase in cash in governmental activities
- An increase in due from other governments in governmental activities and;
- An increase in the capital assets.

COUNTY OF SHASTA

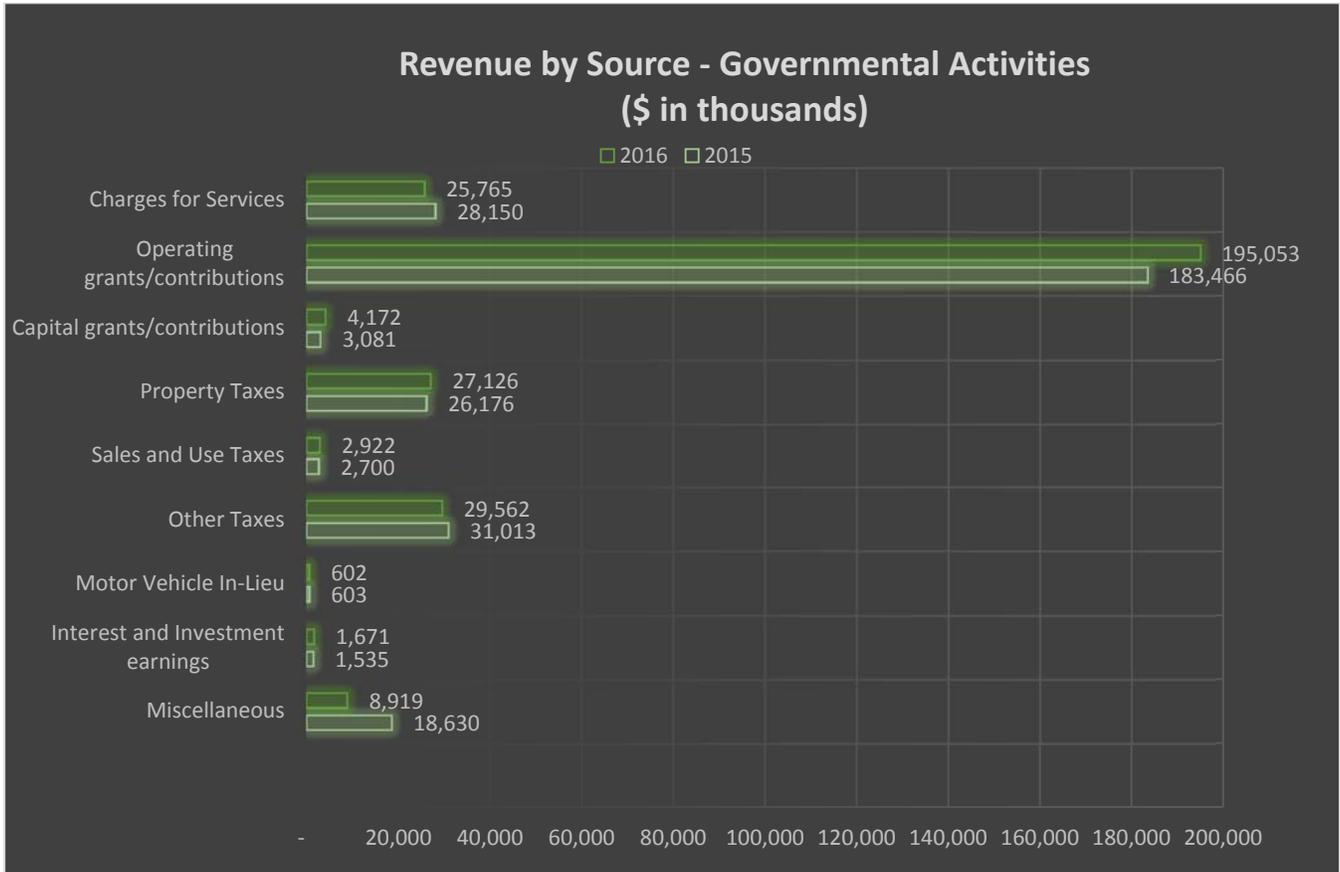
Management's Discussion and Analysis
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The County's Changes in Net Position (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total Activities | |
|---|-------------------------|----------------|--------------------------|---------------|------------------|----------------|
| | FY 2016 | FY 2015 | FY 2016 | FY 2015 | FY 2016 | FY 2015 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | 25,765 | 28,150 | 4,449 | 4,429 | 30,214 | 32,579 |
| Operating grants/contributions | 195,053 | 183,466 | 1,571 | 869 | 196,624 | 184,335 |
| Capital grants/contributions | 4,172 | 3,081 | 43 | 360 | 4,215 | 3,441 |
| Property Taxes | 27,126 | 26,176 | 28 | 27 | 27,154 | 26,203 |
| Sales and Use Taxes | 2,922 | 2,700 | - | - | 2,922 | 2,700 |
| Other Taxes | 29,562 | 31,013 | - | - | 29,562 | 31,013 |
| Motor Vehicle In-Lieu | 602 | 603 | - | - | 602 | 603 |
| Interest and Investment earnings | 1,671 | 1,535 | 114 | 112 | 1,785 | 1,647 |
| Miscellaneous | 8,919 | 18,630 | 104 | 241 | 9,023 | 18,871 |
| Total Revenues | 295,792 | 295,354 | 6,309 | 6,038 | 302,101 | 301,392 |
| Expenses | | | | | | |
| General Government | 12,853 | 11,766 | - | - | 12,853 | 11,766 |
| Public Protection | 92,417 | 91,500 | - | - | 92,417 | 91,500 |
| Public Ways and Facilities | 16,889 | 20,528 | - | - | 16,889 | 20,528 |
| Health and Sanitation | 52,386 | 52,320 | - | - | 52,386 | 52,320 |
| Public Assistance | 111,239 | 108,537 | - | - | 111,239 | 108,537 |
| Education | 1,542 | 1,597 | - | - | 1,542 | 1,597 |
| Recreation | 155 | 158 | - | - | 155 | 158 |
| Interest on Debt | 1,042 | 1,109 | - | - | 1,042 | 1,109 |
| Fall River Mills Airport | - | - | 329 | 149 | 329 | 149 |
| Solid Waste Disposal | - | - | 1,881 | (1,840) | 1,881 | (1,840) |
| West Central Landfill | - | - | 578 | 1,676 | 578 | 1,676 |
| Shasta County Transit | - | - | 448 | 405 | 448 | 405 |
| County Service Areas (Water/Sewer) | - | - | 2,366 | 2,227 | 2,366 | 2,227 |
| Total Expenses | 288,523 | 287,515 | 5,602 | 2,617 | 294,125 | 290,132 |
| Excess/(deficiency) before transfers | 7,269 | 7,839 | 707 | 3,421 | 7,976 | 11,260 |
| Transfers | - | - | - | - | - | - |
| Change in Position | 7,269 | 7,839 | 707 | 3,421 | 7,976 | 11,260 |
| Net Position - Beginning | 71,553 | 231,312 | 53,701 | 47,033 | 125,254 | 278,345 |
| Prior Period Adjustment | - | (167,598) | - | 3,247 | - | (164,351) |
| Net Position - Ending | 78,822 | 71,553 | 54,408 | 53,701 | 133,230 | 125,254 |

COUNTY OF SHASTA

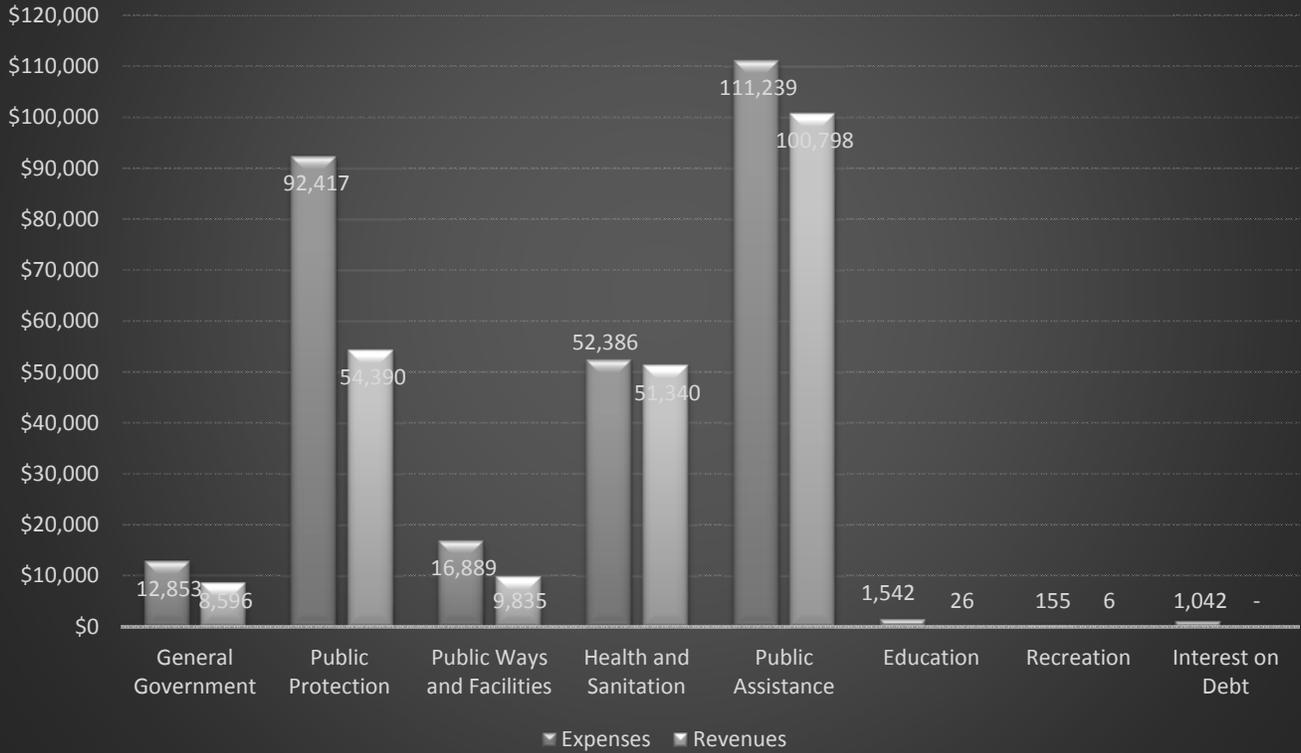
Management's Discussion and Analysis
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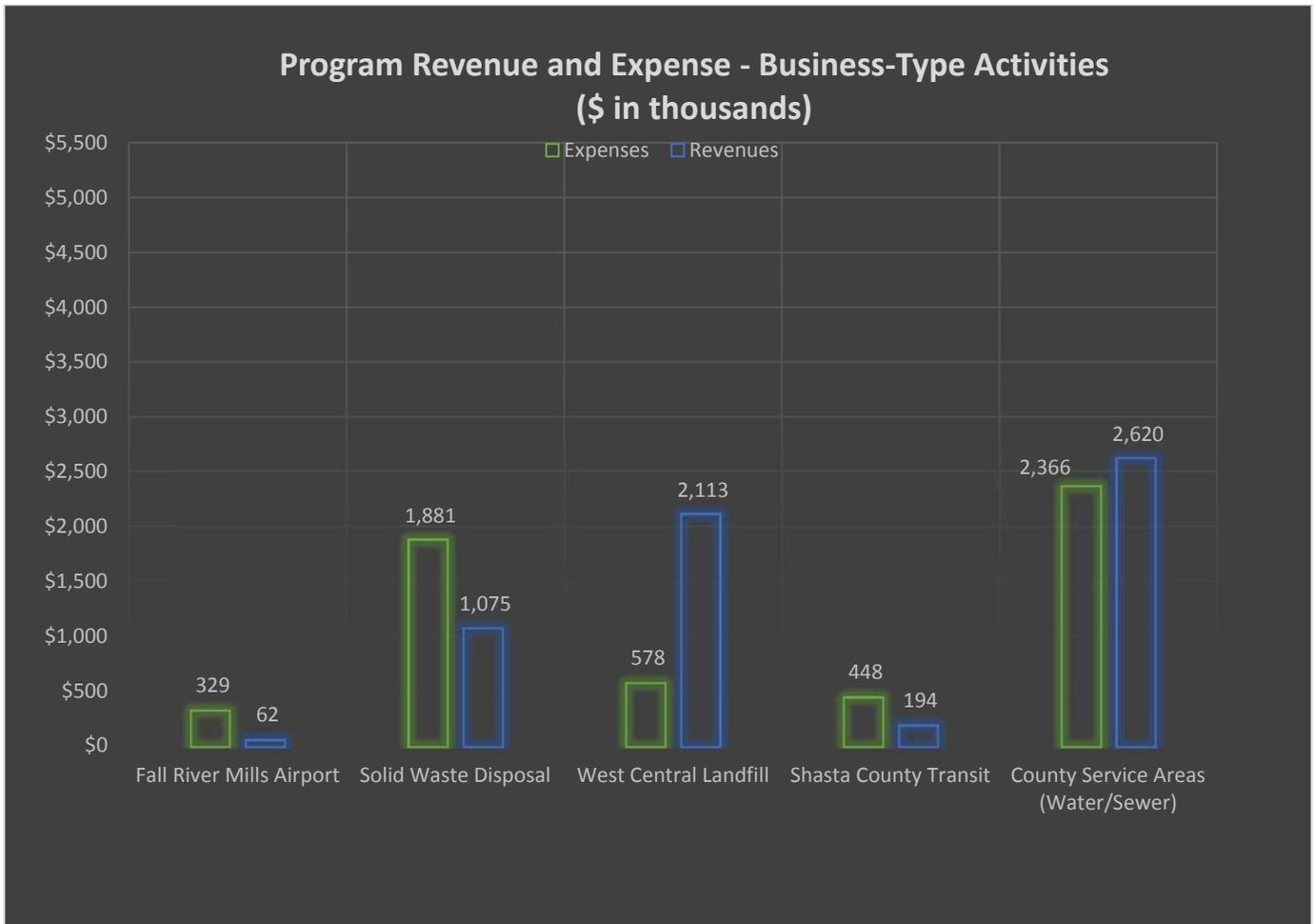
Management's Discussion and Analysis
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**Program Revenue and Expense - Governmental Activities
(\$ in thousands)**



COUNTY OF SHASTA

Management's Discussion and Analysis
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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 resources available for spending at the end of the fiscal year.

COUNTY OF SHASTA

Management's Discussion and Analysis
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Net Change in Fund Balance
Governmental Funds

| | FY 2016 | FY 2015 | Net Change | |
|--------------------------------|-----------------------|-----------------------|----------------------|----------|
| | | | Amount | Percent |
| Fund Balance - Beginning | 177,954,992 | 159,993,758 | \$ 17,961,234 | 11.23% |
| Revenues | 292,855,788 | 296,067,766 | (3,211,978) | -1.08% |
| Expenditures | (282,542,989) | (277,949,018) | (4,593,971) | 1.65% |
| Other Financing Sources (Uses) | 282,308 | (157,514) | 439,822 | -279.23% |
| Fund Balance - Ending | <u>\$ 188,550,099</u> | <u>\$ 177,954,992</u> | <u>\$ 10,595,107</u> | 5.95% |

At June, 30, 2016, the County's governmental funds reported combined fund balances of \$188,550,099. Of these combined fund balances, \$87,705,552 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, \$99,312,582, 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, \$1,531,965 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, 2016, unrestricted General Fund balance was \$77,268,852, while total fund balance was \$99,015,587. 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 47% of total General Fund expenditures, while the total fund balance represents 60% 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 \$77,268,852 General Fund unrestricted fund balance, 27% is assigned.

Total governmental funds Fund Balance increased by \$10,595,107, or 6%, in comparison with the prior year. The major governmental funds had changes in fund balance as follows: General Fund increased \$2,417,659, the majority of which was due to a slight increase in tax revenues. Similarly Public Safety Fund increased \$1,105,711 related to an increase in fines and forfeitures. The non-major governmental funds increased by \$6,070,019, due to an increase in other financing sources from transfers in from the general fund. The Roads Administration Fund increased \$1,001,718 due to a decrease in expenditures in public ways and facilities year over year.

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

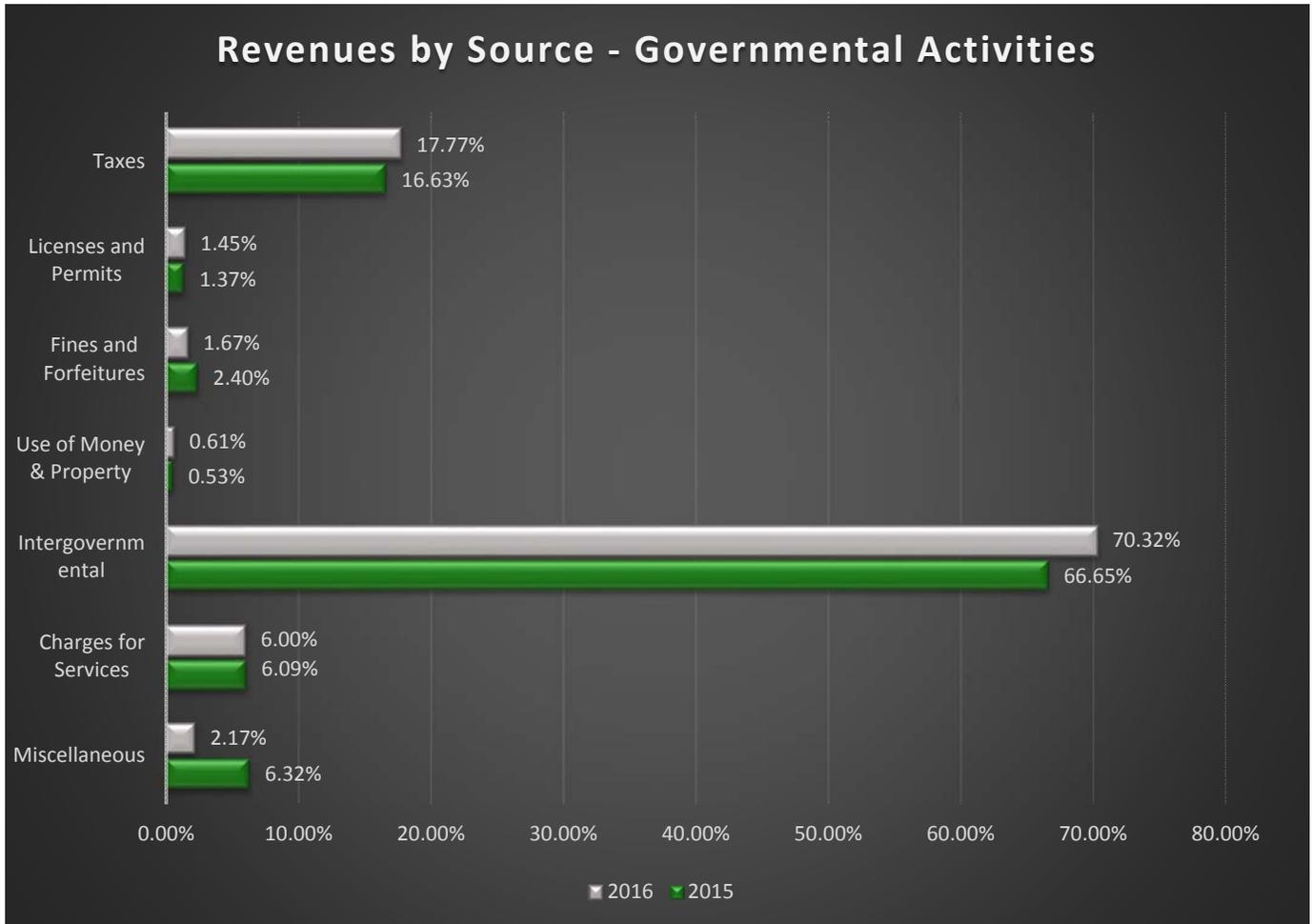
Revenues Classified by Source
Governmental Funds

| | FY 2016 | | FY 2015 | | Increase (Decrease) | |
|-------------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|-------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Change |
| Taxes | \$ 52,042,391 | 17.77% | \$ 49,249,838 | 16.63% | \$ 2,792,553 | 5.67% |
| Licenses and Permits | 4,258,142 | 1.45% | 4,062,654 | 1.37% | 195,488 | 4.81% |
| Fines and Forfeitures | 4,893,867 | 1.67% | 7,115,769 | 2.40% | (2,221,902) | -31.23% |
| Use of Money & Property | 1,783,923 | 0.61% | 1,569,410 | 0.53% | 214,513 | 13.67% |
| Intergovernmental | 205,941,958 | 70.32% | 197,326,862 | 66.65% | 8,615,096 | 4.37% |
| Charges for Services | 17,581,912 | 6.00% | 18,021,509 | 6.09% | (439,597) | -2.44% |
| Miscellaneous | 6,353,595 | 2.17% | 18,721,724 | 6.32% | (12,368,129) | -66.06% |
| Total Revenue by Source | <u>\$ 292,855,788</u> | <u>100.00%</u> | <u>\$ 296,067,766</u> | <u>100.00%</u> | <u>\$ (3,211,978)</u> | |

COUNTY OF SHASTA

Management's Discussion and Analysis
June 30, 2016

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:

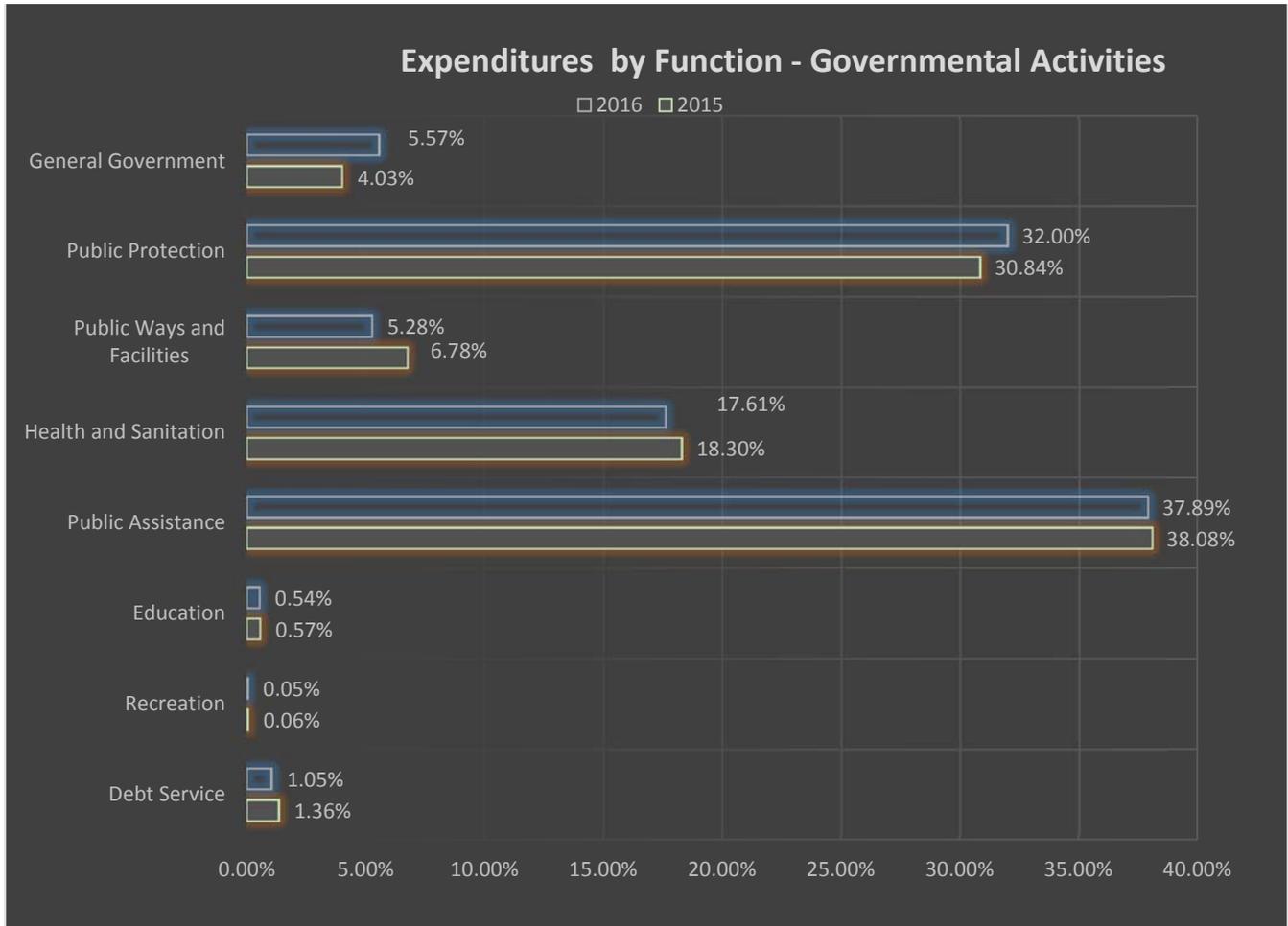
Expenditures Classified by Source
Governmental Funds

| | FY 2016 | | FY 2015 | | Increase (Decrease) | |
|----------------------------|-----------------------|------------------|-----------------------|------------------|---------------------|------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total |
| General Government | \$ 15,736,565 | 5.57% | \$ 11,188,585 | 4.03% | \$ 4,547,980 | 99.00% |
| Public Protection | 90,401,927 | 32.00% | 85,713,090 | 30.84% | 4,688,837 | 102.07% |
| Public Ways and Facilities | 14,930,497 | 5.28% | 18,833,307 | 6.78% | (3,902,810) | -84.96% |
| Health and Sanitation | 49,768,415 | 17.61% | 50,858,547 | 18.30% | (1,090,132) | -23.73% |
| Public Assistance | 107,065,418 | 37.89% | 105,839,853 | 38.08% | 1,225,565 | 26.68% |
| Education | 1,538,464 | 0.54% | 1,589,660 | 0.57% | (51,196) | -1.11% |
| Recreation | 140,753 | 0.05% | 154,629 | 0.06% | (13,876) | -0.30% |
| Debt Service | 2,960,950 | 1.05% | 3,771,347 | 1.36% | (810,397) | -17.64% |
| Total by Function | \$ 282,542,989 | 100.00% | \$ 277,949,018 | 100.00% | \$ 4,593,971 | |

COUNTY OF SHASTA

Management's Discussion and Analysis
June 30, 2016

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 | | Net Change | |
|-------------------------------------|--|---------------------|-------------------|-----------------|
| | FY 2016 | FY 2015 | Amount | Percent |
| | Proceeds from Sale of Capital Assets | \$ 178,967 | \$ 157,231 | \$ 21,736 |
| Transfers in | 46,759,898 | 32,844,020 | 13,915,878 | 42.37% |
| Transfers out | (46,656,557) | (33,158,765) | (13,497,792) | 40.71% |
| Net financing sources (uses) | \$ 282,308 | \$ (157,514) | \$ 439,822 | -279.23% |

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.

COUNTY OF SHASTA

Management's Discussion and Analysis
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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 Fund Net Position
Enterprise Funds

| | FY 2016 | FY 2015 | Net Change | |
|-----------------------------------|----------------------|----------------------|-------------------|---------|
| | | | Amount | Percent |
| Total Net Position - Beginning | 53,700,765 | 50,281,151 | 3,419,614 | 6.80% |
| Operating Revenues | 4,622,901 | 4,702,586 | (79,685) | -1.69% |
| Operating Expenses | (5,514,699) | (2,525,007) | (2,989,692) | 118.40% |
| Non-Operating Revenues (Expenses) | 1,599,480 | 1,242,035 | 357,445 | 28.78% |
| Total Net Position - Ending | <u>\$ 54,408,447</u> | <u>\$ 53,700,765</u> | <u>\$ 707,682</u> | |

Net position restricted for net investment in capital assets at fiscal year-end was \$36,466,866. Unrestricted net position of the enterprise funds at fiscal year-end was \$17,941,581.

The net position of the enterprise funds increased \$707,682 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.

Internal Service Funds

| | FY 2016 | FY 2015 | Net Change | |
|--|----------------------|---------------------|---------------------|----------|
| | | | Amount | Percent |
| Total Net Position - Beginning | 9,120,933 | 18,735,772 | (9,614,839) | -51.32% |
| Operating Revenues | 21,684,586 | 17,488,405 | 4,196,181 | 23.99% |
| Operating Expenses | (21,220,641) | (21,615,048) | 394,407 | -1.82% |
| Non-Operating Revenues (Expenses) | 1,451,407 | (5,802,941) | 7,254,348 | -125.01% |
| Transfers In (Out) and capital contributions | (103,341) | 314,745 | (418,086) | -132.83% |
| Total Net Position - Ending | <u>\$ 10,932,944</u> | <u>\$ 9,120,933</u> | <u>\$ 1,812,011</u> | |

Total net position of the internal service funds at fiscal year-end were \$10,932,944 and include \$2,913,781 invested in capital assets.

The net position of the internal service funds increased \$1,812,011 over the prior fiscal year. The majority of this increase was caused by increase in operating revenues.

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.

COUNTY OF SHASTA

Management's Discussion and Analysis
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Differences between the original budget and the final amended budget are summarized in the table below:

Budgetary Comparison
General Fund

| | Original | Final | Net Change | |
|--------------------------------|------------------------|------------------------|---------------------|---------|
| | Budget | Budget | Amount | Percent |
| Total Revenues | 196,284,638 | 195,430,409 | (854,229) | -0.44% |
| Total Expenditures | (181,524,844) | (189,301,587) | (7,776,743) | 4.28% |
| Other Financing Sources (Uses) | (40,080,738) | (32,087,711) | 7,993,027 | -19.94% |
| Net Change in Fund Balances | <u>\$ (25,320,944)</u> | <u>\$ (25,958,889)</u> | <u>\$ (637,945)</u> | |

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

Budgetary Comparison
General Fund

| | Final | Actual | Net Change | |
|--------------------------------|------------------------|------------------|-------------------|---------|
| | Budget | Amounts | Amount | Percent |
| Total Revenues | 195,430,409 | 202,361,515 | 6,931,106 | 3.55% |
| Total Expenditures | (189,301,587) | (165,269,204) | 24,032,383 | -12.70% |
| Other Financing Sources (Uses) | (32,087,711) | (34,674,652) | (2,586,941) | 8.06% |
| Net Change in Fund Balances | <u>\$ (25,958,889)</u> | <u>2,417,659</u> | <u>28,376,548</u> | |

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of June 30, 2016, amounted to \$200,041,936 (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 \$6,343,545.

The following table shows the County's total investment in capital assets for governmental and proprietary funds.

Capital Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land and improvements | \$ 3,819,156 | \$ 2,843,856 | \$ 2,026,076 | \$ 2,026,076 | \$ 5,845,232 | \$ 4,869,932 |
| Structures & Improvements | 127,773,221 | 121,122,419 | 77,215,895 | 75,545,606 | 204,989,116 | 196,668,025 |
| Leasehold Improvements | 923,068 | 923,068 | - | - | 923,068 | 923,068 |
| Equipment | 47,396,795 | 45,812,572 | 318,301 | 318,301 | 47,715,096 | 46,130,873 |
| Infrastructure | 121,418,930 | 121,418,930 | - | - | 121,418,930 | 121,418,930 |
| Construction In Progress | 6,106,823 | 3,829,496 | 629,434 | 615,290 | 6,736,257 | 4,444,786 |
| Total | 307,437,993 | 295,950,341 | 80,189,706 | 78,505,273 | 387,627,699 | 374,455,614 |
| Accumulated Depreciation | (149,205,703) | (143,756,791) | (38,380,060) | (37,000,432) | (187,585,763) | (180,757,223) |
| Net Capital Assets | <u>\$ 158,232,290</u> | <u>\$ 152,193,550</u> | <u>\$ 41,809,646</u> | <u>\$ 41,504,841</u> | <u>\$ 200,041,936</u> | <u>\$ 193,698,391</u> |

COUNTY OF SHASTA

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

| | Additions | Retirements (Net of Accum. Depreciation) | Transfers & Adjustments | Depreciation | Net Change |
|--------------------------|----------------------|--|----------------------------|-----------------------|---------------------|
| General Government | \$ 9,148,419 | \$ (257,112) | \$ (1) | \$ (2,794,845) | \$ 6,096,461 |
| Public Protection | 1,679,590 | (1,094) | - | (910,764) | 767,732 |
| Public Ways & Facilities | 133,536 | - | - | (2,283,962) | (2,150,426) |
| Health & Sanitation | 398,953 | - | - | (173,828) | 225,125 |
| Public Assistance | 315,438 | (502) | - | (167,853) | 147,083 |
| Education | - | - | - | (717) | (717) |
| Internal Service Funds | 1,720,245 | (67,880) | - | (698,883) | 953,482 |
| Enterprise Funds | 1,684,431 | - | 2 | (1,379,628) | 304,805 |
| Totals | <u>\$ 15,080,612</u> | <u>\$ (326,588)</u> | <u>\$ 1</u> | <u>\$ (8,410,480)</u> | <u>\$ 6,343,545</u> |

COUNTY OF SHASTA

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

Projects completed in current fiscal year:

| | <u>Current Year Costs</u> | <u>Total Costs</u> |
|---|-------------------------------|-------------------------|
| Major bridge, road and construction projects: | | |
| Governmental Funds: | | |
| Social Services 2460 Breslauer Addition | - | 45,826 |
| 1600/1626 Court Street Remodel | 1,251,511 | 1,797,915 |
| Sheriff 300 Park Marina Circle | 488,780 | 488,780 |
| Total Governmental Funds | <u>1,740,291</u> | <u>2,332,521</u> |
| Enterprise Funds: | | |
| CSA #25 Water System Improvements | <u>1,054,997</u> | <u>1,670,287</u> |
| Total Enterprise Funds | <u>1,054,997</u> | <u>1,670,287</u> |
| Total projects completed in current fiscal year | <u><u>2,795,288</u></u> | <u><u>4,002,808</u></u> |

Construction in progress at June 30, 2016:

Major bridge and road projects:

| | <u>Current Year Costs</u> | <u>Cost to Date</u> |
|--|-------------------------------|-------------------------|
| Governmental Funds: | | |
| Cassel-Fall River Road @ Pit River | 347,749 | 798,287 |
| Ash Creek Rd @ Sac. River | 11,712 | 63,467 |
| Gas Point Rd @ No Name Ditch | 39,176 | 66,768 |
| Inwood Road @ S.F. Bear Creek | 147,685 | 284,036 |
| Lower Gas Point Rd @ NF Cttwd Creek | 109,161 | 216,088 |
| Old 44 Dr. @ Oak Run Creek | 121,574 | 251,135 |
| Soda Creek Rd @ Soda Creek | 59,165 | 179,243 |
| Fern Road E @ Glendenning | 20,034 | 130,421 |
| Parkville Rd @ Ash Creek | 63,053 | 85,364 |
| Spring Creek Rd @ Fall River Br | 24,570 | 300,625 |
| Bear Mountain Rd @ Deep Hole Creek Br | 58,419 | 61,071 |
| Total Governmental Funds | <u>1,002,299</u> | <u>2,436,506</u> |
| Building upgrades: | | |
| Governmental Funds: | | |
| Board of Supervisors ChANGES Audio/Video Upgrade | 153,761 | 153,761 |
| MHSA Remodel | 129,092 | 1,040,367 |
| Jail HVAC Controls Upgrade | 301,261 | 301,261 |
| Jail Security System Upgrade | 11,336 | 11,384 |
| 2650 Breslauer Remodel | 156,184 | 156,184 |
| 2460 Breslauer Remodel | 417,996 | 417,996 |
| Adult Rehab Center | 1,002,225 | 1,589,364 |
| Total Governmental Funds | <u>2,171,855</u> | <u>3,670,317</u> |
| Enterprise Funds: | | |
| West Central Landfill Unit 4C | 413,215 | 413,215 |
| CSA #17 Sewer System Upgrade | 216,219 | 216,219 |
| | <u>629,434</u> | <u>629,434</u> |
| Total construction in progress at June 30, 2016 | <u><u>3,803,588</u></u> | <u><u>6,736,257</u></u> |

Summary of construction in progress at June 30, 2016

| | | |
|--------------------------------|-------------------------|-------------------------|
| Total Governmental Funds | 3,174,154 | 6,106,823 |
| Total Enterprise Funds | 216,219 | 629,434 |
| Total construction in progress | <u><u>3,390,373</u></u> | <u><u>6,736,257</u></u> |

Additional information regarding capital assets begins on page 64 with note 4.

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had total debt obligation outstanding of \$38,977,956. Of this amount, \$32,770,000 comprises bonds that are secured by the County's lease rental payments and other dedicated sources of revenue, and \$813,000 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 | | | | Total | |
|---------------------------|----------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | Governmental Activities | | Business-Type Activities | | 2016 | 2015 |
| | 2016 | 2015 | 2016 | 2015 | | |
| Lease Revenue Bonds | \$ 32,770,000 | \$ 34,620,000 | \$ - | \$ - | \$ 32,770,000 | \$ 34,620,000 |
| Special Assessment Bonds | - | - | 813,000 | 853,500 | 813,000 | 853,500 |
| Water/Sewer Bonds | - | - | 20,000 | 20,000 | 20,000 | 20,000 |
| Capital Lease Obligations | - | - | - | - | - | - |
| Financing Leases | - | - | 1,036,900 | 1,169,282 | 1,036,900 | 1,169,282 |
| Notes Payable | 385,959 | 425,241 | 3,472,880 | 3,706,010 | 3,858,839 | 4,131,251 |
| Debt Obligation | 33,155,959 | 35,045,241 | 5,342,780 | 5,748,792 | 38,498,739 | 40,794,033 |
| Unamortized Bond Premium | 479,217 | 509,646 | - | - | 479,217 | 540,027 |
| Total Debt | 33,635,176 | 35,554,887 | 5,342,780 | 5,748,792 | 38,977,956 | 41,334,060 |
| Less Current Portion | (1,970,932) | (1,919,712) | (327,933) | (343,848) | (2,298,865) | (2,263,560) |
| Net Long-Term Debt | <u>\$ 31,664,244</u> | <u>\$ 33,635,175</u> | <u>\$ 5,014,847</u> | <u>\$ 5,404,944</u> | <u>\$ 36,679,091</u> | <u>\$ 39,070,500</u> |

Reductions of the County's total outstanding debt included principal payments and amortization of bond premium with interest expense for governmental activities and 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 2016-17 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 STATE BUDGET

The Governor's "May Revise" Budget was released on May 13, 2016. His focus continues to be on preserving fiscal stability. The Governor pointed out that revenue is slipping and economic indicators point to a slowdown or even a recession. The May Revise decreases revenue projection by \$1.9 billion due to poor April income tax receipts.

On a positive note, due to fiscal conservatism, the State has eliminated its \$26.6 budget deficit by a combination of budget cuts, temporary taxes and the recovering economy. Over the next two years the State budget will remain in balance. However, by as early as 2019 the Governor forecasts a return of budget deficits with shortfalls of \$4 billion.

The May Revise has five focus areas: Investing in Education (\$2.9 billion new funding, \$25 million higher education system); Reducing Housing Costs (\$3.2 billion in state and federal funding, \$2 billion bond from Proposition 63); Counteracting Poverty (\$19 billion, approximately \$10.7 will come from Proposition 98 funds); Strengthening Infrastructure (\$36 billion over the next decade to improve highways and roads, \$737 million for critical deferred maintenance of levees and various state facilities); and Fighting Climate Change (\$3.1 billion cap-and-trade expenditure plan).

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

The CEO will monitor the eventual adoption of a State spending plan for FY 2016-17, and keep the Board apprised of any negative impact on the County budget and the public we serve.

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.

SHASTA COUNTY BUDGET PRINCIPLES

On March 1, 2016, the Board of Supervisors received the FY 2015-16 Mid-Year Report, and approved the following principles for the FY 2016-17 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.
- The CEO will review all requests for capital assets and computer equipment.
- As a baseline, direct departments to prepare a budget with a three percent (3%) 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.
- Consider deleting positions vacant over 18 months.
- Encourage expenditure reductions in the current fiscal year to create carry-over funds for FY 2016-17.
- In accordance with Administrative Policy 2-101, direct department heads to limit expenditures in FY 2015-16 to ensure that their spending remains within each Object Level in the Adopted Budget.
- In accordance with Administrative Policy 2-101, hold department heads responsible for Revenues in the Adopted Budget; direct them to notify the County Executive Officer of any revenue shortfall; and further, direct them to reduce spending as necessary to remain within the Adopted Budget net-county-cost.

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

FINANCING

Department heads have worked diligently to control spending in the current fiscal year to create fund balance carryover for FY 2016-17. Departments were allowed to submit a budget request with a target of three percent growth in the General Fund contribution or net-county-cost; overages could be mitigated by spending reductions in FY 2015-16. Exceptions were made for those budgets with a minimum maintenance of effort (MOE), and for certain Board-approved projects. General Fund departments are projected to achieve a 9.38 percent expenditure reduction in the fiscal year ending June 30, 2016, which will result in a fund balance carryover of \$7.7 million.

Total funding requirements for the General Fund, which includes the subsidy to non-general fund departments, is \$77.4 million. This will be offset by revenue, \$62.5 million, leaving a structural imbalance of \$14.8. This will be offset by use of fund balance carryover and General Fund General Purpose fund balance. The carryover estimate is developed through a joint effort of staff in the Auditor-Controller's Office and the County Administrative Office. The actual fund balance figure is not firm until the County's books are closed at the end of September, subsequent to the adoption of the County budget.

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.

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.

FY 2016-17 recommended discretionary General Revenue is \$50.2 million, essentially status quo compared to the FY 2015-16 estimated year-end.

NON-DISCRETIONARY REVENUE

In addition to our discretionary sales tax revenues, sales taxes dedicated to public health, mental health, social services, and public safety are still recovering.

1991 Realignment (Health and Human Services) is funded through State sales tax and vehicle license fees (VLF) dedicated to public health, mental health, and social services and provide the majority of matching funds for numerous state and federal funding sources. Sales tax realignment revenue is expected to continue to grow in FY 2016-17 due to an improved economy, and the growth in revenue will fund partial repayment of the prior year's caseload growth. Under 1991 realignment, Social Services programs receive payment for the increasing cost of operating entitlement programs by allocation of excess revenues to pay these costs before general growth payments are made. These realignment revenues, as well as other county resources and state allocations, are used to draw down federal matching revenues that sustain programs.

1991-92 State-Local Realignment Health Subaccount Redirection

Under the Affordable Care Act, county costs and responsibilities for indigent health care are decreasing as more individuals gain access to federal health care coverage. The State-based Medi-Cal expansion has resulted in indigent care costs previously paid by counties shifting to the State, contributing to significant increases in State costs.

Chapter 24, Statutes of 2013 (AB 85), modified the 1991 Realignment Local Revenue Fund distributions to capture and redirect savings counties are experiencing from the implementation of federal health care reform. These savings are reallocated to counties to pay an increased county contribution towards the costs of CalWORKs grants, which reduces State General Fund expenditures. County savings are estimated to be \$749.9 million in FY 2015-16 and \$643.4 million in FY 2016-17. However, actual county savings in 2013-14 were \$177.4 million lower than estimated and the May Revision assumes reimbursement of this amount to counties in FY 2016-17.

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

With the commencement of the Patient Protection and Affordable Care Act (ACA), the Medi-Cal expansion population's treatment services, and the State's expanded treatment benefits, cost reimbursements are funded 100 percent by the federal and state governments through 2017 with no County cost. During the years following, federal matching will fall to 95 percent and then decline each year ultimately to 90 percent, eventually requiring a County share of cost. Although estimated to be a relatively small County share of cost, over time this may also present a risk to providing entitlement services as well as the sustainability of non-entitlement programs, and could potentially impact the County's ability to meet the Substance Abuse Prevention and Treatment (SAPT) County Maintenance of Effort (MOE) level of spending.

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 AB109 is to reduce recidivism and end the revolving door of lower-level offenders and parole violators through the State's prisons.

Shasta County's Community Corrections Partnership Executive Committee (CCPEC), chaired by the Chief Probation Officer, has approved its FY 2016-17 budget. As in previous years, the State AB109 funds allocated to Shasta County are distributed by a CCPEC-determined percentage to the Sheriff (235), Jail (260), Work Release (246), General Assistance Program (542), Mental Health (410), Social Services (501), District Attorney (227), Public Defender (207), Probation (263), and Probation Reserves. Compared to FY 2015-16, for FY 2016-17, the CCPEC voted to support an additional \$1.18 million toward the following: salaries, benefits, and operating expense increases (\$312,356); increasing the BI, Inc. Day Reporting Center contract for up to 120 offenders (\$20,000); increased rent for the Community Corrections Center (\$19,380), upgrading GPS monitoring units and adding alcohol monitoring units (\$15,000); reserves (\$26,245); eight Probation staff (\$741,899); and out-of-county custody beds (\$50,000). Considering that many individual public safety revenue resources are declining or flat, the CCPEC is commended for collaborating to determine how AB109 funds can be spent to reduce recidivism in Shasta County and approving allocation of additional AB109 funds in FY 2016-17. The estimated AB109 fund balance for June 30, 2017 is \$6.2 million. In the Governor's May Revise, due to sales tax reductions, projections for the 2011 Realignment Community Corrections Subaccount and District Attorney / Public Defender Subaccount, have been slightly reduced compared to the Governor's January Budget for FY 2016-17.

Receipts from **Public Safety Augmentation Proposition 172** sales tax have leveled out at \$14 million annually. Receipts in the current year are approximately five percent (5%) lower than this time last year. The County's pro-rata share of this sales tax was just lowered, from \$.004782 to \$.004576. This is the lowest pro-rata share since the inception of the half-cent sales tax in FY 1993-94.

APPROPRIATIONS

The Recommended FY 2016-17 General Fund Budget is \$77.4 million, which is \$8.1 million less than the FY 2015-16 Adjusted Budget. In FY 2015-16, we made a one-time transfer of \$10 million to Accumulated Capital Outlay for major capital outlay expenses for the anticipated facilities acquisitions and improvements, such as remodel of the old Courthouse and the old Juvenile Hall building.

The Auditor-Controller calculates the County's Maintenance of Effort (MOE) for public safety. The most recent calculation is FY 2015-16. The FY 2015-16 Adopted Budget for all the public safety departments exceeded the adjusted MOE Base by \$25.1 million. The County subsidy to the combined health and human services programs has been held static over the last several years. The Auditor-Controller and the Health & Human Services Agency Business & Support Services division have cooperatively determined that the Social Services fund has some County over-match. Each year the fund will be reviewed to determine if the over-match is resolving.

Appropriations include a **Contingency Reserve** of \$6 million that can be used for unanticipated requirements that may occur during the fiscal year. When no need arises, these funds return to fund balance and become the basis of the carry-over for the succeeding year. Financing is derived from anticipated revenue, inter-fund transfers, and carry-over fund balances.

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

The General Reserve is approximately \$10.6 million. This is less than three percent of total Governmental Funds appropriations (\$369.7 million). The Board established a policy for budgetary reserves in December 2007. The goal is to attain a Reserve of five percent (5%) of estimated financing uses, less designations for reserves and capital projects, but no less than \$10 million.

YEAR-TO-YEAR COMPARISON

Departments were directed to submit a budget request with a target of three percent (3%) growth in the General Fund contribution or net-county-cost; overages could be mitigated by spending reductions in FY 2015-16. For the fiscal year ending June 30, 2017, the General Fund is projected to realize a 9.44 percent reduction in expenditures (\$8 million), and a reduction to the net-county-cost (down from \$20.2 million to \$12.4 million).

In the aggregate, the FY 2016-17 Recommended Budget for select budget units, excluding special districts, totals \$429 million, which when compared to the 2015-16 Adjusted Budget, is an increase of \$246,527, or less than one percent (1%).

COUNTY WORKFORCE

The Recommended Budget provides for a workforce of 1,986 full-time-equivalents (FTE's). This includes a net increase of 31.0 FTE's. The sunset date for three positions will be extended through June 30, 2017. Three (3) new position classifications are recommended, as follows: Office of Emergency Services (OES) Technician; Fire Marshal (Non-Sworn); and Peer Support Specialist.

As of February 10, 2016, total vacancies were 229, or 12.0 percent. Some of the vacancies may be due to the County's Controlled Hiring Process. The CEO confers with Support Services to review all requests to fill positions. This is in part to reduce expenditures, but also to preserve positions for employees facing a layoff situation.

The CEO will continue to review all requests for new positions to ensure they are offset by long-term reliable revenue.

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 share of CalPERS ("PERS") retirement in FY 2016-17 is 17.0 percent for Miscellaneous, and 43.8 percent for Safety. By FY 2021-22, PERS estimates these rates will be 21.5 percent for Miscellaneous, and 53.0 percent for Safety. 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 any immediate financial benefit.

The volatility in the PERS rates is two-fold - investment losses PERS experienced during the downturn in the market, and assumption changes. 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 FY 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.

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

The County successfully negotiated with nine represented bargaining units and three unrepresented bargaining units for wage and/or benefit concessions. Active employees now pay the 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).

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, 2015, 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 increased to three percent (3%) effective July 1, 2015. Additionally, one-time additions to the OPEB-Trusts are made when funding is available. The combined assets of the two OPEB-Trusts are \$39 million.

The County is working with its labor partners to eliminate County-funded health benefits after retirement for new employees. Instead, the County is proposing to match an employee 457 plan contribution of up to three percent (3%) of gross salary in a 401(a) plan. If implemented, it is estimated that the proposal will eliminate the OPEB liability by the year 2040.

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.

BONDED INDEBTEDNESS

As of June 30, 2016, the County had total debt obligation outstanding of \$38.9 million. Of this amount, \$33.6 million comprises bonds that are secured by the County's lease rental payments and other dedicated sources of revenue, and \$833,000 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.

Moody's Investors Service assigned an A1 rating to the Shasta County Lease Revenue Refunding Bonds 2013 Series A. The rating action reflects the County's solid fiscal position including satisfactory cash levels, well-sized though recently pressured tax base, the legal covenants of the bonds and the County's modest debt profile. The County has consistently reduced its expenditures which enabled it to avoid material deficits while maintaining solid cash and general fund reserves. Pressures on the County's fiscal outlook are caused by state and local economic factors outside the County's control.

In 2014, Standard & Poor's (S&P) raised the County's credit rating from "A" to "A+" while affirming the stable outlook. The stable outlook reflects their opinion of the County's strong budgetary flexibility and liquidity supported by strong performance. Further, the County is supported by strong institutional framework. As with Moody's rating, S&P's rating is lowered somewhat by our weak local economy.

COUNTY OF SHASTA

Management's Discussion and Analysis June 30, 2016

Both rating agencies praised the County's ability to grow and sustain a healthy fund balance, currently \$30.9 million. With economic signs pointing to another recession, a strong fund balance will enable the County to weather the downturn.

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**



COUNTY OF SHASTA

Statement of Net Position
June 30, 2016

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|-----------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Totals | |
| Assets | | | | |
| Cash and investments | \$ 191,485,893 | \$ 24,559,974 | \$ 216,045,867 | \$ 2,726,485 |
| Receivables, net | 11,896,402 | 711,667 | 12,608,069 | -- |
| Due from other governments | 34,417,583 | 1,220,685 | 35,638,268 | 360,375 |
| Inventories | 442,624 | 11,843 | 454,467 | -- |
| Other assets | 1,340,106 | 64,616 | 1,404,722 | -- |
| Internal balances | 498,193 | (498,193) | -- | -- |
| Due from external parties | 3,052,633 | -- | 3,052,633 | -- |
| Special assessments receivable | 440,589 | 4,076,209 | 4,516,798 | -- |
| Notes receivable | 10,364,772 | -- | 10,364,772 | -- |
| Prepaid insurance costs | 193,111 | -- | 193,111 | -- |
| Cash and investments - restricted | 12 | 133,146 | 133,158 | -- |
| Capital Assets: | | | | |
| Non-depreciable | 9,925,979 | 2,655,510 | 12,581,489 | 99,162 |
| Depreciable, net | 148,306,311 | 39,154,136 | 187,460,447 | 480,502 |
| Total Assets | 412,364,208 | 72,089,593 | 484,453,801 | 3,666,524 |
| Deferred Outflows of Resources | | | | |
| Deferred pensions | 16,761,123 | -- | 16,761,123 | -- |
| Total deferred outflows of resources | 16,761,123 | -- | 16,761,123 | -- |
| Liabilities | | | | |
| Accounts payable | 5,177,542 | 465,262 | 5,642,804 | 90,629 |
| Retention payable | 17,866 | 1,260 | 19,126 | -- |
| Salaries and benefits payable | 8,099,262 | 26,442 | 8,125,704 | 28,179 |
| Interest payable | 236,848 | 24,601 | 261,449 | -- |
| Due to other governments | 1,780,942 | 57,251 | 1,838,193 | 245,928 |
| Deposits from others | 5,977 | 1,000 | 6,977 | -- |
| Unearned revenue | 7,289,144 | 24,188 | 7,313,332 | 225,461 |
| Long-Term Liabilities: | | | | |
| Due within one year: | | | | |
| Claims payable | 3,695,806 | -- | 3,695,806 | -- |
| Compensated absences | 4,524,713 | -- | 4,524,713 | 14,418 |
| Long-term debt | 1,970,932 | 327,933 | 2,298,865 | -- |
| Due beyond one year: | | | | |
| Claims payable | 16,657,194 | -- | 16,657,194 | -- |
| Landfill closure/postclosure | -- | 11,738,362 | 11,738,362 | -- |
| Compensated absences | 3,901,662 | -- | 3,901,662 | -- |
| Long-term debt | 31,664,244 | 5,014,847 | 36,679,091 | -- |
| Net OPEB obligation | 81,866,000 | -- | 81,866,000 | -- |
| Net pension liability | 165,966,079 | -- | 165,966,079 | -- |
| Total Liabilities | 332,854,211 | 17,681,146 | 350,535,357 | 604,615 |
| Deferred Inflows of Resources | | | | |
| Deferred pensions | 17,448,871 | -- | 17,448,871 | -- |
| Total deferred intflows of resources | 17,448,871 | -- | 17,448,871 | -- |
| Net Position | | | | |
| Net investment in capital assets | 124,597,114 | 36,466,866 | 161,063,980 | 579,664 |
| Restricted for: | | | | |
| Special revenue | 42,055,550 | -- | 42,055,550 | -- |
| Public safety | 26,871,443 | -- | 26,871,443 | -- |
| Roads administration | 10,549,215 | -- | 10,549,215 | -- |
| Capital projects | 10,043,432 | -- | 10,043,432 | -- |
| Debt service | 14,870 | -- | 14,870 | -- |
| General fund reserved fund balance | 21,876,453 | -- | 21,876,453 | -- |
| Unrestricted | (157,185,828) | 17,941,581 | (139,244,247) | 2,482,245 |
| Total Net Position | \$ 78,822,249 | \$ 54,408,447 | \$ 133,230,696 | \$ 3,061,909 |

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

COUNTY OF SHASTA

Statement of Activities
For the Year Ended June 30, 2016

| 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 | \$ 12,435,926 | \$ 416,685 | \$ 5,032,736 | \$ 1,441,136 | \$ 2,122,000 |
| Public protection | 89,978,576 | 2,438,722 | 13,933,439 | 40,440,296 | 16,173 |
| Public ways and facilities | 16,446,186 | 443,154 | 1,316,663 | 6,525,629 | 1,992,992 |
| Health and sanitation | 51,315,538 | 1,070,377 | 2,974,317 | 48,365,416 | -- |
| Public assistance | 109,580,594 | 1,657,982 | 2,476,354 | 98,280,461 | 40,969 |
| Education | 1,509,741 | 32,039 | 25,770 | -- | -- |
| Recreation | 142,245 | 12,880 | 5,806 | -- | -- |
| Debt Service: | | | | | |
| Interest expense | 1,041,903 | -- | -- | -- | -- |
| Total Governmental Activities | <u>282,450,709</u> | <u>6,071,839</u> | <u>25,765,085</u> | <u>195,052,938</u> | <u>4,172,134</u> |
| Business-Type Activities | | | | | |
| Fall River Mills Airport | 322,177 | 7,258 | 51,509 | 10,000 | -- |
| West Central Landfill | 578,210 | -- | 2,113,184 | -- | -- |
| Solid Waste Disposal | 1,841,953 | 39,545 | 1,066,422 | 8,219 | -- |
| Shasta County Transit | 440,708 | 7,132 | 23,424 | 170,493 | -- |
| County Service Areas | 2,289,666 | 75,872 | 1,194,891 | 1,382,614 | 42,516 |
| Total Business-Type Activities | <u>5,472,714</u> | <u>129,807</u> | <u>4,449,430</u> | <u>1,571,326</u> | <u>42,516</u> |
| Total Primary Government | <u>\$ 287,923,423</u> | <u>\$ 6,201,646</u> | <u>\$ 30,214,515</u> | <u>\$ 196,624,264</u> | <u>\$ 4,214,650</u> |
| Component Units | | | | | |
| Children and Families First | \$ 1,655,242 | \$ -- | \$ -- | \$ 1,699,268 | \$ -- |
| Total Component Units | <u>\$ 1,655,242</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 1,699,268</u> | <u>\$ --</u> |

General Revenues

Taxes:

Property taxes
Sales and use taxes
RDA pass through taxes
State in-lieu taxes
Federal in-lieu taxes
State highway user taxes
Property tax in-lieu of VLF
Other taxes
Motor vehicles in-lieu
Interest and investment earnings
Miscellaneous

Total General Revenues

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 |
|----------------------------|-----------------------------|--------------------------------|---------------------|
| \$ (4,256,739) | \$ -- | \$ (4,256,739) | \$ -- |
| (38,027,390) | -- | (38,027,390) | -- |
| (7,054,056) | -- | (7,054,056) | -- |
| (1,046,182) | -- | (1,046,182) | -- |
| (10,440,792) | -- | (10,440,792) | -- |
| (1,516,010) | -- | (1,516,010) | -- |
| (149,319) | -- | (149,319) | -- |
| (1,041,903) | -- | (1,041,903) | -- |
| <u>(63,532,391)</u> | <u>--</u> | <u>(63,532,391)</u> | <u>--</u> |
| -- | (267,926) | (267,926) | -- |
| -- | 1,534,974 | 1,534,974 | -- |
| -- | (806,857) | (806,857) | -- |
| -- | (253,923) | (253,923) | -- |
| -- | 254,483 | 254,483 | -- |
| -- | 460,751 | 460,751 | -- |
| <u>(63,532,391)</u> | <u>460,751</u> | <u>(63,071,640)</u> | <u>--</u> |
| -- | -- | -- | 44,026 |
| -- | -- | -- | 44,026 |
| 27,125,610 | 28,372 | 27,153,982 | -- |
| 2,921,929 | -- | 2,921,929 | -- |
| 568 | -- | 568 | -- |
| 651,803 | -- | 651,803 | -- |
| 1,800,677 | -- | 1,800,677 | -- |
| 5,931,978 | -- | 5,931,978 | -- |
| 19,301,461 | -- | 19,301,461 | -- |
| 1,875,495 | -- | 1,875,495 | -- |
| 602,431 | -- | 602,431 | -- |
| 1,671,349 | 114,495 | 1,785,844 | 6,980 |
| 8,918,561 | 104,064 | 9,022,625 | -- |
| <u>70,801,862</u> | <u>246,931</u> | <u>71,048,793</u> | <u>6,980</u> |
| 7,269,471 | 707,682 | 7,977,153 | 51,006 |
| <u>71,552,778</u> | <u>53,700,765</u> | <u>125,253,543</u> | <u>3,010,903</u> |
| <u>\$ 78,822,249</u> | <u>\$ 54,408,447</u> | <u>\$ 133,230,696</u> | <u>\$ 3,061,909</u> |

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



**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

COUNTY OF SHASTA

Balance Sheet
Governmental Funds
June 30, 2016

| | General Fund | Roads Administration Fund | Public Safety Fund |
|--|------------------------------|---------------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Assets | | | |
| Cash and investments | \$ 88,002,789 | \$ 9,480,789 | \$ 23,855,881 |
| Accounts receivable | 6,916,813 | 119,072 | 4,669,731 |
| Due from other governments | 21,416,478 | 1,419,198 | 6,084,083 |
| Inventories | -- | 343,644 | -- |
| Other assets | 1,106,841 | 115 | 45,520 |
| Due from other funds | 4,940,095 | 97,377 | 519,496 |
| Special assessments receivable | -- | -- | -- |
| Notes receivable | -- | -- | -- |
| Advances to other funds | -- | 17,797 | -- |
| Cash and investments - restricted | -- | -- | -- |
| Totals Assets | <u><u>\$ 122,383,016</u></u> | <u><u>\$ 11,477,992</u></u> | <u><u>\$ 35,174,711</u></u> |
| Liabilities | | | |
| Accounts payable | \$ 3,292,968 | \$ 268,261 | \$ 397,626 |
| Retention payable | 16,661 | 1,205 | -- |
| Salaries and benefits payable | 3,972,035 | 448,519 | 2,063,782 |
| Due to other funds | 1,535,023 | 50,078 | 475,779 |
| Due to other governments | 885,036 | 20,096 | 485,120 |
| Deposits from others | 1,460 | -- | -- |
| Unearned revenue | 4,878,972 | 100,533 | 237,453 |
| Advances from other funds | -- | -- | -- |
| Total Liabilities | <u><u>14,582,155</u></u> | <u><u>888,692</u></u> | <u><u>3,659,760</u></u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue | <u>8,785,274</u> | <u>40,085</u> | <u>4,643,509</u> |
| Fund Balances: | | | |
| Nonspendable | 1,106,841 | 343,759 | 45,520 |
| Restricted | 20,639,894 | 10,184,616 | 26,825,922 |
| Committed | 129,719 | -- | -- |
| Assigned | 20,773,225 | 20,840 | -- |
| Unassigned | 56,365,908 | -- | -- |
| Total Fund Balances | <u><u>99,015,587</u></u> | <u><u>10,549,215</u></u> | <u><u>26,871,442</u></u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u><u>\$ 122,383,016</u></u> | <u><u>\$ 11,477,992</u></u> | <u><u>\$ 35,174,711</u></u> |

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

| Non-Major Governmental Funds | Total Governmental Funds |
|------------------------------------|--------------------------------|
| \$ 41,488,822 | \$ 162,828,281 |
| 171,773 | 11,877,389 |
| 5,490,807 | 34,410,566 |
| -- | 343,644 |
| 35,846 | 1,188,322 |
| 970,849 | 6,527,817 |
| 440,589 | 440,589 |
| 10,364,772 | 10,364,772 |
| 419,443 | 437,240 |
| 12 | 12 |
| <u>\$ 59,382,913</u> | <u>\$ 228,418,632</u> |
| | |
| \$ 800,686 | \$ 4,759,541 |
| -- | 17,866 |
| 1,208,959 | 7,693,295 |
| 1,834,548 | 3,895,428 |
| 259,105 | 1,649,357 |
| 4,517 | 5,977 |
| 2,072,186 | 7,289,144 |
| 427,240 | 427,240 |
| <u>6,607,241</u> | <u>25,737,848</u> |
| | |
| <u>661,817</u> | <u>14,130,685</u> |
| | |
| 35,845 | 1,531,965 |
| 41,662,150 | 99,312,582 |
| 1,230,372 | 1,360,091 |
| 9,185,488 | 29,979,553 |
| -- | 56,365,908 |
| <u>52,113,855</u> | <u>188,550,099</u> |
| | |
| <u>\$ 59,382,913</u> | <u>\$ 228,418,632</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, 2016

| | |
|---|-----------------------------|
| Total Fund Balances - Governmental Funds | \$ 188,550,099 |
| 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. | 155,318,509 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. | |
| Unavailable revenues | 14,130,685 |
| Other post employment benefits obligation | (81,866,000) |
| Long-Term Debt that has not been included in the governmental fund activity. | (33,635,176) |
| Interest on outstanding debt not due and payable in the current period is not accrued in the governmental funds. | (236,848) |
| 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. | 193,111 |
| Compensated absences are not accrued in the Governmental Funds. | (7,911,248) |
| Internal Service Funds assets and liabilities are included in governmental activities in the Statement of Net Position | 10,932,944 |
| Net pension liability | (165,966,079) |
| Deferred outflows of resources related to the net pension liability | 16,761,123 |
| Deferred inflows of resources related to the net pension liability | <u>(17,448,871)</u> |
| Net Position of Governmental Activities | <u>\$ 78,822,249</u> |

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



COUNTY OF SHASTA

Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2016

| | General Fund | Roads Administration Fund | Public Safety Fund |
|---|----------------------|---------------------------------|--------------------------|
| Revenues | | | |
| Taxes | \$ 46,902,419 | \$ 2,897,164 | \$ 82,838 |
| Licenses and permits | 3,821,616 | 45,271 | 133,233 |
| Fines and forfeitures | 3,828,830 | -- | 1,056,452 |
| Use of money and property | 1,152,643 | 41,935 | 135,107 |
| Intergovernmental | 130,270,007 | 11,584,027 | 31,120,123 |
| Charges for other services | 11,002,410 | 691,463 | 3,315,685 |
| Miscellaneous revenue | 5,383,590 | 52,459 | 546,258 |
| Total Revenues | <u>202,361,515</u> | <u>15,312,319</u> | <u>36,389,696</u> |
| Expenditures | | | |
| Current: | | | |
| General government | 14,668,523 | -- | -- |
| Public protection | 16,990,335 | -- | 59,743,471 |
| Public ways and facilities | -- | 14,381,619 | -- |
| Health and sanitation | 25,770,863 | -- | -- |
| Public assistance | 106,160,266 | -- | -- |
| Education | 1,538,464 | -- | -- |
| Recreation | 140,753 | -- | -- |
| Debt Service | -- | -- | -- |
| Total Expenditures | <u>165,269,204</u> | <u>14,381,619</u> | <u>59,743,471</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>37,092,311</u> | <u>930,700</u> | <u>(23,353,775)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in | 5,232,911 | -- | 25,976,600 |
| Transfers out | (39,931,282) | (800) | (1,568,918) |
| Sale of capital assets | 23,719 | 71,818 | 51,804 |
| Total Other Financing Sources (Uses) | <u>(34,674,652)</u> | <u>71,018</u> | <u>24,459,486</u> |
| Net Change in Fund Balances | 2,417,659 | 1,001,718 | 1,105,711 |
| Fund Balances - Beginning | <u>96,597,928</u> | <u>9,547,497</u> | <u>25,765,731</u> |
| Fund Balances - Ending | <u>\$ 99,015,587</u> | <u>\$ 10,549,215</u> | <u>\$ 26,871,442</u> |

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

| Non-Major Governmental Funds | Total Governmental Funds |
|------------------------------------|--------------------------------|
| \$ 2,159,970 | \$ 52,042,391 |
| 258,022 | 4,258,142 |
| 8,585 | 4,893,867 |
| 454,238 | 1,783,923 |
| 32,967,801 | 205,941,958 |
| 2,572,354 | 17,581,912 |
| 371,288 | 6,353,595 |
| <u>38,792,258</u> | <u>292,855,788</u> |
| 1,068,042 | 15,736,565 |
| 13,668,121 | 90,401,927 |
| 548,878 | 14,930,497 |
| 23,997,552 | 49,768,415 |
| 905,152 | 107,065,418 |
| -- | 1,538,464 |
| -- | 140,753 |
| 2,960,950 | 2,960,950 |
| <u>43,148,695</u> | <u>282,542,989</u> |
| <u>(4,356,437)</u> | <u>10,312,799</u> |
| 15,550,387 | 46,759,898 |
| (5,155,557) | (46,656,557) |
| 31,626 | 178,967 |
| <u>10,426,456</u> | <u>282,308</u> |
| 6,070,019 | 10,595,107 |
| <u>46,043,836</u> | <u>177,954,992</u> |
| <u>\$ 52,113,855</u> | <u>\$ 188,550,099</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, 2016

| | |
|---|----------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 10,595,107 |
| Amounts reported for governmental activities in the Statement of Net Activities are different because: | |
| Governmental funds report capital outlays as expenditures. | 9,962,801 |
| In the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. | (5,993,454) |
| 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. | (115,921) |
| Revenues that do not provide current financial resources are not reported as revenues in the funds. | 2,624,351 |
| 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. | 1,889,285 |
| Interest on outstanding debt is reported as an expenditure when due in the Governmental Funds, but is accrued in the Statement of Activities. | 42,023 |
| 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. | (12,261) |
| Compensated absences in the Statement of Activities is reported as an expense, but is not reported in the Governmental Funds. | (171,855) |
| 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. | (11,090,000) |
| 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. | 1,812,011 |
| Pension expense is reported as an expense but is not reported in the Governmental funds | <u>(2,272,616)</u> |
| Change in Net Position of Governmental Activities | <u>\$ 7,269,471</u> |

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



COUNTY OF SHASTA

Statement of Net Position
Proprietary Funds
June 30, 2016

| | Business-Type Activities | | |
|---|--------------------------|-----------------------|--------------------------|
| | Solid Waste Disposal | West Central Landfill | Fall River Mills Airport |
| Assets | | | |
| Current Assets: | | | |
| Cash and investments | \$ 4,218,515 | \$ 19,297,163 | \$ 11,690 |
| Receivables, net | 420,715 | -- | 106 |
| Due from other governments | 31,222 | 729,628 | -- |
| Inventories | -- | -- | 11,843 |
| Due from other funds | 784,740 | -- | -- |
| Other assets | -- | -- | -- |
| Total Current Assets | <u>5,455,192</u> | <u>20,026,791</u> | <u>23,639</u> |
| Noncurrent Assets: | | | |
| Special assessments receivable | -- | -- | -- |
| Advances to other funds | -- | -- | -- |
| Cash and investments - restricted | -- | -- | -- |
| Capital assets, non depreciable | 1,513,924 | -- | 110,000 |
| Capital assets, depreciable - net | 9,737,540 | -- | 11,956,106 |
| Total Noncurrent Assets | <u>11,251,464</u> | <u>--</u> | <u>12,066,106</u> |
| Total Assets | <u>16,706,656</u> | <u>20,026,791</u> | <u>12,089,745</u> |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 437,485 | -- | 371 |
| Salaries and benefits payable | 26,442 | -- | -- |
| Interest payable | 12,140 | -- | -- |
| Due to other governments | -- | -- | -- |
| Due to other funds | 5,434 | 781,528 | 1,655 |
| Deposits from others | -- | -- | -- |
| Unearned Revenue | -- | -- | -- |
| Claims payable | -- | -- | -- |
| Compensated absences payable | -- | -- | -- |
| Bonds, notes payable | 136,102 | -- | -- |
| Total Current Liabilities | <u>617,603</u> | <u>781,528</u> | <u>2,026</u> |
| Noncurrent Liabilities: | | | |
| Claims payable | -- | -- | -- |
| Advances from other funds | -- | -- | -- |
| Compensated absences payable | -- | -- | -- |
| Bonds, notes payable | 900,797 | -- | -- |
| Landfill closure/postclosure care costs | -- | 11,738,362 | -- |
| Total Noncurrent Liabilities | <u>900,797</u> | <u>11,738,362</u> | <u>--</u> |
| Total Liabilities | <u>1,518,400</u> | <u>12,519,890</u> | <u>2,026</u> |
| Net Position | | | |
| Net investment in capital assets | 10,214,565 | -- | 12,066,106 |
| Unrestricted | 4,973,691 | 7,506,901 | 21,613 |
| Total Net Position | <u>\$ 15,188,256</u> | <u>\$ 7,506,901</u> | <u>\$ 12,087,719</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 |
|---------------------------------|----------------------------------|------------------------------|------------------------------|
| \$ 303,917 | \$ 840,936 | \$ 24,672,221 | \$ 28,657,612 |
| 38,746 | 252,100 | 711,667 | 19,013 |
| -- | 459,835 | 1,220,685 | 7,017 |
| -- | -- | 11,843 | 98,980 |
| 35,714 | 151,606 | 972,060 | 613,406 |
| 57,752 | 6,864 | 64,616 | 151,784 |
| <u>436,129</u> | <u>1,711,341</u> | <u>27,653,092</u> | <u>29,547,812</u> |
| 3,703,305 | 372,904 | 4,076,209 | -- |
| -- | -- | -- | 335,512 |
| -- | 20,899 | 20,899 | -- |
| 54,400 | 977,186 | 2,655,510 | 209,136 |
| 9,604,771 | 7,855,719 | 39,154,136 | 2,704,645 |
| <u>13,362,476</u> | <u>9,226,708</u> | <u>45,906,754</u> | <u>3,249,293</u> |
| <u>13,798,605</u> | <u>10,938,049</u> | <u>73,559,846</u> | <u>32,797,105</u> |
| 5,487 | 80,430 | 523,773 | 418,001 |
| -- | -- | 26,442 | 405,967 |
| 10,137 | 2,324 | 24,601 | -- |
| -- | -- | -- | 131,585 |
| 15,631 | 320,493 | 1,124,741 | 40,481 |
| 500 | 500 | 1,000 | -- |
| 5,212 | 18,976 | 24,188 | -- |
| -- | -- | -- | 3,695,806 |
| -- | -- | -- | 276,608 |
| <u>155,504</u> | <u>36,327</u> | <u>327,933</u> | <u>--</u> |
| <u>192,471</u> | <u>459,050</u> | <u>2,052,678</u> | <u>4,968,448</u> |
| -- | -- | -- | 16,657,194 |
| -- | 345,512 | 345,512 | -- |
| -- | -- | -- | 238,519 |
| 3,714,286 | 399,764 | 5,014,847 | -- |
| -- | -- | 11,738,362 | -- |
| <u>3,714,286</u> | <u>745,276</u> | <u>17,098,721</u> | <u>16,895,713</u> |
| <u>3,906,757</u> | <u>1,204,326</u> | <u>19,151,399</u> | <u>21,864,161</u> |
| 5,789,381 | 8,396,814 | 36,466,866 | 2,913,781 |
| 4,102,467 | 1,336,909 | 17,941,581 | 8,019,163 |
| <u>\$ 9,891,848</u> | <u>\$ 9,733,723</u> | <u>\$ 54,408,447</u> | <u>\$ 10,932,944</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, 2016

| | Business-Type Activities | | |
|--|-----------------------------|-----------------------------|--------------------------------|
| | Solid Waste Disposal | West Central Landfill | Fall River Mills Airport |
| Operating Revenues | | | |
| Charges for services | \$ 1,066,422 | \$ 2,113,184 | \$ 51,509 |
| Operating Expenses | | | |
| Salaries and benefits | 427,627 | -- | -- |
| Services and supplies | 1,022,554 | -- | 67,431 |
| Central service costs | 39,545 | -- | 7,258 |
| Insurance premiums | -- | -- | -- |
| Claims expense | -- | -- | -- |
| Depreciation | 362,325 | -- | 254,746 |
| Landfill closure/postclosure care costs | -- | 578,210 | -- |
| Total Operating Expenses | <u>1,852,051</u> | <u>578,210</u> | <u>329,435</u> |
| Operating Income (Loss) | <u>(785,629)</u> | <u>1,534,974</u> | <u>(277,926)</u> |
| Non-Operating Revenues (Expenses) | | | |
| Investment income (loss) | 18,798 | 90,493 | 82 |
| Property tax revenue | -- | -- | -- |
| Non-operating grants | 8,219 | -- | 10,000 |
| Capital improvement fees | -- | -- | -- |
| Miscellaneous revenue | 21 | 74,603 | 173 |
| Miscellaneous expense | -- | -- | -- |
| Interest expense | (29,447) | -- | -- |
| Gain (loss) on sale of capital assets | -- | -- | -- |
| Total Non-Operating Revenues (Expenses) | <u>(2,409)</u> | <u>165,096</u> | <u>10,255</u> |
| Net Income (Loss) Before Transfers | <u>(788,038)</u> | <u>1,700,070</u> | <u>(267,671)</u> |
| Transfers in | 1,697,184 | -- | -- |
| Transfers out | -- | (1,697,184) | -- |
| Change in Net Position | <u>909,146</u> | <u>2,886</u> | <u>(267,671)</u> |
| Net Position - Beginning | <u>14,279,110</u> | <u>7,504,015</u> | <u>12,355,390</u> |
| Net Position - Ending | <u><u>\$ 15,188,256</u></u> | <u><u>\$ 7,506,901</u></u> | <u><u>\$ 12,087,719</u></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 |
| \$ 187,233 | \$ 1,204,553 | \$ 4,622,901 | \$ 21,684,586 |
| -- | -- | 427,627 | 7,862,663 |
| 205,011 | 1,704,431 | 2,999,427 | 5,714,443 |
| 10,924 | 72,080 | 129,807 | 649,623 |
| -- | -- | -- | 1,902,377 |
| -- | -- | -- | 4,392,652 |
| 277,857 | 484,700 | 1,379,628 | 698,883 |
| -- | -- | 578,210 | -- |
| <u>493,792</u> | <u>2,261,211</u> | <u>5,514,699</u> | <u>21,220,641</u> |
| <u>(306,559)</u> | <u>(1,056,658)</u> | <u>(891,798)</u> | <u>463,945</u> |
| 1,163 | 3,959 | 114,495 | 140,568 |
| -- | 28,372 | 28,372 | -- |
| -- | 1,382,614 | 1,400,833 | -- |
| 2,317 | 3,650 | 5,967 | -- |
| 27,921 | 34,917 | 137,635 | 1,521,471 |
| (2,922) | -- | (2,922) | (211,298) |
| (31,884) | (23,569) | (84,900) | -- |
| -- | -- | -- | 666 |
| <u>(3,405)</u> | <u>1,429,943</u> | <u>1,599,480</u> | <u>1,451,407</u> |
| (309,964) | 373,285 | 707,682 | 1,915,352 |
| -- | -- | 1,697,184 | -- |
| -- | -- | (1,697,184) | (103,341) |
| (309,964) | 373,285 | 707,682 | 1,812,011 |
| <u>10,201,812</u> | <u>9,360,438</u> | <u>53,700,765</u> | <u>9,120,933</u> |
| <u>\$ 9,891,848</u> | <u>\$ 9,733,723</u> | <u>\$ 54,408,447</u> | <u>\$ 10,932,944</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, 2016

| | Business-Type Activities | | |
|---|--------------------------|-----------------------|--------------------------|
| | Solid Waste Disposal | West Central Landfill | Fall River Mills Airport |
| Cash Flows from Operating Activities | | | |
| Receipts from customers | \$ 461,806 | \$ 2,060,324 | \$ 51,102 |
| Receipts from internal customers | -- | -- | -- |
| Payments to suppliers | (641,242) | -- | (65,791) |
| Payments to employees | (401,185) | -- | -- |
| Operating subsidies and transfers | -- | -- | -- |
| Claims paid | -- | -- | -- |
| Net Cash Provided (Used) by Operating Activities | <u>(580,621)</u> | <u>2,060,324</u> | <u>(14,689)</u> |
| Cash Flows from Non-Capital Financing Activities | | | |
| Other revenue | 22 | 74,603 | 173 |
| Other expense | -- | -- | -- |
| Payment of refund to participants | -- | -- | -- |
| Property taxes | -- | -- | -- |
| Non-operating subsidies and transfers in | 1,705,403 | -- | 1,655 |
| Non-operating subsidies and transfers out | -- | (1,115,672) | -- |
| Net Cash Provided (Used) by Non-Capital Financing Activities | <u>1,705,425</u> | <u>(1,041,069)</u> | <u>1,828</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition and construction of capital assets | (416,628) | -- | -- |
| Capital improvement fees | -- | -- | -- |
| Principal payments on debt | (132,382) | -- | -- |
| Proceeds from capital-type special assessments | -- | -- | -- |
| Capital grants received | -- | -- | 12,001 |
| Interest payments on debt | (30,997) | -- | -- |
| Net Cash Used by Capital and Related Financing Activities | <u>(580,007)</u> | <u>--</u> | <u>12,001</u> |
| Cash Flows From Investing Activities | | | |
| Income on investments | <u>18,798</u> | <u>90,493</u> | <u>83</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 563,595 | 1,109,748 | (777) |
| Cash and Cash Equivalents - Beginning of Year | <u>3,654,920</u> | <u>18,187,415</u> | <u>12,467</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 4,218,515</u> | <u>\$ 19,297,163</u> | <u>\$ 11,690</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 |
| \$ 191,145 | \$ 1,489,024 | \$ 4,253,401 | \$ 20,637,160 |
| -- | -- | -- | 801,608 |
| (222,328) | (1,980,984) | (2,910,345) | (8,381,066) |
| -- | -- | (401,185) | (7,780,265) |
| -- | 4,135 | 4,135 | -- |
| -- | -- | -- | (4,520,652) |
| <u>(31,183)</u> | <u>(487,825)</u> | <u>946,006</u> | <u>756,785</u> |
| 3,175 | 26,091 | 104,064 | 1,521,380 |
| (2,925) | -- | (2,925) | -- |
| -- | -- | -- | (211,207) |
| -- | 28,372 | 28,372 | -- |
| -- | -- | 1,707,058 | -- |
| -- | (22,442) | (1,138,114) | (82,014) |
| <u>250</u> | <u>32,021</u> | <u>698,455</u> | <u>1,228,159</u> |
| -- | (1,292,293) | (1,708,921) | (833,564) |
| 2,317 | 3,150 | 5,467 | -- |
| (153,504) | (120,123) | (406,009) | 33 |
| 178,216 | 121,845 | 300,061 | -- |
| -- | 1,419,144 | 1,431,145 | -- |
| (32,402) | (24,776) | (88,175) | -- |
| <u>(5,373)</u> | <u>106,947</u> | <u>(466,432)</u> | <u>(833,531)</u> |
| <u>1,163</u> | <u>3,818</u> | <u>114,355</u> | <u>140,568</u> |
| (35,143) | (345,039) | 1,292,384 | 1,291,981 |
| <u>339,060</u> | <u>1,206,874</u> | <u>23,400,736</u> | <u>27,365,631</u> |
| <u>\$ 303,917</u> | <u>\$ 861,835</u> | <u>\$ 24,693,120</u> | <u>\$ 28,657,612</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, 2016

| | 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) | \$ (785,629) | \$ 1,534,974 | \$ (277,926) |
| Adjustments to reconcile net operating income to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 362,325 | -- | 254,746 |
| Changes in assets and liabilities: | | | |
| Receivables, net | (27,765) | -- | (7) |
| Due from other funds | (584,627) | -- | -- |
| Due from other governments | 2,342 | (52,860) | 7 |
| Inventories | -- | -- | 10,601 |
| Other assets | -- | -- | -- |
| Accounts payable | 420,857 | -- | (2,110) |
| Salaries and benefits payable | 26,442 | -- | -- |
| Due to other funds | 5,434 | -- | -- |
| Claims liability | -- | -- | -- |
| Due to other governments | -- | -- | -- |
| Compensated absences payable | -- | -- | -- |
| Landfill closure/postclosure care costs | -- | 578,210 | -- |
| Net Cash Provided (Used) by Operating Activities | \$ (580,621) | \$ 2,060,324 | \$ (14,689) |

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 |
| \$ (306,559) | \$ (1,056,658) | \$ (891,798) | \$ 463,945 |
| 277,857 | 484,700 | 1,379,628 | 698,883 |
| 2,176 | 36,324 | 10,728 | (520) |
| (18,768) | (126,134) | (729,529) | (133,545) |
| -- | 359,789 | 309,278 | 10,605 |
| -- | -- | 10,601 | (6,902) |
| (1,666) | 1,666 | -- | (39,868) |
| 146 | (160,007) | 258,886 | (1,667) |
| -- | -- | 26,442 | 73,428 |
| 15,631 | (52,722) | (31,657) | (102,714) |
| -- | -- | -- | (128,000) |
| -- | 25,217 | 25,217 | (85,790) |
| -- | -- | -- | 8,930 |
| -- | -- | 578,210 | -- |
| <u>\$ (31,183)</u> | <u>\$ (487,825)</u> | <u>\$ 946,006</u> | <u>\$ 756,785</u> |

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

COUNTY OF SHASTA

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

| | Investment Trust Funds | Agency Funds |
|---|------------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Assets | | |
| Cash and investments | \$ 181,424,392 | \$ 30,097,221 |
| Accounts receivable, net | 221,090 | 779,163 |
| Taxes receivable, net | -- | 13,282,569 |
| Due from other governments | 25,017 | 138,718 |
| Due from other funds | 183,857 | 518,211 |
| Totals Assets | <u>181,854,356</u> | <u>44,815,882</u> |
| | | |
| Liabilities | | |
| Due to other funds | 741 | 3,753,960 |
| Due to other governments | 136,164 | 7,857,643 |
| Taxes due to other funds | -- | 13,065,949 |
| Agency funds liabilities | -- | 20,138,330 |
| Total Liabilities | <u>136,905</u> | <u>\$ 44,815,882</u> |
| | | |
| Net Position | | |
| Net position held in trust for investment pool participants | <u>\$ 181,717,451</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, 2016

| | |
|------------------------------------|------------------------------|
| Additions | |
| Contributions to investment pool | \$ 473,351,534 |
| Deductions | |
| Distributions from investment pool | <u>463,767,767</u> |
| Change in Net Position | 9,583,767 |
| Net Position, Beginning | <u>172,133,684</u> |
| Net Position, Ending | <u><u>\$ 181,717,451</u></u> |

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



NOTES TO THE FINANCIAL STATEMENTS



COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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. Management of the County has operational responsibility for the component units. Annual parcel charges are levied to pay for the level of maintenance work desired by the property owners.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

A. **Component Units** (continued)

- Aegean Way PRD
- Aiden Park PRD
- Alpine Way PRD
- Amber Lane PRD
- 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
- Irish Creek Road PRD
- Jennifer Drive EFER PRD
- Jordan Manor PRD
- L & R Estates PRD
- Lake Drive PRD
- Laurel Glen Estates PRD
- Laverne Lane PRD
- Marianas Way PRD
- Millville Way PRD
- Mount Lassen Woods PRD
- Mountain Gate Meadows PRD
- Mule Mountain Parkway PRD
- North Chapparal 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
- #1 Skylark Lane EFER PRD
- #2 Skylark Lane EFER PRD
- Silver Saddle Estates PRD
- Sleeping Bull Estates PRD
- Sol Semente EFER PRD
- Sonora Trail PRD
- #1 Squaw Carpet Fire Access PRD
- #2 Squaw Carpet Fire Access PRD
- Sterling Ranch PRD
- #1 Stillwater Ranch PRD
- #2 Stillwater Ranch PRD
- Terri Lee Terrace PRD
- Timber Ridge PRD
- Tract 1323 PRD
- Tudor Oaks Acres PRD

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Component Units (continued)

- 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
- 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. Management of the County has operational responsibility for the component units. The costs of operating these units are charged to the users in the form of water charges and sewer fees.

- 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 component unit's governing body is substantively the same as the governing body of the County and there is a financial burden relationship between the County and the component unit.

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. Management of the County has operational responsibility for the component units.

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 component unit's governing body is substantively the same as the governing body of the County and there is a financial burden relationship between the County and the component unit.

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. Management of the County has operational responsibility for the component units.

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. Management of the County has operational responsibility for the component units.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

A. **Component Units** (continued)

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.

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 funds. 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 *Shasta Regional Transportation Agency* (SRTA), (formerly 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. While RTPA was officially a part of the County in the past, on August 1st, 2012 the RTPA separated from the County and formally became the SRTA, an independent agency, per unanimous board vote.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

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.

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 Administration Fund* is used to account for the activities associated with road maintenance and bridge construction.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

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

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.

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.

In accordance with GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting", the County applies all applicable FASB pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected not to apply FASB pronouncements issued after November 30, 1989.

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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

D. **Measurement Focus and Basis of Accounting** (continued)

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.

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 Administrative Center, 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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables (continued)

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. Prepaid items reflect payments for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements, with expenditures recorded when consumed. Inventories and prepaid items recorded in the governmental funds are not in spendable form and thus, an equivalent portion of fund balance is reported as nonspendable.

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.

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:

Table with 2 columns: Class and Useful Life Years. Rows include Structures and Improvements (40-50), Equipment - Vehicles (3-10), Equipment - Other (5-10), Infrastructure - Roads (30), and Infrastructure - Bridges (50).

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (continued)

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:

| | <u>Secured</u> | <u>Unsecured</u> |
|---------------------|---|------------------------|
| 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) |

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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

K. Long-Term Debt and Bond Discounts/Premiums

In the government-wide and proprietary funds financial statements, outstanding debt is reported as a liability. 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. 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 by a formal action, such as the passage of a “resolution” or an “ordinance”. 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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

O. **Pensions**

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

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 39 percent of the total treasury investment pool (including County Operational funds). Special districts and various trust funds approximate 2 percent of the investment pool and the extent of involuntary participation cannot be determined at this time. County operational funds comprise the remaining 59 percent of the investment pool.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

A. **Cash Management** (continued)

At June 30, 2016, total County cash and investments were as follows:

| | |
|----------------------------------|----------------------------------|
| <i>Cash:</i> | |
| Cash on hand and imprest cash | \$ 37,911 |
| Deposits | 10,546,855 |
| Total cash and deposits | <u>10,584,766</u> |
| <i>Investments:</i> | |
| In Treasurer's pool | 428,645,340 |
| External to the Treasurer's pool | 379,979 |
| Total investments | <u>429,025,319</u> |
| <i>In-transit items:</i> | |
| Outstanding checks | (8,873,909) |
| Electronic funds transfers | (309,053) |
| | <u>(9,182,962)</u> |
| Total cash and investments | <u><u>\$ 430,427,123</u></u> |

Total cash and investments at June 30, 2016 were presented on the County's financial statements as follows:

| | |
|--------------------------------------|------------------------------|
| Primary government | \$ 216,045,867 |
| Primary government - restricted cash | 133,158 |
| Component units | 2,726,485 |
| Investment trust fund | 181,424,392 |
| Agency funds | 30,097,221 |
| Total cash and investments | <u><u>\$ 430,427,123</u></u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 2: CASH IN TREASURY (CONTINUED)

A. Cash Management (continued)

Investments

At June 30, 2016, the County had the following investments:

| | Interest Rates | Maturities | Par | Cost | Fair Value | WAM (Years) |
|--|----------------|--------------------|-----------------------|-----------------------|-----------------------|-------------|
| Investments in Investment Pool | | | | | | |
| Local Agency Investment Fund | 0.55% | 7/1/2016 | \$ 45,000,000 | \$ 45,000,000 | \$ 45,027,955 | 0.00 |
| Repo Agreement | 0.35% | 7/1/2016 | 8,500,000 | 8,500,000 | 8,500,000 | 0.00 |
| LIR Treasury Fund - Mutual Fund | 0.40% | 7/1/2016 | 20,500,000 | 20,500,000 | 20,503,372 | 0.00 |
| U.S. Treasury Note | 0.63% - 1.00% | 12/15/16 - 5/31/18 | 15,000,000 | 14,986,686 | 15,048,250 | 1.12 |
| Medium Term Notes | 1.25% - 2.20% | 7/12/16 - 4/24/19 | 40,000,000 | 40,102,292 | 40,307,350 | 0.98 |
| Commercial Paper | 0.32% - 1.09% | 7/6/16 - 3/3/17 | 70,000,000 | 69,587,642 | 69,799,450 | 0.33 |
| Federal Farm Credit | 0.73% - 1.58% | 6/5/17 - 10/13/20 | 75,000,000 | 74,984,750 | 75,184,550 | 2.24 |
| Federal Home Loan Bank | 0.70% - 1.47% | 4/24/17 - 4/20/20 | 50,000,000 | 49,975,500 | 50,088,750 | 2.01 |
| Federal National Mortgage | 0.75% - 1.88% | 6/28/17 - 1/14/20 | 50,000,000 | 50,078,095 | 50,189,550 | 2.32 |
| Federal Home Loan Mortgage Corporation | 0.63% - 1.88% | 10/14/16 - 10/7/20 | 54,800,000 | 54,930,375 | 54,998,144 | 2.08 |
| Governmental National Mortgage Association | 8.00% - 9.50% | 5/15/17 - 8/15/17 | 1,521 | - | 3,185 | 0.00 |
| | | | <u>\$ 428,801,521</u> | <u>\$ 428,645,340</u> | <u>\$ 429,650,556</u> | |
| Investments Outside Investment Pool | | | | | | |
| Shasta Lake Local Agency Investment Fund | 0.55% | 7/1/2016 | \$ 253,985 | \$ 253,985 | \$ 253,985 | 0.00 |
| Investments with fiscal agent | 0.01% - 1.00% | 7/1/2016 | 125,994 | 125,994 | 125,994 | 0.00 |
| | | | <u>\$ 379,979</u> | <u>\$ 379,979</u> | <u>\$ 379,979</u> | |
| Total Investments | | | <u>\$ 429,181,500</u> | <u>\$ 429,025,319</u> | <u>\$ 430,030,535</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
Fiscal Year Ended June 30, 2016

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, 2016.

| | <u>Moody's</u> | <u>S&P</u> | <u>% of Portfolio</u> |
|---------------------------------------|----------------|----------------|---------------------------|
| Investments in Investment Pool | | | |
| Local Agency Investment Fund | Unrated | Unrated | 10.48% |
| Repo Agreement | Unrated | Unrated | 1.98% |
| LIR Treasury Fund - Mutual Fund | Unrated | Unrated | 4.77% |
| U.S. Treasury Note | Unrated | Unrated | 3.49% |
| Medium Term Notes | A1 - Aa2 | A+ - AA+ | 9.38% |
| Commercial Paper | P-1 - P-2 | A-1 | 16.25% |
| Federal Farm Credits | Aaa | AA+ | 17.50% |
| Federal Home Loan Bank | Aaa | AA+ | 11.66% |
| Federal National Mortgage | Aaa | AA+ | 11.68% |
| Federal Home Loan Mortgage Corp. | AA+ - Aaa | AA+ - AAA | <u>12.80%</u> |
| | | | <u>100.00%</u> |

At June 30, 2016 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>Portfolio</u> | <u>Amount</u> |
|----------------------------------|------------------|---------------|
| Local Agency Investment Fund | 10.48% | \$ 45,027,955 |
| Federal Farm Credit | 17.50% | 75,184,550 |
| Federal Home Loan Bank | 11.66% | 50,088,750 |
| Federal National Mortgage | 11.68% | 50,189,550 |
| Federal Home Loan Mortgage Corp. | 12.80% | 54,998,144 |

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
Fiscal Year Ended June 30, 2016

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, 2016, the County’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$45,000,000 (fair value of \$45,027,955) and is the same as value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$75,395,751,048.

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, 2016:

Statement of Net Position

Assets:

| | | |
|----------------|----|--------------------|
| Investments | \$ | 428,645,340 |
| Other deposits | | 8,351,454 |
| Cash | | 23,504 |
| Total assets | | <u>437,020,298</u> |

In-transit items:

| | | |
|---|--|------------------|
| Outstanding checks and warrants payable | | 8,873,909 |
| Electronic funds transfers | | 309,053 |
| Total in-transit items | | <u>9,182,962</u> |

Net Position:

| | | |
|--------------------------------------|----|--------------------|
| Equity of internal pool participants | | 246,430,906 |
| Equity of external pool participants | | 181,406,430 |
| Total net position | \$ | <u>427,837,336</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 2: CASH IN TREASURY (CONTINUED)

A. Cash Management (continued)

Statement of Changes in Net Position

| | |
|---------------------------------------|------------------------------|
| Investment earnings | \$ 2,539,307 |
| Investment expenses | (610,012) |
| Net contribution to pool participants | <u>19,556,051</u> |
| Increase in Net Position | 21,485,346 |
| | |
| Net position at July 1, 2015 | <u>406,351,990</u> |
| Net position at June 30, 2016 | <u><u>\$ 427,837,336</u></u> |

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 Shasta Lake Local Agency Investment Fund, Housing Authority of Shasta County, and Shasta Joint Powers Financing Authority. Investments are stated at fair value.

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.

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> |
|--|-------------------------|--|---|
| 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 | None | 7.5% |
| 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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

C. **Authorized Investments** (continued)

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.

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 when they are deemed to be immaterial to the financial statements as a whole.

E. **Methods and Assumptions Used to Estimate Fair Value**

The investment pool is categorized by fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quotes in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

All investments in the pool as of the year ended June 30, 2016, were considered to be Level 1 assets. 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 \$10,364,772, as reported in the governmental non-major funds, include \$3,294,995 in loans to individuals for housing rehabilitation, and \$6,205,220 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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 3: NOTES RECEIVABLE (CONTINUED)

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.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

| | Balance July 1, 2015 | Additions | Retirements | Transfers | Balance June 30, 2016 |
|--|-------------------------|---------------------|---------------------|--------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and improvements | \$ 2,843,856 | \$ 975,300 | \$ -- | \$ -- | \$ 3,819,156 |
| Construction in progress | 3,829,496 | 7,092,245 | -- | (4,814,918) | 6,106,823 |
| Total Capital Assets Not Being Depreciated | <u>6,673,352</u> | <u>8,067,545</u> | <u>--</u> | <u>(4,814,918)</u> | <u>9,925,979</u> |
| Capital assets being depreciated: | | | | | |
| Structures and improvements | 121,122,419 | 2,178,701 | (342,817) | 4,814,918 | 127,773,221 |
| Long-term leasehold improvements | 923,068 | -- | -- | -- | 923,068 |
| Equipment | 45,812,572 | 3,149,935 | (1,565,531) | (181) | 47,396,795 |
| Infrastructure | 121,418,930 | -- | -- | -- | 121,418,930 |
| Total Capital Assets Being Depreciated | <u>289,276,989</u> | <u>5,328,636</u> | <u>(1,908,348)</u> | <u>4,814,737</u> | <u>297,512,014</u> |
| Less accumulated depreciation for: | | | | | |
| Structures and Improvements | (40,944,368) | (2,741,859) | 85,704 | -- | (43,600,523) |
| Long-term leasehold improvements | (830,377) | (23,575) | -- | (2) | (853,954) |
| Equipment | (33,078,397) | (2,874,598) | 1,496,056 | 182 | (34,456,757) |
| Infrastructure | (68,903,649) | (1,390,820) | -- | -- | (70,294,469) |
| Total Accumulated Depreciation | <u>(143,756,791)</u> | <u>(7,030,852)</u> | <u>1,581,760</u> | <u>180</u> | <u>(149,205,703)</u> |
| Total Capital Assets Being Depreciated, Net | <u>145,520,198</u> | <u>(1,702,216)</u> | <u>(326,588)</u> | <u>4,814,917</u> | <u>148,306,311</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 152,193,550</u> | <u>\$ 6,365,329</u> | <u>\$ (326,588)</u> | <u>\$ (1)</u> | <u>\$ 158,232,290</u> |
| Business-Type Activities | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land and improvements | \$ 2,026,076 | \$ -- | \$ -- | \$ -- | \$ 2,026,076 |
| Construction in progress | 615,290 | 1,684,431 | -- | (1,670,287) | 629,434 |
| Total Capital Assets Not Being Depreciated | <u>2,641,366</u> | <u>1,684,431</u> | <u>--</u> | <u>(1,670,287)</u> | <u>2,655,510</u> |
| Capital assets being depreciated: | | | | | |
| Structures and improvements | 75,545,606 | -- | -- | 1,670,289 | 77,215,895 |
| Equipment | 318,301 | -- | -- | -- | 318,301 |
| Total Capital Assets Being Depreciated | <u>75,863,907</u> | <u>--</u> | <u>--</u> | <u>1,670,289</u> | <u>77,534,196</u> |
| Less accumulated depreciation for: | | | | | |
| Structures and Improvements | (36,770,638) | (1,366,620) | -- | -- | (38,137,258) |
| Equipment | (229,794) | (13,008) | -- | -- | (242,802) |
| Total Accumulated Depreciation | <u>(37,000,432)</u> | <u>(1,379,628)</u> | <u>--</u> | <u>--</u> | <u>(38,380,060)</u> |
| Total Capital Assets Being Depreciated, Net | <u>38,863,475</u> | <u>(1,379,628)</u> | <u>--</u> | <u>1,670,289</u> | <u>39,154,136</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 41,504,841</u> | <u>\$ 304,803</u> | <u>\$ --</u> | <u>\$ 2</u> | <u>\$ 41,809,646</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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

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

| Governmental Activities | |
|--|---------------------|
| General government | \$ 2,794,845 |
| Public protection | 910,764 |
| Public ways | 2,283,962 |
| Health and sanitation | 173,828 |
| Public assistance | 167,853 |
| Education | 717 |
| Capital assets held by the County's internal service funds are charged to the various functions based on the usage of the assets | <u>698,883</u> |
| Total Depreciation Expenses Governmental Activities | <u>\$ 7,030,852</u> |
| Business-Type Activities | |
| Airport | \$ 254,746 |
| Solid Waste | 362,325 |
| County Service Areas | <u>762,557</u> |
| Total Depreciation Expenses Business-Type Activities | <u>\$ 1,379,628</u> |

NOTE 5: **INTERFUND TRANSACTIONS**

Interfund Receivables/Payables

Due to/from Other Funds:

Due to and Due from Other Funds represent any interfund receivables and payables. These may result from services rendered by one fund to another fund, or from interfund loans. "Due from" and "due to" balances are generally used to reflect short-term interfund receivables and payables whereas "advance from" and "advance to" balances are long-term. The majority of the interfund balances resulted from the time lag between the time that (1) goods and services were provided, (2) transactions were recorded in the accounting system, and (3) payments between the funds were made.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Interfund Receivables/Payables (continued)

Due to/from Other Funds: (continued)

Interfund receivable and payable balances at June 30, 2016, 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 | \$ 138 |
| | Public Safety Fund | 253,190 |
| | Capital Projects Funds | 26,875 |
| | Nonmajor Governmental Funds | 1,602,220 |
| | Internal Service Funds | 192 |
| | CSA #6 Jones Valley Water Funds | 14,787 |
| | Nonmajor Enterprise Funds | 313,693 |
| | Investment Trust Fund | 54 |
| | Agency Funds | <u>2,728,946</u> |
| | | <u>4,940,095</u> |
| Roads Fund | General Fund | 43,184 |
| | Public Safety Fund | 18,379 |
| | Capital Projects Funds | 9,493 |
| | Nonmajor Governmental Funds | 13,420 |
| | Internal Service Funds | 1,295 |
| | CSA #6 Jones Valley Water Funds | 768 |
| | Solid Waste Disposal Fund | 5,434 |
| | Nonmajor Governmental Funds | <u>5,404</u> |
| | | <u>97,377</u> |
| Public Safety Fund | General Fund | 292,748 |
| | Nonmajor Governmental Funds | 5,349 |
| | Agency Funds | <u>221,399</u> |
| | | <u>519,496</u> |
| Nonmajor Governmental Funds | General Fund | 803,276 |
| | Public Safety | 21,637 |
| | Nonmajor Governmental Funds | 85,832 |
| | Agency Funds | 59,545 |
| | Investment Trust Fund | 559 |
| | | <u>970,849</u> |
| Internal Service Funds | General Fund | 234,835 |
| | Roads Admin. Fund | 46,848 |
| | Public Safety Fund | 182,573 |
| | Capital Projects Funds | 106 |
| | Nonmajor Governmental Funds | 91,251 |
| | Internal Service Funds | 38,994 |
| | Fall River Mill Airport Fund | 1,655 |
| | CSA #6 Jones Valley Water Funds | 76 |
| | Nonmajor Enterprise Funds | 1,396 |
| | Agency Funds | <u>15,672</u> |
| | | <u>613,406</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)

Interfund Receivables/Payables (continued)

Due to/from Other Funds: (continued)

| Receivable fund | Payable Fund | Amount |
|---------------------------------|----------------------------|---------------------|
| Solid Waste Disposal Fund | General Fund | \$ 120 |
| | Roads Admin Fund | 3,092 |
| | West Central Landfill Fund | 781,528 |
| | | <u>784,740</u> |
| CSA #6 Jones Valley Water Funds | General Fund | 20,446 |
| | Agency Funds | 15,268 |
| | | <u>35,714</u> |
| Nonmajor Enterprise Fund | General Fund | 140,365 |
| | Agency Fund | 11,241 |
| | | <u>151,606</u> |
| Agency Funds | General Fund | 51 |
| | Agency Funds | 518,032 |
| | Investment Trust Funds | 128 |
| | | <u>518,211</u> |
| Investment Trust Funds | Agency Funds | <u>183,857</u> |
| | | <u>\$ 8,815,351</u> |

Advances:

Advances are used to record transactions between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year.

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

| Receivable fund | Payable Fund | Amount |
|---------------------------|---------------------------|-------------------|
| Roads Fund | Nonmajor Government Funds | \$ 17,797 |
| Nonmajor Government Funds | Nonmajor Government Funds | 409,443 |
| | Nonmajor Enterprise Funds | 10,000 |
| | | <u>419,443</u> |
| Internal Service Funds | Nonmajor Enterprise Funds | <u>335,512</u> |
| | | <u>\$ 772,752</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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, 2016, consisted of the following:

| <u>Transfer From Fund</u> | <u>Transfer To Fund</u> | <u>Amount</u> | <u>Purpose</u> |
|-----------------------------|-----------------------------|----------------------|---|
| General Fund | Public Safety Fund | \$ 24,557,551 | Funding of operational expenditures |
| | Nonmajor Governmental Funds | 15,373,731 | Funding of operational expenditures |
| | | <u>39,931,282</u> | |
| Roads | Nonmajor Governmental Funds | 800 | Funding of operational expenditures |
| | | <u>800</u> | |
| Public Safety Fund | General Fund | 1,568,918 | Funding of capital improvement projects |
| | | <u>1,568,918</u> | |
| Nonmajor Governmental Funds | General Fund | 3,663,993 | Funding of capital improvement projects |
| | Public Safety Fund | 1,367,492 | Funding of operational expenditures |
| | Nonmajor Governmental Funds | 124,072 | Funding of operational expenditures |
| | | <u>5,155,557</u> | |
| Internal Service Funds | Public Safety Fund | 51,557 | Funding of operational expenditures |
| | Nonmajor Governmental Funds | 51,784 | Funding of operational expenditures |
| | | <u>103,341</u> | |
| West Central Landfill Fund | Solid Waste Disposal Fund | <u>1,697,184</u> | Funding of capital improvement projects |
| | | <u>\$ 48,457,082</u> | |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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, 2015 | Additions | Retirements | Adjustments | Balance June 30, 2016 | Amounts Due Within One Year |
|---|-------------------------|----------------------|----------------------|------------------|--------------------------|-----------------------------------|
| Governmental Activities | | | | | | |
| Bonds Payable: | | | | | | |
| Lease revenue bonds | \$ 34,620,000 | \$ -- | \$ 1,850,000 | \$ -- | \$ 32,770,000 | \$ 1,900,000 |
| Unamortized bond premium | 509,646 | -- | 30,429 | -- | 479,217 | 30,427 |
| Total Bonds payable | <u>35,129,646</u> | <u>--</u> | <u>1,880,429</u> | <u>--</u> | <u>33,249,217</u> | <u>1,930,427</u> |
| Notes payable | 425,241 | -- | 39,282 | -- | 385,959 | 40,505 |
| Claims liability | 20,481,000 | 4,363,810 | 4,515,810 | 24,000 | 20,353,000 | 3,695,806 |
| Compensated absences | 8,245,590 | 9,952,755 | 9,771,970 | -- | 8,426,375 | 4,524,713 |
| Governmental Activities Long-Term Liabilities | <u>\$ 64,281,477</u> | <u>\$ 14,316,565</u> | <u>\$ 16,207,491</u> | <u>\$ 24,000</u> | <u>\$ 62,414,551</u> | <u>\$ 10,191,451</u> |
| Business-Type Activities | | | | | | |
| Bonds payable | \$ 873,500 | \$ -- | \$ 40,500 | \$ -- | \$ 833,000 | \$ 62,600 |
| Financing leases | 1,169,282 | -- | 132,382 | -- | 1,036,900 | 136,101 |
| Notes payable | 3,706,010 | -- | 233,308 | (178) | 3,472,880 | 129,232 |
| Liability for landfill closure/ postclosure care costs | 11,160,153 | 578,209 | -- | -- | 11,738,362 | -- |
| Business-Type Activities Long-Term Liabilities | <u>\$ 16,908,945</u> | <u>\$ 578,209</u> | <u>\$ 406,190</u> | <u>\$ (178)</u> | <u>\$ 17,081,142</u> | <u>\$ 327,933</u> |

B. Summary of Long-Term Obligations

| | Date of Issue | Date of Maturity | Interest Rates | Annual Principal Installments | Original Issue Amount | Outstanding at June 30, 2016 |
|---|------------------|---------------------|-------------------|-------------------------------------|-----------------------------|---------------------------------|
| Governmental Activities | | | | | | |
| 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 | \$ 3,385,000 |
| 2013 Refunding Lease Revenue Bonds - Administration Center | 2013 | 2032 | 2.50% - 4.00% | \$1,325,000 - \$2,295,000 | 33,505,000 | <u>29,385,000</u> |
| Total Governmental Bonds Payable | | | | | | <u>32,770,000</u> |
| Notes Payable: | | | | | | |
| State of California, Energy Resources Conservation and Development Commission | 2011 | 2024 | 3.00% | \$21,721 - \$49,888 | 522,171 | <u>385,959</u> |
| | | | | | | <u>\$ 33,155,959</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 6: **LONG-TERM LIABILITIES** (CONTINUED)

B. Summary of Long-Term Obligations (continued)

| | <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, 2016</u> |
|---|----------------------|-------------------------|-----------------------|--------------------------------------|------------------------------|-------------------------------------|
| <u>Business-Type Activities</u> | | | | | | |
| Bonds Payable: | | | | | | |
| CSA No. 3 (Castella) Limited Obligation Improvement Bond | 2009 | 2047 | 4.13% | \$2,000 - \$9,200 | \$ 184,700 | \$ 169,000 |
| CSA No. 6 (Jones Valley) 1980 Revenue Bonds | 1980 | 2020 | 5.00% | \$1,000 - \$30,000 | 537,000 | 113,000 |
| CSA No. 6 (Jones Valley) Limited Obligation Bonds | 1998 | 2038 | 4.75% | \$6,357 - \$38,000 | 802,789 | 531,000 |
| CSA No. 8 (Palo Cedro) Sewer Bonds | 1990 | 2001 | 6.00-9.20% | \$20,000 | 857,466 | <u>20,000</u> |
| Total Business-Type Bonds Payable | | | | | | <u>833,000</u> |
| Financing Lease: | | | | | | |
| Solid Waste - California Infrastructure and Economic Bank | 2007 | 2022 | 2.81% | \$109,039-\$160,723 | 2,000,000 | <u>1,036,900</u> |
| Notes Payable: | | | | | | |
| CSA No. 6 (Jones Valley) Note Payable | 2011 | 2042 | 0.00% | \$3,333 | 100,000 | 85,000 |
| CSA No. 6 (Jones Valley) Note Payable | 2011 | 2044 | 0.00% | \$112,171 | 3,365,133 | 3,140,790 |
| CSA No. 23 (Crag View) Note Payable | 2011 | 2034 | 0.00% | \$13,727 | 274,546 | <u>247,090</u> |
| | | | | | | <u>3,472,880</u> |
| | | | | | | <u>\$ 5,342,780</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 6: **LONG-TERM LIABILITIES** (CONTINUED)

B. Summary of Long-Term Obligations (continued)

As of June 30, 2016, annual debt service requirements of governmental activities to maturity are as follows:

| Year Ending June 30 | Governmental Activities Lease Revenue Bonds | |
|------------------------|--|---------------------|
| | Principal | Interest |
| 2017 | \$ 1,900,000 | \$ 1,003,388 |
| 2018 | 1,960,000 | 947,813 |
| 2019 | 2,020,000 | 890,556 |
| 2020 | 2,080,000 | 831,469 |
| 2021 | 2,135,000 | 770,766 |
| 2022-2026 | 9,980,000 | 2,968,501 |
| 2027-2031 | 10,400,000 | 1,481,513 |
| 2032 | 2,295,000 | 80,325 |
| | <u>\$ 32,770,000</u> | <u>\$ 8,974,331</u> |

| Year Ending June 30 | Governmental Activities Notes Payable | |
|------------------------|--|------------------|
| | Principal | Interest |
| 2017 | \$ 40,505 | \$ 11,278 |
| 2018 | 41,730 | 10,054 |
| 2019 | 42,991 | 8,793 |
| 2020 | 44,271 | 7,513 |
| 2021 | 45,628 | 6,155 |
| 2022-2025 | 170,834 | 10,411 |
| | <u>\$ 385,959</u> | <u>\$ 54,204</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 6: **LONG-TERM LIABILITIES** (CONTINUED)

B. Summary of Long-Term Obligations (continued)

| Year Ending June 30 | Business-Type Activities Bonds Payable | |
|------------------------|---|-------------------|
| | Principal | Interest |
| 2017 | \$ 62,600 | \$ 37,458 |
| 2018 | 44,700 | 35,383 |
| 2019 | 46,900 | 33,179 |
| 2020 | 49,000 | 30,871 |
| 2021 | 20,100 | 42,912 |
| 2022-2026 | 112,500 | 127,416 |
| 2027-2031 | 141,500 | 97,871 |
| 2032-2036 | 172,200 | 61,156 |
| 2037-2041 | 126,200 | 22,090 |
| 2041-2046 | 39,200 | 7,912 |
| 2047-2048 | 18,100 | 753 |
| | <u>\$ 833,000</u> | <u>\$ 497,001</u> |

| Year Ending June 30 | Business-Type Activities Notes Payable | |
|------------------------|---|--------------|
| | Principal | Interest |
| 2017 | \$ 129,232 | \$ -- |
| 2018 | 129,232 | -- |
| 2019 | 129,232 | -- |
| 2020 | 129,232 | -- |
| 2021 | 129,232 | -- |
| 2022-2026 | 646,158 | -- |
| 2027-2031 | 646,158 | -- |
| 2032-2036 | 618,704 | -- |
| 2037-2041 | 577,522 | -- |
| 2042-2043 | 338,178 | -- |
| | <u>\$ 3,472,880</u> | <u>\$ --</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 6: **LONG-TERM LIABILITIES** (CONTINUED)

B. Summary of Long-Term Obligations (continued)

| Year Ending June 30 | Business-Type Activities | |
|------------------------|--------------------------|-------------------|
| | Financing Lease | |
| | Principal | Interest |
| 2017 | \$ 136,102 | \$ 27,225 |
| 2018 | 139,927 | 23,346 |
| 2019 | 143,859 | 19,359 |
| 2020 | 147,901 | 15,260 |
| 2021 | 152,057 | 11,046 |
| 2022-2023 | 317,054 | 8,971 |
| | <u>\$ 1,036,900</u> | <u>\$ 105,207</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 Assets. Non-vested sick pay benefits payables due to illness of employees are recorded as expenditures when paid.

| | |
|----------------------|---------------------|
| Vacation time | \$ 5,388,824 |
| Sick leave | 1,842,188 |
| Compensated time-off | 413,324 |
| Administrative leave | 476,616 |
| Holiday credit | 305,423 |
| Total | <u>\$ 8,426,375</u> |

NOTE 7: **CAPITAL LEASES**

As of June 30, 2016, there were no future minimum lease payments under capital leases.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

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 \$21,234,733 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, 2016 the estimated percentage usage (filled) of the landfill site was 55.3 percent and the County has recognized an estimated liability of \$11,738,362 for the County landfill site for closure and postclosure maintenance costs. It is estimated that an additional \$9,496,371 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. While the landfill is currently not meeting Gas Monitoring and Control compliance requirements, a plan is in place to bring the Landfill into compliance. The County has a deadline of August 2017 to complete certain milestones to satisfy the requirements set forth in California Code of Regulations (CCR) Title 27, Section 20921-20939, and believes it will be able to meet this deadline.

As stated above, the estimated liability of the County landfill site closure and postclosure maintenance cost was \$11,738,362 liability and as of June 30, 2016 the County has set aside \$12,755,894, resulting in an overfunding of the liability by \$1,037,532.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 9: **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. 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
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 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.

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
Fiscal Year Ended June 30, 2016

NOTE 9: FUND BALANCES (CONTINUED)

The following is a summary of fund balances at June 30, 2016:

| | General Fund | Roads | Public Safety Fund | Other Governmental Funds |
|---------------------------------------|------------------|----------------|-----------------------|--------------------------------|
| Nonspendable: | | | | |
| Inventory | \$ -- | \$ 343,644 | \$ -- | \$ -- |
| Prepaid items | 1,106,841 | 115 | 45,520 | 35,845 |
| Total Nonspendable | 1,106,841 | 343,759 | 45,520 | 35,845 |
| Restricted for: | | | | |
| Impact Fees | 2,137,696 | -- | -- | -- |
| General Reserves | 10,675,619 | -- | -- | -- |
| Recorder Fees | 213,458 | -- | -- | -- |
| Public Protection State Realignment | 174,287 | -- | 9,049,911 | -- |
| Agricultural Commissioner | 52,224 | -- | -- | -- |
| Vital Statistics | 1,974 | -- | -- | -- |
| General maintenance plan | 186,137 | -- | -- | -- |
| Surface Mining/Reclamation | 41,605 | -- | -- | -- |
| Public Safety General | -- | -- | 7,077,068 | -- |
| Photo Lab | -- | -- | 12,832 | -- |
| Asset Forfeiture | -- | -- | 784,935 | -- |
| Prop 172 Sales Tax | -- | -- | 7,012,358 | -- |
| DMV Remote Access VLF | -- | -- | -- | -- |
| CCIPF Community Corrections | -- | -- | 483,045 | -- |
| SAFE Grant | -- | -- | 716,468 | -- |
| CALMMET Grant | -- | -- | 33,221 | -- |
| Consumer Protection | -- | -- | 1,630,103 | -- |
| Real Estate Fraud | -- | -- | 25,981 | -- |
| Fire | -- | -- | -- | 3,262,336 |
| Detention Facility Inmate | -- | -- | -- | 310,366 |
| Endangered Species | -- | -- | -- | 192,966 |
| Child Support Services | -- | -- | -- | 1,836,276 |
| Shasta Co Water Agency | -- | -- | -- | 69,349 |
| Public Works Divisions | -- | -- | -- | 319,292 |
| County Service Areas (CSA) | -- | -- | -- | 750,026 |
| Permanent Road Divisions (PRD) | -- | -- | -- | 1,588,918 |
| Dust Mitigation | -- | -- | -- | 1,077,089 |
| Roads General | -- | 9,034,964 | -- | - |
| ZOB Traffic Impact | -- | 532,739 | -- | -- |
| Anderson Solid Waste | -- | 616,913 | -- | -- |
| Solid Waste | 764,731 | -- | -- | -- |
| Hazardous Materials Prog | 194,095 | -- | -- | -- |
| Hlth and Sanitation State Realignment | 86,796 | -- | -- | -- |
| Alcohol Educ/Prevention Programs | 202,400 | -- | -- | -- |
| Safe Drinking Water | 298,667 | -- | -- | -- |
| Air Quality | -- | -- | -- | 1,559,225 |
| Mental Health Services | -- | -- | -- | 9,425,704 |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 9: FUND BALANCES (CONTINUED)

| | General Fund | Roads | Public Safety Fund | Other Governmental Funds |
|--------------------------------------|-------------------|-------------------|-----------------------|--------------------------------|
| Restricted for (continued): | | | | |
| Public Health Services | \$ -- | \$ -- | \$ -- | \$ 10,528,317 |
| Public Assistance State Realignment | 5,606,471 | -- | -- | -- |
| CPS Donations | 3,734 | -- | -- | -- |
| Housing Home IPP | -- | -- | -- | 5,158,444 |
| Shasta Housing Rehab | -- | -- | -- | 4,373,104 |
| Housing Cal Home | -- | -- | -- | 1,052,788 |
| IHSS Public Authority | -- | -- | -- | 143,078 |
| Courthouse Bond | -- | -- | -- | 14,283 |
| Admin Center Bond | -- | -- | -- | 512 |
| Energy Retrofit | -- | -- | -- | 77 |
| Total Restricted | <u>20,639,894</u> | <u>10,184,616</u> | <u>26,825,922</u> | <u>41,662,150</u> |
| Committed to: | | | | |
| Secure Rural Schools Title III | 129,719 | -- | -- | -- |
| Capital Project - Adult Detention | -- | -- | -- | 857,946 |
| Child Support Lease Agreement | -- | -- | -- | 266,665 |
| Communication System | -- | -- | -- | 105,761 |
| Total Committed | <u>129,719</u> | <u>--</u> | <u>--</u> | <u>1,230,372</u> |
| Assigned to: | | | | |
| Capital Projects: | | | | |
| Accum Capital Outlay | -- | -- | -- | 9,178,693 |
| Juvenile Hall Bldg | -- | -- | -- | 6,795 |
| General | 45,256 | -- | -- | -- |
| General - Imprest Cash | 3,200 | -- | -- | -- |
| General Government | 16,302,029 | -- | -- | -- |
| General Debt Services | 3,118,498 | -- | -- | -- |
| Agricultural Commissioner Equipment | 5,710 | -- | -- | -- |
| Animal Control Shelter | -- | -- | -- | -- |
| Victim Witness SRMC SART | 17,108 | -- | -- | -- |
| Hatchet Ridge Community Benefit | 1,249,938 | -- | -- | -- |
| Illegal Dumping | -- | 20,840 | -- | -- |
| Health and Sanitation - Imprest Cash | 225 | -- | -- | -- |
| Public assistance - Imprest Cash | 31,261 | -- | -- | -- |
| Total Assigned | <u>20,773,225</u> | <u>20,840</u> | <u>--</u> | <u>9,185,488</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 9: FUND BALANCES (CONTINUED)

| | General Fund | Roads | Public Safety Fund | Other Governmental Funds |
|-----------------------------------|---------------------|----------------------|-----------------------|--------------------------------|
| Unassigned: | | | | |
| General Government | \$31,809,946 | \$ -- | \$ -- | \$ -- |
| Secure Rural Schools Title III | 186,627 | -- | -- | -- |
| General Promotion - Intermtn Fair | 56,016 | -- | -- | -- |
| Wildlife | 27,011 | -- | -- | -- |
| Resource Management | 3,159,167 | -- | -- | -- |
| Mental Health Services | 13,027,800 | -- | -- | -- |
| Public Assistance - OC | 1,186,865 | -- | -- | -- |
| Public Assistance - Social Svs | 6,912,476 | -- | -- | -- |
| Total Unassigned | <u>56,365,908</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Total Fund Balance | <u>\$99,015,587</u> | <u>\$ 10,549,215</u> | <u>\$ 26,781,442</u> | <u>\$ 52,113,855</u> |

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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 10: 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.

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, 2016, were as follows:

| | |
|-----------------------|----------------------|
| General liability | \$ 1,676,000 |
| Workers' compensation | <u>18,677,000</u> |
| Total | <u>\$ 20,353,000</u> |

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. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

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. The following represents changes in those aggregate liabilities for the fund at June 30, 2016 and 2015:

| | 2016 | 2015 |
|--|----------------------|----------------------|
| Balance, Beginning of Year claims liability | \$ 20,481,000 | \$ 20,343,000 |
| Current year claims and changes in estimates | 4,387,810 | 5,084,024 |
| Claim payments | <u>(4,515,810)</u> | <u>(4,946,024)</u> |
| Balance, End of Year | <u>\$ 20,353,000</u> | <u>\$ 20,481,000</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 11: 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, 2015 (the end date of the most recent actuarial valuation performed), plan membership consisted of 1,706 active participants and 1,367 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 an annual audited financial statements for each participating agency of the Trust. However, as PARS is considered a single-employer plan, it is not required to provide financial statements that are prepared in conformance with GASB statement 45, as CERBT is.

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 County of Shasta, Auditor – Controller – 1450 Court Street. Ste. 238, Redding, CA
96001

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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Funding Policy (continued)

The required contribution is based on pay-as-you-go financing requirements to prefund benefits and an additional 3% of payroll annually to the CalPERS OPEB trust (CERBT) and PARS OPEB trust. The contributions are divided evenly between the CERBT and PARS trusts. For the year ended June 30, 2016, the County contributed \$9,697,435, including \$7,095,587 in benefit payments and \$2,601,848 deposited to CERBT and PARS.

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, 2015, 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 | \$ 17,810 | \$ 5,142 | \$ 22,952 |
| Interest on net OPEB obligation | 2,763 | 499 | 3,262 |
| Adjustment to annual required contribution | <u>(4,597)</u> | <u>(830)</u> | <u>(5,427)</u> |
| Annual OPEB cost (expense) | 15,976 | 4,811 | 20,787 |
| Contributions (benefit payments) | <u>(8,211)</u> | <u>(1,486)</u> | <u>(9,697)</u> |
| Increase in net OPEB obligation | 7,765 | 3,325 | 11,090 |
| Net OPEB obligation - beginning of year | 51,194 | 19,582 | 70,776 |
| Net OPEB obligation - end of year | <u>\$ 58,959</u> | <u>\$ 22,907</u> | <u>\$ 81,866</u> |

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, 2014 through 2016 are as follows (dollar amounts in thousands):

| <u>Year Ended</u> | Miscellaneous | | |
|-------------------|-------------------------|---|----------------------------|
| | <u>Annual OPEB Cost</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
| June 30, 2014 | \$ 12,620 | 58.99% | \$ 48,162 |
| June 30, 2015 | 14,357 | 78.88% | 51,194 |
| June 30, 2016 | 15,976 | 51.39% | 58,959 |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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, 2014 | \$ 4,090 | 28.80% | \$ 16,957 |
| June 30, 2015 | 4,567 | 42.52% | 19,582 |
| June 30, 2016 | 4,811 | 30.89% | 22,907 |

D. Funded Status and Funding Progress.

The funded status of the plan as of June 30, 2015, 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> |
|-----------------------|--|--|---|---------------------|-------------------------------|-------------------------------|
| 6/30/15 | \$ 29,215 | \$ 184,110 | \$154,895 | 18.86% | \$ 73,467 | 210.80% |

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> |
|-----------------------|--|--|---|---------------------|-------------------------------|-------------------------------|
| 6/30/15 | \$ 8,797 | \$ 58,856 | \$ 50,059 | 17.57% | 13,272 | 377.28% |

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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 11: **OTHER POST-EMPLOYMENT BENEFITS** (CONTINUED)

E. **Actuarial Methods and Assumptions** (continued)

For the June 30, 2015 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 2014/15, 4.80% for 2015/16 through 2026/27, 4.70% for 2027/28 through 2038/39, and 6.75% for 2039/40 and years thereafter. The average return on the combined CERBT trust and PARS trust is represented by the blended discount rate of 6.13%; (b) 3.25% annual aggregate payroll increase rate and (c) estimated healthcare costs based on actual premiums for 2015 through 2017, with projected healthcare cost increases of 6.7% for 2018 and decreasing to 5.0% after 4 years (the non-Medicare medical cost trend starts 0.2% lower for 2018). Both (a) and (b) include an inflation component of 3.0%.

Beginning with the most recent Actuarial Valuation, an implied subsidy for all union healthcare plans has been included in the calculations based on estimated PERS Choice Premium. All participants are assumed to be Medicare Part B eligible (and elect coverage). This implied subsidy has increased the unfunded actuarial accrued liability (UAAL) by \$19.7 million.

Additionally, in prior years the actuary assumed a steady increase in the fee charged to employees for retiree health care. Beginning with the most recent Actuarial Valuation, this anticipated increase was removed, resulting in an increase in the UAAL of \$24 million.

A 401 (a) plan has been put in place to start January 1, 2017, which is expected to reduce the OPEB liability to zero in approximately 30 years.

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 12: **COMMITMENTS AND CONTINGENCIES**

A. **Construction Commitments**

At June 30, 2016, the County has commitments of approximately \$5 million for construction contracts, awarded but not completed. The major contracts outstanding are for the Keswick Water System and Probation Department Relocation project.

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, 2016 in accordance with the requirements of the Federal Single Audit Act of 1997 and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 13: PENSION PLANS

A. General Information about the Pension Plans

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

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

The Plans’ provisions and benefits in effect at June 30, 2016, are summarized as follows:

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

MISCELLANEOUS

| | Prior to | 05/09/11 to | On or after |
|---|------------------|------------------|------------------|
| Hire Date | 05/08/11 | 12/31/12 | 01/01/13 |
| Benefit Formula | 2% @ 55 | 2% @ 60 | 2% @ 62 |
| Benefit Vesting Schedule | 5 yrs of service | 5 yrs of service | 5 yrs of service |
| Benefit Payments | Monthly for life | Monthly for life | Monthly for life |
| Retirement Age | 50-55 | 50-67 | 52-67 |
| Monthly Benefits, as a % of Eligible Compensation | 1.4% to 2.4% | 1.0% to 2.4% | 1.0% to 2.5% |
| Required Employee Contribution Rates | 7.000% | 6.500% | 6.500% |
| Required Employer Contribution Rates | 15.969% | 15.969% | 15.969% |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 13: PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (continued)

SAFETY

| | | |
|---|------------------|------------------|
| | Prior to | 10/22/12 to |
| Hire Date | 10/21/12 | 12/31/12 |
| Benefit Formula | 2% @ 50 | 2% @ 55 |
| Benefit Vesting Schedule | 5 yrs of service | 5 yrs of service |
| Benefit Payments | Monthly for life | Monthly for life |
| Retirement Age | 50 | 50-55 |
| Monthly Benefits, as a % of Eligible Compensation | 2.0% to 2.7% | 1.4% to 2.0% |
| Required Employee Contribution Rates | 9.000% | 7.000% |
| Required Employer Contribution Rates | 41.581% | 41.581% |
| | On or after | Prior to |
| Hire Date | 01/01/13 | 05/08/11 |
| Benefit Formula | 2.7% @ 57 | 3% @ 50 |
| Benefit Vesting Schedule | 5 yrs of service | 5 yrs of service |
| Benefit Payments | Monthly for life | Monthly for life |
| Retirement Age | 50-57 | 50 |
| Monthly Benefits, as a % of Eligible Compensation | 2.0% to 2.7% | 3.0% |
| Required Employee Contribution Rates | 9.250% | 9.000% |
| Required Employer Contribution Rates | 41.581% | 41.581% |
| | 05/09/11 to | |
| Hire Date | 12/31/12 | |
| Benefit Formula | 3% @ 55 | |
| Benefit Vesting Schedule | 5 yrs of service | |
| Benefit Payments | Monthly for life | |
| Retirement Age | 50-55 | |
| Monthly Benefits, as a % of Eligible Compensation | 2.4% to 3.0% | |
| Required Employee Contribution Rates | 9.000% | |
| Required Employer Contribution Rates | 41.581% | |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 13: PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (continued)

EMPLOYEES COVERED

| | Miscellaneous | Safety |
|--|----------------------|---------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 2,182 | 358 |
| Active Employees | 1,451 | 228 |
| Total | <u>3,633</u> | <u>586</u> |

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

B. Net Pension Liability

The Local Government’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below. Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

ACTUARIAL ASSUMPTIONS

| | Miscellaneous | Safety |
|---------------------------|----------------------|------------------|
| Valuation Date | June 30, 2014 | June 30, 2014 |
| Measurement Date | June 30, 2015 | June 30, 2015 |
| Actuarial Cost Method | Entry-Age Normal | Entry-Age Normal |
| Actuarial Assumptions: | | |
| Discount Rate | 7.65% | 7.65% |
| Inflation | 2.75% | 2.75% |
| Payroll Growth | 3.0% | 3.0% |
| Projected Salary Increase | 3.3% - 14.2% (1) | 3.3% - 14.2% (1) |
| Investment Rate of Return | 7.5% (2) | 7.5% (2) |

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 13: **PENSION PLANS** (CONTINUED)

B. Net Pension Liability (continued)

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

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

LONG-TERM EXPECTED REAL RATE OF RETURN BY ASSET CLASS

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10(a) | Real Return Years 11+(b) |
|-------------------------------|---------------------------------|------------------------------------|---------------------------------|
| Global Equity | 47.00% | 5.25% | 5.71% |
| Global Fixed Income | 19.00% | 0.99% | 2.43% |
| Inflation Sensitive | 6.00% | 0.45% | 3.36% |
| Private Equity | 12.00% | 6.83% | 6.95% |
| Real Estate | 11.00% | 4.50% | 5.13% |
| Infrastructure and Forestland | 3.00% | 4.50% | 5.09% |
| Liquidity | 2.00% | -0.55% | -1.05% |
| Total | <u>100.00%</u> | | |

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

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

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 13: PENSION PLANS (CONTINUED)

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each plan follows:

Miscellaneous Plan:

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2014 | \$ 513,706,789 | \$ 419,617,523 | \$ 94,089,266 |
| Changes in the Year: | | | |
| Service Cost | 11,189,724 | | 11,189,724 |
| Interest on the Total Pension Liability | 37,802,914 | | 37,802,914 |
| Changes of Assumptions | (8,765,842) | | (8,765,842) |
| Difference between Expected and Actual Experience | (2,829,081) | | (2,829,081) |
| Contribution - Employer | | 10,692,497 | (10,692,497) |
| Contribution - Employee (Paid by Employer) | | 5,160,718 | (5,160,718) |
| Net Investment Income | | 9,505,657 | (9,505,657) |
| Plan to Plan Resource Movement | | (57,721) | 57,721 |
| Administrative Expense | | (513,496) | 513,496 |
| Benefit Payments, Including Refunds of Employee Contributions | (27,101,991) | (27,101,991) | -- |
| Net Changes | 10,295,724 | (2,314,336) | 12,610,060 |
| Balance at June 30, 2015 | \$ 524,002,513 | \$ 417,303,187 | \$ 106,699,326 |

Safety Plan:

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2014 | \$ 207,772,369 | \$ 152,160,586 | \$ 55,611,783 |
| Changes in the Year: | | | |
| Service Cost | 3,842,207 | | 3,842,207 |
| Interest on the Total Pension Liability | 15,218,951 | | 15,218,951 |
| Differences between Actual and Expected Experience | (1,498,854) | | (1,498,854) |
| Changes in Assumptions | (3,690,353) | | (3,690,353) |
| Contribution - Employer | | 5,584,150 | (5,584,150) |
| Contribution - Employee (Paid by Employer) | | 1,357,254 | (1,357,254) |
| Net Investment Income | | 3,427,674 | (3,427,674) |
| Administrative Expenses | | (170,257) | 170,257 |
| Plan to Plan Resource Movement | | 18,160 | (18,160) |
| Benefit Payments, Including Refunds of Employee Contributions | (11,127,454) | (11,127,454) | -- |
| Net Changes | 2,744,497 | (910,473) | 3,654,970 |
| Balance at June 30, 2015 | \$ 210,516,866 | \$ 151,250,113 | \$ 59,266,753 |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 13: **PENSION PLANS** (CONTINUED)

C. Changes in the Net Pension Liability (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>Miscellaneous</u> | <u>Safety</u> |
|------------------------|----------------------|---------------|
| 1% Decrease | 6.65% | 6.65% |
| Net Position Liability | \$172,771,565 | \$87,143,318 |
| Current Discount Rate | 7.65% | 7.65% |
| Net Position Liability | \$106,699,326 | \$59,266,753 |
| 1% Increase | 8.65% | 8.65% |
| Net Pension Liability | \$51,650,658 | \$36,345,881 |

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

For the year ended June 30, 2016, the County recognized net pension expense of \$19,033,739. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**PENSION EXPENSES AND DEFERRED OUTFLOWS/INFLOWS
OF RESOURCES RELATED TO PENSIONS**

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ 16,761,123 | |
| Changes of Assumptions | | (8,877,291) |
| Differences between Expected and Actual Experiences | | (3,095,923) |
| Net Differences Between Projected and Actual Earnings on Plan Investments | | (5,475,657) |
| Total | <u>\$ 16,761,123</u> | <u>\$ (17,448,871)</u> |

COUNTY OF SHASTA

Notes to the Financial Statements
Fiscal Year Ended June 30, 2016

NOTE 13: **PENSION PLANS** (CONTINUED)

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

\$16,761,123 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows

| Measurement Period Ended June 30: | Misc. | Safety | Total Deferred Outflows/(Inflows) of Resources |
|--------------------------------------|------------------------|-----------------------|---|
| 2016 | \$ (6,323,534) | \$ (2,315,430) | \$ (8,638,964) |
| 2017 | (6,323,534) | (2,315,430) | (8,638,964) |
| 2018 | (3,864,005) | (2,315,427) | (6,179,432) |
| 2019 | 4,406,963 | 1,601,526 | 6,008,489 |
| 2020 | -- | -- | -- |
| Thereafter | -- | -- | -- |
| | <u>\$ (12,104,110)</u> | <u>\$ (5,344,761)</u> | <u>\$ (17,448,871)</u> |

REQUIRED SUPPLEMENTARY INFORMATION



COUNTY OF SHASTA

Required Supplementary Information
For the Year Ended June 30, 2016

Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan

Last 10 Fiscal Years*

| | <u>6/30/2014</u> | <u>6/30/2015</u> |
|--|------------------------------|------------------------------|
| Total Pension Liability | | |
| Service Cost | \$ 11,071,830 | \$ 11,189,724 |
| Interest on total pension liability | 35,136,262 | 37,802,914 |
| Changes of Assumptions | -- | (8,765,842) |
| Difference between Expected and Actual Experience | -- | (2,829,081) |
| Benefit payments, including refunds of employee contributions | <u>(24,255,739)</u> | <u>(27,101,991)</u> |
| Net change in total pension liability | 21,952,353 | 10,295,724 |
| Total pension liability - beginning | <u>475,075,441</u> | <u>513,706,789</u> |
| Total pension liability - ending | <u><u>\$ 497,027,794</u></u> | <u><u>\$ 524,002,513</u></u> |
| Plan fiduciary net position | | |
| Contributions- employer | \$ 9,612,569 | \$ 10,692,497 |
| Contributions- employee | 4,961,000 | 5,160,718 |
| Net investment income | 61,043,812 | 9,505,657 |
| Benefit payments | (24,255,739) | (27,101,991) |
| Plan to Plan Resource Movement | -- | (57,721) |
| Administrative Expense | -- | (513,496) |
| Net change in plan fiduciary net position | <u>51,361,642</u> | <u>(2,314,336)</u> |
| Plan fiduciary net position - beginning | <u>354,631,770</u> | <u>419,617,523</u> |
| Plan fiduciary net position - ending | <u><u>\$ 405,993,412</u></u> | <u><u>\$ 417,303,187</u></u> |
| Net pension liability - ending | <u><u>\$ 91,034,382</u></u> | <u><u>\$ 106,699,326</u></u> |
| Plan fiduciary net percentage as a percentage of the total pension liability | 81.68% | 79.64% |
| Covered - employee payroll | \$ 76,720,293 | \$ 78,482,344 |
| Net pension liability as a percentage of covered-employee payroll | 118.66% | 135.95% |

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions: In 2015, amounts reported as change in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

COUNTY OF SHASTA

Required Supplementary Information
For the Year Ended June 30, 2016

Schedule of Changes in the Net Pension Liability and Related Ratios – Safety Plan

Last 10 Fiscal Years*

| | <u>6/30/2014</u> | <u>6/30/2015</u> |
|--|------------------------------|------------------------------|
| Total Pension Liability | | |
| Service Cost | \$ 3,527,150 | \$ 3,842,207 |
| Interest on total pension liability | 13,654,726 | 15,218,951 |
| Changes of Benefit Terms | -- | (3,690,353) |
| Changes of Assumptions | -- | (1,498,854) |
| Benefit payments, including refunds of employee contributions | <u>(10,001,995)</u> | <u>(11,127,454)</u> |
| Net change in total pension liability | 7,179,881 | 2,744,497 |
| Total pension liability - beginning | <u>185,300,442</u> | <u>207,772,369</u> |
| Total pension liability - ending | <u><u>\$ 192,480,323</u></u> | <u><u>\$ 210,516,866</u></u> |
| Plan fiduciary net position | | |
| Contributions- employer | \$ 4,758,694 | \$ 5,584,150 |
| Contributions- employee | 1,202,187 | 1,357,254 |
| Net investment income | 21,228,890 | 3,427,674 |
| Benefit payments, Including Refunds of Employee Contributions | (10,001,995) | (11,127,454) |
| Plan to Plan Resource Movement | -- | 18,160 |
| Administrative Expnse | -- | (170,257) |
| Net change in plan fiduciary net position | <u>17,187,776</u> | <u>(910,473)</u> |
| Plan fiduciary net position - beginning | <u>123,773,791</u> | <u>152,160,586</u> |
| Plan fiduciary net position - ending | <u><u>\$ 140,961,567</u></u> | <u><u>\$ 151,250,113</u></u> |
| Net pension liability - ending | <u><u>\$ 51,518,756</u></u> | <u><u>\$ 59,266,753</u></u> |
| Plan fiduciary net percentage as a percentage of the total pension liability | 73.23% | 71.85% |
| Covered - employee payroll | \$ 13,750,488 | \$ 14,550,508 |
| Net pension liability as a percentage of covered-employee payroll | 374.67% | 407.32% |

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

COUNTY OF SHASTA

Required Supplementary Information
For the Year Ended June 30, 2016

Schedule of Contributions

Last 10 Fiscal Years*

| | <u>6/30/2014</u> | <u>6/30/2015</u> |
|--|------------------|------------------|
| <u>Miscellaneous Plan</u> | | |
| Actuarially determined contribution | \$ 10,613,414 | \$ 11,422,473 |
| Contributions related to the actuarially determined contribution | (10,613,414) | (11,422,473) |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> |
| | | |
| County's covered-employee payroll | \$ 76,720,293 | \$ 78,482,344 |
| Contributions as a percentage of covered-employee payroll | 13.83% | 14.55% |
| | | |
| <u>Safety Plan</u> | | |
| Actuarially determined contribution | \$ 5,136,760 | \$ 5,584,150 |
| Contributions related to the actuarially determined contribution | (5,136,760) | (5,584,150) |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> |
| | | |
| County's covered-employee payroll | \$ 13,750,488 | \$ 14,550,508 |
| Contributions as a percentage of covered-employee payroll | 37.36% | 38.38% |

*Fiscal year 2015 was the 1st year of implementation. Additional years will be presented as they become available.

Notes to schedule

Valuation date: 6/30/2013 6/30/2014

Methods and assumptions used to determine contribution rates:

| | |
|----------------------------|--|
| Single and Agent Employers | Entry Age Normal |
| Amortization method/Period | For details, see CalPERS June 30, 2012 Funding Valuation Report. |
| Asset valuation method | Actuarial Value of Assets. |
| Inflation | 2.75% |
| Salary increases | 3% |
| Investment rate of return | 7.5%, net of pension plan investment and admin expenses, including inflation |
| | |
| Retirement age | The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. |
| | |
| Mortality | The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. |

COUNTY OF SHASTA

Required Supplementary Information
For the Year Ended June 30, 2016

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

| Valuation Date | Entry Age Actuarial Value of Assets | Entry Age Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability (Excess Assets) | Funded Ratio | Annual Covered Payroll | UAAL as a % of Payroll |
|----------------|-------------------------------------|---------------------------------------|--|--------------|------------------------|------------------------|
| 06/30/11 | \$ 13,364 | \$ 143,830 | \$ 130,466 | 9.29% | \$ 67,120 | 194.38% |
| 06/30/13 | \$ 17,749 | \$ 136,389 | \$ 118,640 | 13.01% | \$ 69,068 | 171.77% |
| 06/30/15 | \$ 29,215 | \$ 184,110 | \$ 154,895 | 18.86% | \$ 73,467 | 210.88% |

Safety Plan

| Valuation Date | Entry Age Actuarial Value of Assets | Entry Age Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability (Excess Assets) | Funded Ratio | Annual Covered Payroll | UAAL as a % of Payroll |
|----------------|-------------------------------------|---------------------------------------|--|--------------|------------------------|------------------------|
| 06/30/11 | \$ 4,629 | \$ 49,826 | \$ 45,197 | 9.29% | \$ 11,396 | 396.60% |
| 06/30/13 | \$ 5,290 | \$ 48,971 | \$ 43,681 | 10.80% | \$ 14,874 | 293.67% |
| 06/30/15 | \$ 8,797 | \$ 58,856 | \$ 50,059 | 17.57% | \$ 13,272 | 377.28% |

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 44,048,000 | \$ 44,048,000 | \$ 46,902,419 | \$ 2,854,419 |
| Licenses and permits | 3,312,828 | 3,308,828 | 3,821,616 | 512,788 |
| Fines and forfeitures | 3,423,515 | 2,836,200 | 3,828,830 | 992,630 |
| Use of money and property | 865,220 | 865,220 | 1,152,643 | 287,423 |
| Intergovernmental | 131,820,363 | 131,457,308 | 130,270,007 | (1,187,301) |
| Charges for other services | 10,084,208 | 10,087,141 | 11,002,410 | 915,269 |
| Miscellaneous revenue | 2,730,504 | 2,827,712 | 5,383,590 | 2,555,878 |
| Total Revenues | 196,284,638 | 195,430,409 | 202,361,515 | 6,931,106 |
| Expenditures | | | | |
| General Government | | | | |
| County Counsel | | | | |
| Other charges | 20 | 26 | 25 | 1 |
| Reimbursements | (1,812,117) | (1,812,117) | (1,771,817) | (40,300) |
| Salaries and benefits | 1,656,695 | 1,656,695 | 1,551,458 | 105,237 |
| Services and supplies | 330,922 | 330,916 | 197,855 | 133,061 |
| Elections | | | | |
| Other charges | 56,079 | 56,079 | 56,079 | -- |
| Salaries and benefits | 737,385 | 704,985 | 693,549 | 11,436 |
| Services and supplies | 821,928 | 810,433 | 717,230 | 93,203 |
| Auditor-Controller | | | | |
| Capital assets | -- | 8,500 | 8,194 | 306 |
| Other charges | -- | 45 | 44 | 1 |
| Reimbursements | (2,319,572) | (2,319,572) | (2,319,572) | -- |
| Salaries and benefits | 2,011,808 | 2,011,808 | 1,956,053 | 55,755 |
| Services and supplies | 1,141,505 | 1,132,960 | 822,063 | 310,897 |
| Treasurer | | | | |
| Other charges | -- | 38 | 38 | -- |
| Reimbursements | (6,612) | (6,612) | (5,364) | (1,248) |
| Salaries and benefits | 1,131,317 | 1,131,317 | 993,920 | 137,397 |
| Services and supplies | 732,650 | 732,612 | 600,889 | 131,723 |
| Assessor | | | | |
| Other charges | 190,555 | 190,627 | 190,626 | 1 |
| Reimbursements | (166,193) | (166,193) | (166,193) | -- |
| Salaries and benefits | 3,384,745 | 3,384,745 | 3,088,544 | 296,201 |
| Services and supplies | 622,945 | 622,873 | 558,855 | 64,018 |
| Purchasing | | | | |
| Other charges | -- | 13 | 12 | 1 |
| Reimbursements | (91,537) | (91,537) | (91,537) | -- |
| Salaries and benefits | 170,378 | 170,378 | 166,654 | 3,724 |
| Services and supplies | 47,932 | 47,919 | 34,887 | 13,032 |
| Board of Supervisors | | | | |
| Other charges | 22,183 | 22,191 | 22,191 | -- |
| Salaries and benefits | 405,454 | 405,454 | 401,363 | 4,091 |
| Services and supplies | 121,544 | 121,536 | 89,350 | 32,186 |
| County Administrative Office | | | | |
| Other charges | -- | 28 | 27 | 1 |
| Reimbursements | (972,435) | (972,435) | (972,435) | -- |
| Salaries and benefits | 1,074,156 | 1,074,156 | 985,417 | 88,739 |
| Services and supplies | 142,099 | 142,071 | 125,070 | 17,001 |

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---------------------------------|-------------------|-------------------|-------------------|--------------------|
| | Original | Final | | Final to Actual |
| Expenditures (continued) | | | | |
| General Government (continued) | | | | |
| Clerk of the Board | | | | |
| Other charges | \$ 52,350 | \$ 52,364 | \$ 52,363 | \$ 1 |
| Salaries and benefits | 214,192 | 214,192 | 175,726 | 38,466 |
| Services and supplies | 84,005 | 83,991 | 62,288 | 21,703 |
| Non-Prog Rev/ Trans out | | | | |
| Other charges | 70,882 | 70,882 | 69,391 | 1,491 |
| Services and supplies | 225,000 | 225,000 | 41,877 | 183,123 |
| Surveyor | | | | |
| Other charges | 200 | 200 | 200 | -- |
| Services and supplies | 23,000 | 23,000 | 12,226 | 10,774 |
| Miscellaneous General | | | | |
| Capital assets | -- | 2,800,000 | 2,800,000 | -- |
| Other charges | 335,000 | 385,000 | 277,347 | 107,653 |
| Reimbursements | (71,395) | (71,395) | (71,395) | -- |
| Services and supplies | 554,723 | 504,723 | 298,758 | 205,965 |
| Tobacco Settlement Grants | | | | |
| Services and supplies | 200,000 | 200,000 | 152,752 | 47,248 |
| CSA admin | | | | |
| Capital assets | 40,000 | 40,000 | 32,992 | 7,008 |
| Other charges | 9,891 | 9,891 | 9,891 | -- |
| Salaries and benefits | 631,209 | 631,209 | 608,196 | 23,013 |
| Services and supplies | 131,322 | 131,322 | 100,851 | 30,471 |
| Title III Projects | | | | |
| Services and supplies | 19,000 | 36,500 | 25,795 | 10,705 |
| Central Service Cost | | | | |
| Reimbursements | (1,232,836) | (1,232,836) | (1,232,836) | -- |
| Personnel | | | | |
| Other charges | 20 | 27 | 26 | 1 |
| Reimbursements | (1,348,755) | (1,348,755) | (1,190,129) | (158,626) |
| Salaries and benefits | 1,104,999 | 1,104,999 | 973,511 | 131,488 |
| Services and supplies | 646,614 | 646,607 | 542,832 | 103,775 |
| Reserves for Contingencies | | | | |
| Approp for Contingency | 5,000,000 | 4,280,013 | -- | 4,280,013 |
| Land Buildings & Improvements | | | | |
| Capital assets | 4,628,536 | 5,953,536 | 2,756,659 | 3,196,877 |
| Other charges | 6,398 | 6,398 | 6,398 | -- |
| Reimbursements | (4,628,536) | -- | -- | -- |
| Services and supplies | 79,310 | 129,310 | 145,199 | (15,889) |
| Economic Development | | | | |
| Services and supplies | 49,500 | 49,500 | 49,239 | 261 |
| Impact Fee Admin | | | | |
| Services and supplies | 6,500 | 6,500 | 6,485 | 15 |
| Intermountain Fair | | | | |
| Other charges | 13,214 | 13,214 | 13,214 | -- |
| Salaries and benefits | 884 | 884 | 884 | -- |
| Services and supplies | 19,310 | 19,310 | 14,308 | 5,002 |
| General Government Total | <u>16,298,371</u> | <u>24,355,525</u> | <u>14,668,523</u> | <u>9,687,002</u> |

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---------------------------------|------------------|--------------|--------------|--------------------|
| | Original | Final | | Final to Actual |
| Expenditures (continued) | | | | |
| Public Protection | | | | |
| Trial Courts | | | | |
| Other charges | \$ 1,286,295 | \$ 1,412,314 | \$ 1,418,523 | \$ (6,209) |
| Salaries and benefits | 16,210 | 16,210 | 16,210 | -- |
| Services and supplies | 1,659,711 | 1,430,730 | 737,319 | 693,411 |
| Conflict Public Defender | | | | |
| Approp for contingency | 250,000 | 250,000 | -- | 250,000 |
| Other charges | 45,412 | 45,412 | 45,412 | -- |
| Services and supplies | 2,395,501 | 2,395,501 | 2,054,085 | 341,416 |
| Public Defender | | | | |
| Other charges | 38,582 | 38,673 | 38,673 | -- |
| Salaries and benefits | 3,099,981 | 3,099,981 | 2,988,426 | 111,555 |
| Services and supplies | 469,016 | 468,925 | 493,080 | (24,155) |
| Grand Jury | | | | |
| Other charges | 14,677 | 14,677 | 14,677 | -- |
| Services and supplies | 82,088 | 82,088 | 71,403 | 10,685 |
| Victim Witness | | | | |
| Capital assets | -- | 22,849 | 21,995 | 854 |
| Other charges | 57,728 | 62,728 | 60,416 | 2,312 |
| Salaries and benefits | 751,290 | 751,290 | 662,634 | 88,656 |
| Services and supplies | 133,800 | 144,274 | 135,730 | 8,544 |
| County Clerk | | | | |
| Other charges | 19,241 | 19,241 | 19,241 | -- |
| Salaries and benefits | 269,653 | 276,653 | 265,955 | 10,698 |
| Services and supplies | 82,102 | 82,102 | 76,164 | 5,938 |
| Planning | | | | |
| Other charges | 93,861 | 93,890 | 93,890 | -- |
| Reimbursements | -- | -- | (7,334) | 7,334 |
| Salaries and benefits | 1,245,600 | 1,245,600 | 1,004,721 | 240,879 |
| Services and supplies | 788,224 | 788,195 | 376,866 | 411,329 |
| Recorder | | | | |
| Other charges | 87,236 | 87,263 | 87,263 | -- |
| Salaries and benefits | 565,595 | 565,595 | 490,043 | 75,552 |
| Services and supplies | 471,026 | 470,999 | 392,899 | 78,100 |
| Public Guardian | | | | |
| Other charges | 165,755 | 165,755 | 165,755 | -- |
| Reimbursements | (90,218) | (90,218) | (90,218) | -- |
| Services and supplies | 793,353 | 793,353 | 754,352 | 39,001 |
| Wildlife control | | | | |
| Other charges | (8) | (8) | (8) | -- |
| Services and supplies | 250 | 250 | -- | 250 |
| Animal control | | | | |
| Other charges | 39,581 | 39,581 | 39,561 | 20 |
| Salaries and benefits | 305,297 | 305,297 | 304,895 | 402 |
| Services and supplies | 225,962 | 214,949 | 204,875 | 10,074 |

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---------------------------------|-------------------|-------------------|-------------------|--------------------|
| | Original | Final | | Final to Actual |
| Expenditures (continued) | | | | |
| Public Protection (continued) | | | | |
| Public Administrator | | | | |
| Other charges | \$ 15,706 | \$ 15,706 | \$ 15,706 | \$ -- |
| Salaries and benefits | 195,865 | 195,865 | 137,448 | 58,417 |
| Services and supplies | 28,886 | 28,886 | 21,412 | 7,474 |
| Sheriff Civil Unit | | | | |
| Other charges | 6,583 | 6,583 | 6,583 | -- |
| Salaries and benefits | 438,521 | 440,387 | 439,316 | 1,071 |
| Services and supplies | 102,916 | 103,516 | 97,990 | 5,526 |
| AG Comm & Sealer of Weights | | | | |
| Other charges | 42,327 | 42,327 | 42,327 | -- |
| Salaries and benefits | 1,189,497 | 1,189,497 | 1,137,312 | 52,185 |
| Services and supplies | 344,071 | 344,071 | 310,917 | 33,154 |
| Building Inspection | | | | |
| Capital Assets | 30,000 | 30,000 | -- | 30,000 |
| Other charges | 212,797 | 612,800 | 212,800 | 400,000 |
| Reimbursements | (130,097) | (130,097) | -- | (130,097) |
| Salaries and benefits | 1,446,523 | 1,446,523 | 983,641 | 462,882 |
| Services and supplies | 824,120 | 824,117 | 647,380 | 176,737 |
| Public Protection total | <u>20,110,516</u> | <u>20,444,330</u> | <u>16,990,335</u> | <u>3,453,995</u> |
| Health and Sanitation | | | | |
| Environmental Health | | | | |
| Capital Assets | 30,000 | 30,000 | -- | 30,000 |
| Other charges | 112,350 | 112,373 | 112,372 | 1 |
| Reimbursements | (178,392) | (178,392) | (179,573) | 1,181 |
| Salaries and benefits | 1,712,328 | 1,712,328 | 1,575,208 | 137,120 |
| Services and supplies | 597,864 | 597,841 | 1,632,424 | (1,034,583) |
| Mental Health | | | | |
| Capital Assets | 135,000 | 135,000 | 110,114 | 24,886 |
| Other charges | 12,712,300 | 12,234,300 | 11,338,527 | 895,773 |
| Reimbursements | (2,446,982) | (2,446,982) | (3,255,625) | 808,643 |
| Salaries and benefits | 7,842,302 | 7,842,302 | 6,903,841 | 938,461 |
| Services and supplies | 4,458,635 | 4,936,635 | 4,418,621 | 518,014 |
| Alcohol and Drug | | | | |
| Other charges | 1,312,830 | 1,212,830 | 1,016,786 | 196,044 |
| Reimbursements | (795,646) | (795,646) | (578,602) | (217,044) |
| Salaries and benefits | 1,080,208 | 1,080,208 | 959,476 | 120,732 |
| Services and supplies | 1,075,861 | 1,136,636 | 978,473 | 158,163 |
| Perinatal | | | | |
| Other charges | 236,435 | 236,435 | 157,274 | 79,161 |
| Reimbursements | (12,000) | (12,000) | -- | (12,000) |
| Salaries and benefits | 508,746 | 508,746 | 377,147 | 131,599 |
| Services and supplies | 209,346 | 209,346 | 204,400 | 4,946 |
| Health and Sanitation Total | <u>28,591,185</u> | <u>28,551,960</u> | <u>25,770,863</u> | <u>2,781,097</u> |

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Original | Final | | Final to Actual |
| Expenditures (continued) | | | | |
| Public Assistance | | | | |
| Social Services | | | | |
| Capital Assets | 386,950 | 386,950 | 266,123 | 120,827 |
| Other Charges | 7,149,910 | 7,149,910 | 6,692,394 | 457,516 |
| Reimbursements | (1,123,413) | (1,123,413) | (1,101,604) | (21,809) |
| Salaries and benefits | 33,835,823 | 33,835,823 | 30,294,548 | 3,541,275 |
| Services and supplies | 18,823,385 | 18,148,385 | 15,454,982 | 2,693,403 |
| Health and Human Services Agency | | | | |
| Other Charges | 201,891 | 201,891 | 201,891 | -- |
| Reimbursements | (9,931,624) | (9,931,624) | (9,027,356) | (904,268) |
| Salaries and benefits | 8,370,259 | 8,370,259 | 7,742,688 | 627,571 |
| Services and supplies | 1,394,695 | 1,394,695 | 1,154,670 | 240,025 |
| Opportunity Center | | | | |
| Capital Assets | 30,000 | 30,000 | 29,811 | 189 |
| Other charges | 1,368,675 | 1,518,687 | 1,529,432 | (10,745) |
| Reimbursements | (1,210,996) | (1,210,996) | (1,251,721) | 40,725 |
| Salaries and benefits | 2,951,447 | 2,951,447 | 2,727,136 | 224,311 |
| Services and supplies | 1,813,755 | 1,713,743 | 1,733,629 | (19,886) |
| Welfare Cash Aid Payments | | | | |
| Other Charges | 46,618,180 | 45,141,268 | 44,784,538 | 356,730 |
| Services and supplies | -- | 1,476,912 | 1,476,911 | 1 |
| County Indigent Cases-Gen Fund | | | | |
| Other Charges | 1,703,762 | 1,703,762 | 1,425,852 | 277,910 |
| Services and supplies | 432,880 | 482,880 | 446,233 | 36,647 |
| Housing Authority | | | | |
| Other charges | 133,087 | 133,112 | 113,111 | 20,001 |
| Reimbursements | (2,400) | (2,400) | (2,245) | (155) |
| Salaries and benefits | 708,388 | 701,388 | 536,093 | 165,295 |
| Services and supplies | 138,633 | 145,608 | 126,765 | 18,843 |
| Veterans Services | | | | |
| Other charges | 23,263 | 23,280 | 23,279 | 1 |
| Reimbursements | (7,337) | (7,337) | (5,248) | (2,089) |
| Salaries and benefits | 353,897 | 353,897 | 290,951 | 62,946 |
| Services and supplies | 70,191 | 70,174 | 69,536 | 638 |
| Community Action Agency | | | | |
| Other charges | 90,380 | 90,396 | 84,160 | 6,236 |
| Reimbursements | -- | -- | (4,750) | 4,750 |
| Salaries and benefits | 264,376 | 271,376 | 270,650 | 726 |
| Services and supplies | 131,344 | 124,328 | 77,807 | 46,521 |
| Public Assistance total | <u>114,719,401</u> | <u>114,144,401</u> | <u>106,160,266</u> | <u>7,984,135</u> |

COUNTY OF SHASTA

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|----------------------|----------------------|----------------------|----------------------|
| | Original | Final | | Final to Actual |
| Expenditures (continued) | | | | |
| Education | | | | |
| Agric Ext Service Farm Advisor | | | | |
| Other charges | \$ 10,732 | \$ 10,882 | \$ 10,881 | \$ 1 |
| Salaries and benefits | 126,259 | 126,259 | 106,106 | 20,153 |
| Services and Supplies | 72,563 | 72,413 | 54,699 | 17,714 |
| Farm Advisor JT Lassen Shasta | | | | |
| Other charges | 889 | 889 | 889 | -- |
| Salaries and benefits | 35,237 | 35,237 | 35,366 | (129) |
| Services and Supplies | 17,107 | 17,107 | 12,081 | 5,026 |
| Library Admin | | | | |
| Other charges | 1,285,139 | 1,285,139 | 1,284,399 | 740 |
| Services and Supplies | 92,846 | 92,846 | 34,043 | 58,803 |
| Education Total | <u>1,640,772</u> | <u>1,640,772</u> | <u>1,538,464</u> | <u>102,308</u> |
| Recreation | | | | |
| Recreation and Parks Dev | | | | |
| Other charges | 618 | 642 | 642 | -- |
| Services and supplies | 51,333 | 51,309 | 28,606 | 22,703 |
| Veterans Hall | | | | |
| Other charges | 13,461 | 13,461 | 13,294 | 167 |
| Services and supplies | 99,187 | 99,187 | 98,211 | 976 |
| Recreation total | <u>164,599</u> | <u>164,599</u> | <u>140,753</u> | <u>23,846</u> |
| Total Expenditures | <u>181,524,844</u> | <u>189,301,587</u> | <u>165,269,204</u> | <u>24,032,383</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>14,759,794</u> | <u>6,128,822</u> | <u>37,092,311</u> | <u>30,963,489</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 6,592,395 | 15,036,614 | 5,232,911 | (9,803,703) |
| Transfers out | (46,673,633) | (47,124,825) | (39,931,282) | 7,193,543 |
| Sale of capital assets | 500 | 500 | 23,719 | 23,219 |
| Net Financing Sources (Uses) | <u>(40,080,738)</u> | <u>(32,087,711)</u> | <u>(34,674,652)</u> | <u>(2,586,941)</u> |
| Net Change in Fund Balances | <u>(25,320,944)</u> | <u>(25,958,889)</u> | <u>2,417,659</u> | <u>28,376,548</u> |
| Fund Balance - Beginning | <u>96,597,928</u> | <u>96,597,928</u> | <u>96,597,928</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 71,276,984</u> | <u>\$ 70,639,039</u> | <u>\$ 99,015,587</u> | <u>\$ 28,376,548</u> |

COUNTY OF SHASTA

Roads Administration Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|--|---------------------|---------------------|----------------------|---------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 2,422,990 | \$ 2,422,990 | \$ 2,897,164 | \$ 474,174 |
| Licenses and permits | 10,000 | 10,000 | 45,271 | 35,271 |
| Use of money and property | 20,000 | 20,000 | 41,935 | 21,935 |
| Intergovernmental | 11,587,810 | 10,962,550 | 11,584,027 | 621,477 |
| Charges for other services | 717,000 | 717,000 | 691,463 | (25,537) |
| Miscellaneous revenue | -- | -- | 52,459 | 52,459 |
| Total Revenues | <u>14,757,800</u> | <u>14,132,540</u> | <u>15,312,319</u> | <u>1,179,779</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public ways and facilities | 17,966,877 | 17,966,877 | 14,381,619 | 3,585,258 |
| Total Expenditures | <u>17,966,877</u> | <u>17,966,877</u> | <u>14,381,619</u> | <u>3,585,258</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(3,209,077)</u> | <u>(3,834,337)</u> | <u>930,700</u> | <u>4,765,037</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (800) | (800) | (800) | -- |
| Sale of capital assets | -- | -- | 71,818 | 71,818 |
| Net Financing Sources (Uses) | <u>(800)</u> | <u>(800)</u> | <u>71,018</u> | <u>71,818</u> |
| Net Change in Fund Balance | <u>(3,209,877)</u> | <u>(3,835,137)</u> | <u>1,001,718</u> | <u>4,836,855</u> |
| Fund Balance - Beginning | <u>9,547,497</u> | <u>9,547,497</u> | <u>9,547,497</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 6,337,620</u> | <u>\$ 5,712,360</u> | <u>\$ 10,549,215</u> | <u>\$ 4,836,855</u> |

COUNTY OF SHASTA

Public Safety Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|--|----------------------|----------------------|----------------------|---------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 80,295 | \$ 80,295 | \$ 82,838 | \$ 2,543 |
| Licenses and permits | 121,350 | 121,350 | 133,233 | 11,883 |
| Fines and forfeitures | 951,679 | 1,101,679 | 1,056,452 | (45,227) |
| Use of money and property | 76,291 | 76,291 | 135,107 | 58,816 |
| Intergovernmental | 29,518,344 | 30,168,604 | 31,120,123 | 951,519 |
| Charges for other services | 3,375,277 | 3,380,777 | 3,315,685 | (65,092) |
| Miscellaneous revenue | 341,210 | 379,601 | 546,258 | 166,657 |
| Total Revenues | <u>34,464,446</u> | <u>35,308,597</u> | <u>36,389,696</u> | <u>1,081,099</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Protection | 66,639,787 | 66,009,285 | 59,743,471 | 6,265,814 |
| Total Expenditures | <u>66,639,787</u> | <u>66,009,285</u> | <u>59,743,471</u> | <u>6,265,814</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(32,175,341)</u> | <u>(30,700,688)</u> | <u>(23,353,775)</u> | <u>7,346,913</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 26,313,782 | 26,985,719 | 25,976,600 | (1,009,119) |
| Transfers out | (151,044) | (2,812,899) | (1,568,918) | 1,243,981 |
| Sale of capital assets | 6,000 | 3,000 | 51,804 | 48,804 |
| Net Financing Sources (Uses) | <u>26,168,738</u> | <u>24,175,820</u> | <u>24,459,486</u> | <u>283,666</u> |
| Net Change in Fund Balance | (6,006,603) | (6,524,868) | 1,105,711 | 7,630,579 |
| Fund Balance - Beginning | <u>25,765,731</u> | <u>25,765,731</u> | <u>25,765,731</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 19,759,128</u> | <u>\$ 19,240,863</u> | <u>\$ 26,871,442</u> | <u>\$ 7,630,579</u> |

COUNTY OF SHASTA

Notes to Required Supplementary Information For the Year Ended June 30, 2016

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.

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 to 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.



SUPPLEMENTARY INFORMATION



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



COUNTY OF SHASTA

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2016

| | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | Total |
|--|-----------------------------|------------------------------|--------------------------|----------------------|
| Assets | | | | |
| Cash and investments | \$ 31,305,060 | \$ 10,168,903 | \$ 14,859 | \$ 41,488,822 |
| Accounts receivable | 171,773 | -- | -- | 171,773 |
| Due from other governments | 5,490,807 | -- | -- | 5,490,807 |
| Other assets | 35,846 | -- | -- | 35,846 |
| Due from other funds | 970,849 | -- | -- | 970,849 |
| Special assessments receivable | 440,589 | -- | -- | 440,589 |
| Notes receivable | 10,364,772 | -- | -- | 10,364,772 |
| Advances to other funds | 419,443 | -- | -- | 419,443 |
| Cash and investments - restricted | -- | -- | 12 | 12 |
| Total Assets | <u>\$ 49,199,139</u> | <u>\$ 10,168,903</u> | <u>\$ 14,871</u> | <u>\$ 59,382,913</u> |
| Liabilities | | | | |
| Accounts payable | \$ 711,691 | \$ 88,995 | \$ -- | \$ 800,686 |
| Salaries and benefits payable | 1,208,959 | -- | -- | 1,208,959 |
| Due to other funds | 1,798,074 | 36,474 | -- | 1,834,548 |
| Due to other governments | 259,105 | -- | -- | 259,105 |
| Advances from other funds | 427,240 | -- | -- | 427,240 |
| Deposits from others | 4,517 | -- | -- | 4,517 |
| Unearned revenue | 2,072,186 | -- | -- | 2,072,186 |
| Total Liabilities | <u>6,481,772</u> | <u>125,469</u> | <u>--</u> | <u>6,607,241</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue | 661,817 | -- | -- | 661,817 |
| Fund Balances | | | | |
| Nonspendable | 35,845 | -- | -- | 35,845 |
| Restricted | 41,647,279 | -- | 14,871 | 41,662,150 |
| Committed | 372,426 | 857,946 | -- | 1,230,372 |
| Assigned | -- | 9,185,488 | -- | 9,185,488 |
| Total Fund Balance | <u>42,055,550</u> | <u>10,043,434</u> | <u>14,871</u> | <u>52,113,855</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 49,199,139</u> | <u>\$ 10,168,903</u> | <u>\$ 14,871</u> | <u>\$ 59,382,913</u> |

COUNTY OF SHASTA

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2016

| | Special Revenue Funds | Capital Projects Funds | Debt Service Funds | Total |
|--|-----------------------------|------------------------------|--------------------------|----------------------|
| Revenues | | | | |
| Taxes | \$ 2,159,970 | \$ - | \$ -- | \$ 2,159,970 |
| Licenses and permits | 258,022 | -- | -- | 258,022 |
| Fines & forfeitures | 8,585 | -- | -- | 8,585 |
| Use of money and property | 396,113 | 58,029 | 96 | 454,238 |
| Intergovernmental | 32,895,801 | 72,000 | -- | 32,967,801 |
| Charges for other services | 2,572,354 | -- | -- | 2,572,354 |
| Miscellaneous revenue | 371,288 | -- | -- | 371,288 |
| Total Revenues | <u>38,662,133</u> | <u>130,029</u> | <u>96</u> | <u>38,792,258</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | -- | 1,068,042 | -- | 1,068,042 |
| Public protection | 13,668,121 | -- | -- | 13,668,121 |
| Public ways and facilities | 548,878 | -- | -- | 548,878 |
| Health and sanitation | 23,997,552 | -- | -- | 23,997,552 |
| Public assistance | 905,152 | -- | -- | 905,152 |
| Debt service | | | | |
| Principal | -- | -- | 1,889,285 | 1,889,285 |
| Interest | -- | -- | 1,069,864 | 1,069,864 |
| Fiscal agent fees | -- | -- | 1,801 | 1,801 |
| Total Expenditures | <u>39,119,703</u> | <u>1,068,042</u> | <u>2,960,950</u> | <u>43,148,695</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(457,570)</u> | <u>(938,013)</u> | <u>(2,960,854)</u> | <u>(4,356,437)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 2,521,430 | 10,070,000 | 2,958,957 | 15,550,387 |
| Transfers out | (393,678) | (4,761,879) | -- | (5,155,557) |
| Sale of capital assets | 31,626 | -- | -- | 31,626 |
| Total Other Financing Sources (Uses) | <u>2,159,378</u> | <u>5,308,121</u> | <u>2,958,957</u> | <u>10,426,456</u> |
| Net Change in Fund Balances | 1,701,808 | 4,370,108 | (1,897) | 6,070,019 |
| Fund Balances - Beginning | <u>40,353,742</u> | <u>5,673,326</u> | <u>16,768</u> | <u>46,043,836</u> |
| Fund Balances - Ending | <u>\$ 42,055,550</u> | <u>\$ 10,043,434</u> | <u>\$ 14,871</u> | <u>\$ 52,113,855</u> |

SPECIAL REVENUE FUNDS



COUNTY OF SHASTA

Combining Balance Sheet
Special Revenue Funds
June 30, 2016

| | Mental Health Services | Housing Home IPP | Housing Cal Home | Endangered Species |
|---|------------------------------|----------------------------|----------------------------|---------------------------|
| Assets | | | | |
| Cash and investments | \$ 9,267,861 | \$ -- | \$ 36,818 | \$ 192,966 |
| Accounts receivable | 504 | -- | -- | -- |
| Due from other governments | 1,246,325 | 190,375 | -- | -- |
| Other assets | 1,353 | -- | -- | -- |
| Due from other funds | 655,307 | -- | -- | -- |
| Special assessments receivable | -- | -- | -- | -- |
| Notes receivable | -- | 5,152,683 | 1,052,538 | -- |
| Advances to other funds | -- | -- | -- | -- |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u><u>\$ 11,171,350</u></u> | <u><u>\$ 5,343,058</u></u> | <u><u>\$ 1,089,356</u></u> | <u><u>\$ 192,966</u></u> |
| Liabilities | | | | |
| Accounts payable | \$ 156,192 | \$ -- | \$ -- | \$ -- |
| Salaries and benefits payable | 241,855 | -- | 64 | -- |
| Due to other funds | 1,346,000 | 184,614 | -- | -- |
| Due to other governments | 246 | -- | -- | -- |
| Unearned revenue | -- | -- | 36,504 | -- |
| Deposits from others | -- | -- | -- | -- |
| Advances from other funds | -- | -- | -- | -- |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>1,744,293</u> | <u>184,614</u> | <u>36,568</u> | <u>--</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue | -- | -- | -- | -- |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Fund Balances | | | | |
| Nonspendable | 1,352 | -- | -- | -- |
| Restricted | 9,425,705 | 5,158,444 | 1,052,788 | 192,966 |
| Committed | -- | -- | -- | -- |
| Total Fund Balance | <u>9,427,057</u> | <u>5,158,444</u> | <u>1,052,788</u> | <u>192,966</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>\$ 11,171,350</u></u> | <u><u>\$ 5,343,058</u></u> | <u><u>\$ 1,089,356</u></u> | <u><u>\$ 192,966</u></u> |

continued

COUNTY OF SHASTA

Combining Balance Sheet (continued)
 Special Revenue Funds
 June 30, 2016

| | Roads SVAP Fund | Child Support Services | Public Health |
|---|----------------------------|------------------------------|-----------------------------|
| Assets | | | |
| Cash and investments | \$ 615,828 | \$ 3,211,434 | \$ 8,306,024 |
| Accounts receivable | -- | -- | 98,471 |
| Due from other governments | -- | 10 | 3,367,946 |
| Other assets | -- | 2,589 | 5,618 |
| Due from other funds | 51,818 | -- | 192,978 |
| Special assessments receivable | -- | -- | -- |
| Notes receivable | -- | -- | -- |
| Advances to other funds | 409,443 | -- | -- |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | <u>\$ 1,077,089</u> | <u>\$ 3,214,033</u> | <u>\$ 11,971,037</u> |
| Liabilities | | | |
| Accounts payable | \$ -- | \$ 14,646 | \$ 267,484 |
| Salaries and benefits payable | -- | 287,631 | 569,215 |
| Due to other funds | -- | 6,296 | 173,683 |
| Due to other governments | -- | 50 | 68,572 |
| Unearned revenue | -- | 799,880 | 31,149 |
| Deposits from others | -- | -- | -- |
| Advances from other funds | -- | -- | -- |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities | <u>--</u> | <u>1,108,503</u> | <u>1,110,103</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue | -- | -- | 221,238 |
| | <hr/> | <hr/> | <hr/> |
| Fund Balances: | | | |
| Nonspendable | -- | 2,589 | 5,618 |
| Restricted | 1,077,089 | 1,836,276 | 10,528,317 |
| Committed | -- | 266,665 | 105,761 |
| Total Fund Balance | <u>1,077,089</u> | <u>2,105,530</u> | <u>10,639,696</u> |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,077,089</u> | <u>\$ 3,214,033</u> | <u>\$ 11,971,037</u> |

continued

COUNTY OF SHASTA

Combining Balance Sheet (continued)
Special Revenue Funds
June 30, 2016

| | <u>Shasta Housing Fund</u> | <u>County Water Agency</u> | <u>Air Quality Management</u> | <u>Fire Protection CSA #1</u> |
|---|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
| Assets | | | | |
| Cash and investments | \$ 214,665 | \$ 126,732 | \$ 2,777,200 | \$ 3,012,740 |
| Accounts receivable | -- | 65 | 3,500 | 47,191 |
| Due from other governments | 9 | -- | 93,600 | 495,820 |
| Other assets | 255 | 24,000 | -- | 2,031 |
| Due from other funds | -- | 2,365 | -- | 51,303 |
| Special assessments receivable | -- | -- | -- | -- |
| Notes receivable | 4,159,551 | -- | -- | -- |
| Advances to other funds | -- | 10,000 | -- | -- |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u><u>\$ 4,374,480</u></u> | <u><u>\$ 163,162</u></u> | <u><u>\$ 2,874,300</u></u> | <u><u>\$ 3,609,085</u></u> |
| Liabilities | | | | |
| Accounts payable | \$ -- | \$ 36 | \$ 71,761 | \$ 172,561 |
| Salaries and benefits payable | 515 | -- | 34,653 | 61,813 |
| Due to other funds | -- | 4,431 | 4,008 | 16,033 |
| Due to other governments | -- | 65,346 | -- | 94,311 |
| Unearned revenue | -- | -- | 1,204,653 | -- |
| Deposits from others | 606 | -- | -- | -- |
| Advances from other funds | -- | -- | -- | -- |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>1,121</u> | <u>69,813</u> | <u>1,315,075</u> | <u>344,718</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Fund Balances: | | | | |
| Nonspendable | 255 | 24,000 | -- | 2,031 |
| Restricted | 4,373,104 | 69,349 | 1,559,225 | 3,262,336 |
| Committed | -- | -- | -- | -- |
| Total Fund Balance | <u>4,373,359</u> | <u>93,349</u> | <u>1,559,225</u> | <u>3,264,367</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>\$ 4,374,480</u></u> | <u><u>\$ 163,162</u></u> | <u><u>\$ 2,874,300</u></u> | <u><u>\$ 3,609,085</u></u> |

continued

COUNTY OF SHASTA

Combining Balance Sheet (continued)
 Special Revenue Funds
 June 30, 2016

| | Inmate Welfare Fund | In-Home Support Services | Lighting Districts |
|---|---------------------------|--------------------------------|--------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Assets | | | |
| Cash and investments | \$ 317,883 | \$ 99,728 | \$ 318,986 |
| Accounts receivable | 22,042 | -- | -- |
| Due from other governments | -- | 96,722 | -- |
| Other assets | -- | -- | -- |
| Due from other funds | -- | -- | 306 |
| Special assessments receivable | -- | -- | -- |
| Notes receivable | -- | -- | -- |
| Advances to other funds | -- | -- | -- |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u><u>\$ 339,925</u></u> | <u><u>\$ 196,450</u></u> | <u><u>\$ 319,292</u></u> |
| Liabilities | | | |
| Accounts payable | \$ 25,275 | \$ 3,736 | \$ -- |
| Salaries and benefits payable | -- | 13,213 | -- |
| Due to other funds | 373 | 5,843 | -- |
| Due to other governments | -- | 30,580 | -- |
| Unearned revenue | -- | -- | -- |
| Deposits from others | 3,911 | -- | -- |
| Advances from other funds | -- | -- | -- |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>29,559</u> | <u>53,372</u> | <u>--</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue | -- | -- | -- |
| | <u> </u> | <u> </u> | <u> </u> |
| Fund Balances: | | | |
| Nonspendable | -- | -- | -- |
| Restricted | 310,366 | 143,078 | 319,292 |
| Committed | -- | -- | -- |
| Total Fund Balance | <u>310,366</u> | <u>143,078</u> | <u>319,292</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>\$ 339,925</u></u> | <u><u>\$ 196,450</u></u> | <u><u>\$ 319,292</u></u> |

continued

COUNTY OF SHASTA

Combining Balance Sheet (continued)
 Special Revenue Funds
 June 30, 2016

| | County Service Areas | Permanent Road Divisions | Total |
|---|----------------------------|--------------------------------|----------------------|
| Assets | | | |
| Cash and investments | \$ 748,988 | \$ 2,057,207 | \$ 31,305,060 |
| Accounts receivable | -- | -- | 171,773 |
| Due from other governments | -- | -- | 5,490,807 |
| Other assets | -- | -- | 35,846 |
| Due from other funds | 1,564 | 15,208 | 970,849 |
| Special assessments receivable | -- | 440,589 | 440,589 |
| Notes receivable | -- | -- | 10,364,772 |
| Advances to other funds | -- | -- | 419,443 |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 750,552 | \$ 2,513,004 | \$ 49,199,139 |
| | <hr/> | <hr/> | <hr/> |
| Liabilities | | | |
| Accounts payable | \$ -- | \$ -- | \$ 711,691 |
| Salaries and benefits payable | -- | -- | 1,208,959 |
| Due to other funds | 526 | 56,267 | 1,798,074 |
| Due to other governments | -- | -- | 259,105 |
| Unearned revenue | -- | -- | 2,072,186 |
| Deposits from others | -- | -- | 4,517 |
| Advances from other funds | -- | 427,240 | 427,240 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities | 526 | 483,507 | 6,481,772 |
| | <hr/> | <hr/> | <hr/> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue | -- | 440,579 | 661,817 |
| | <hr/> | <hr/> | <hr/> |
| Fund Balances: | | | |
| Nonspendable | -- | -- | 35,845 |
| Restricted | 750,026 | 1,588,918 | 41,647,279 |
| Committed | -- | -- | 372,426 |
| Total Fund Balance | <hr/> | <hr/> | <hr/> |
| | 750,026 | 1,588,918 | 42,055,550 |
| | <hr/> | <hr/> | <hr/> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 750,552 | \$ 2,513,004 | \$ 49,199,139 |
| | <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, 2016

| | <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 | 44,689 | 27,966 | -- | 923 |
| Intergovernmental | 8,351,983 | 190,375 | 54,754 | -- |
| Charges for other services | -- | -- | -- | -- |
| Miscellaneous revenue | 9,496 | -- | 695 | -- |
| Total Revenues | <u>8,406,168</u> | <u>218,341</u> | <u>55,449</u> | <u>923</u> |
| Expenditures | | | | |
| Current | | | | |
| Public protection | -- | -- | -- | 185 |
| Public ways and facilities | -- | -- | -- | -- |
| Health and sanitation | 8,168,210 | -- | -- | -- |
| Public assistance | -- | 425,996 | 1,424 | -- |
| Total Expenditures | <u>8,168,210</u> | <u>425,996</u> | <u>1,424</u> | <u>185</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>237,958</u> | <u>(207,655)</u> | <u>54,025</u> | <u>738</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | -- | -- | -- | -- |
| Transfers out | (142,204) | -- | -- | -- |
| Sale of capital assets | 1,200 | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>(141,004)</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balances | 96,954 | (207,655) | 54,025 | 738 |
| Fund Balances - Beginning | <u>9,330,103</u> | <u>5,366,099</u> | <u>998,763</u> | <u>192,228</u> |
| Fund Balances - Ending | <u>\$ 9,427,057</u> | <u>\$ 5,158,444</u> | <u>\$ 1,052,788</u> | <u>\$ 192,966</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, 2016

| | Road SVAP Fund | Child Support Services | Public Health |
|--|----------------------|------------------------------|----------------------|
| Revenues | | | |
| Taxes | \$ -- | \$ -- | \$ -- |
| Licenses and permits | -- | -- | 5,539 |
| Fines & forfeitures | -- | -- | 2,210 |
| Use of money and property | -- | 77,991 | 38,688 |
| Intergovernmental | -- | 7,057,052 | 14,442,917 |
| Charges for other services | 6,400 | -- | 832,532 |
| Miscellaneous revenue | -- | 10,141 | 190,601 |
| Total Revenues | <u>6,400</u> | <u>7,145,184</u> | <u>15,512,487</u> |
| Expenditures | | | |
| Current | | | |
| Public protection | -- | 7,202,038 | -- |
| Public ways and facilities | -- | -- | -- |
| Health and sanitation | -- | -- | 13,868,858 |
| Public assistance | -- | -- | -- |
| Total Expenditures | <u>--</u> | <u>7,202,038</u> | <u>13,868,858</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>6,400</u> | <u>(56,854)</u> | <u>1,643,629</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in | -- | -- | 319,155 |
| Transfers out | -- | -- | (251,474) |
| Sale of capital assets | -- | 578 | -- |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>578</u> | <u>67,681</u> |
| Net Change in Fund Balances | 6,400 | (56,276) | 1,711,310 |
| Fund Balances - Beginning | <u>1,070,689</u> | <u>2,161,806</u> | <u>8,928,386</u> |
| Fund Balances - Ending | <u>\$ 1,077,089</u> | <u>\$ 2,105,530</u> | <u>\$ 10,639,696</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, 2016

| | <u>Shasta Housing Fund</u> | <u>County Water Agency</u> | <u>Air Quality Management</u> | <u>Fire Protection CSA #1</u> |
|--|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
| Revenues | | | | |
| Taxes | \$ -- | \$ 164,536 | \$ -- | \$ 1,875,396 |
| Licenses and permits | -- | -- | 229,873 | 22,610 |
| Fines & forfeitures | -- | -- | 6,375 | -- |
| Use of money and property | 19,982 | 484 | 14,788 | 16,508 |
| Intergovernmental | -- | 3,004 | 1,526,558 | 797,732 |
| Charges for other services | -- | 62,387 | 45,044 | 1,138,375 |
| Miscellaneous revenue | -- | -- | 2,407 | 7,260 |
| Total Revenues | <u>19,982</u> | <u>230,411</u> | <u>1,825,045</u> | <u>3,857,881</u> |
| Expenditures | | | | |
| Current | | | | |
| Public protection | -- | -- | -- | 6,322,074 |
| Public ways and facilities | -- | 281,888 | -- | -- |
| Health and sanitation | -- | -- | 1,960,484 | -- |
| Public assistance | 16,710 | -- | -- | -- |
| Total Expenditures | <u>16,710</u> | <u>281,888</u> | <u>1,960,484</u> | <u>6,322,074</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>3,272</u> | <u>(51,477)</u> | <u>(135,439)</u> | <u>(2,464,193)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | -- | -- | -- | 2,201,475 |
| Transfers out | -- | -- | -- | -- |
| Sale of capital assets | -- | -- | 52 | 29,796 |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>52</u> | <u>2,231,271</u> |
| Net Change in Fund Balances | 3,272 | (51,477) | (135,387) | (232,922) |
| Fund Balances - Beginning | <u>4,370,087</u> | <u>144,826</u> | <u>1,694,612</u> | <u>3,497,289</u> |
| Fund Balances - Ending | <u>\$ 4,373,359</u> | <u>\$ 93,349</u> | <u>\$ 1,559,225</u> | <u>\$ 3,264,367</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, 2016

| | Inmate Welfare Fund | In-Home Support Services | Lighting Districts |
|--|---------------------------|--------------------------------|-----------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Revenues | | | |
| Taxes | \$ -- | \$ -- | \$ 19,326 |
| Licenses and permits | -- | -- | -- |
| Fines & forfeitures | -- | -- | -- |
| Use of money and property | 139,951 | 197 | 1,491 |
| Intergovernmental | -- | 469,523 | 317 |
| Charges for other services | -- | -- | -- |
| Miscellaneous revenue | 128,609 | -- | -- |
| Total Revenues | <u>268,560</u> | <u>469,720</u> | <u>21,134</u> |
| Expenditures | | | |
| Current | | | |
| Public protection | 143,824 | -- | -- |
| Public ways and facilities | -- | -- | 7,950 |
| Health and sanitation | -- | -- | -- |
| Public assistance | -- | 461,022 | -- |
| Total Expenditures | <u>143,824</u> | <u>461,022</u> | <u>7,950</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>124,736</u> | <u>8,698</u> | <u>13,184</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in | -- | -- | 800 |
| Transfers out | -- | -- | -- |
| Sale of capital assets | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>800</u> |
| Net Change in Fund Balances | 124,736 | 8,698 | 13,984 |
| Fund Balances - Beginning | <u>185,630</u> | <u>134,380</u> | <u>305,308</u> |
| Fund Balances - Ending | <u>\$ 310,366</u> | <u>\$ 143,078</u> | <u>\$ 319,292</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, 2016

| | <u>County Service Areas</u> | <u>Permanent Road Divisions</u> | <u>Total</u> |
|--|-------------------------------------|---|----------------------|
| Revenues | | | |
| Taxes | \$ 99,764 | \$ 948 | \$ 2,159,970 |
| Licenses and permits | -- | -- | 258,022 |
| Fines & forfeitures | -- | -- | 8,585 |
| Use of money and property | 3,484 | 8,971 | 396,113 |
| Intergovernmental | 1,570 | 16 | 32,895,801 |
| Charges for other services | 21,711 | 465,905 | 2,572,354 |
| Miscellaneous revenue | -- | 22,079 | 371,288 |
| Total Revenues | <u>126,529</u> | <u>497,919</u> | <u>38,662,133</u> |
| Expenditures | | | |
| Current | | | |
| Public protection | -- | -- | 13,668,121 |
| Public ways and facilities | 94,447 | 164,593 | 548,878 |
| Health and sanitation | -- | -- | 23,997,552 |
| Public assistance | -- | -- | 905,152 |
| Total Expenditures | <u>94,447</u> | <u>164,593</u> | <u>39,119,703</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>32,082</u> | <u>333,326</u> | <u>(457,570)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in | -- | -- | 2,521,430 |
| Transfers out | -- | -- | (393,678) |
| Sale of capital assets | -- | -- | 31,626 |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>2,159,378</u> |
| Net Change in Fund Balances | 32,082 | 333,326 | 1,701,808 |
| Fund Balances - Beginning | <u>717,944</u> | <u>1,255,592</u> | <u>40,353,742</u> |
| Fund Balances - Ending | <u>\$ 750,026</u> | <u>\$ 1,588,918</u> | <u>\$ 42,055,550</u> |

COUNTY OF SHASTA

Mental Health Services
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ -- | \$ -- | \$ 44,689 | \$ 44,689 |
| Intergovernmental | 8,375,508 | 8,675,508 | 8,351,983 | (323,525) |
| Miscellaneous revenue | -- | -- | 9,496 | 9,496 |
| Total Revenues | <u>8,375,508</u> | <u>8,675,508</u> | <u>8,406,168</u> | <u>(269,340)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Health and sanitation | 11,502,644 | 9,955,843 | 8,168,210 | 1,787,633 |
| Total Expenditures | <u>11,502,644</u> | <u>9,955,843</u> | <u>8,168,210</u> | <u>1,787,633</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(3,127,136)</u> | <u>(1,280,335)</u> | <u>237,958</u> | <u>1,518,293</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers out (operating) | -- | (1,846,801) | (142,204) | 1,704,597 |
| Sale of capital assets | -- | -- | 1,200 | 1,200 |
| Net Financing Sources (Uses) | <u>--</u> | <u>(1,846,801)</u> | <u>(141,004)</u> | <u>1,705,797</u> |
| Net Change in Fund Balances | <u>(3,127,136)</u> | <u>(3,127,136)</u> | <u>96,954</u> | <u>3,224,090</u> |
| Fund Balance - Beginning | <u>8,384,597</u> | <u>9,330,103</u> | <u>9,330,103</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 5,257,461</u> | <u>\$ 6,202,967</u> | <u>\$ 9,427,057</u> | <u>\$ 3,224,090</u> |

COUNTY OF SHASTA

Housing Home IPP
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|---------------------|---------------------|---------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ 10,000 | \$ 10,000 | \$ 27,966 | \$ 17,966 |
| Intergovernmental | 400,000 | 400,000 | 190,375 | (209,625) |
| Total Revenues | <u>410,000</u> | <u>410,000</u> | <u>218,341</u> | <u>(191,659)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public assistance | 697,556 | 697,556 | 425,996 | 271,560 |
| Total Expenditures | <u>697,556</u> | <u>697,556</u> | <u>425,996</u> | <u>271,560</u> |
| Net Change in Fund Balances | (287,556) | (287,556) | (207,655) | 79,901 |
| Fund Balance - Beginning | <u>5,366,099</u> | <u>5,366,099</u> | <u>5,366,099</u> | -- |
| Fund Balance - Ending | <u>\$ 5,078,543</u> | <u>\$ 5,078,543</u> | <u>\$ 5,158,444</u> | <u>\$ 79,901</u> |

COUNTY OF SHASTA

Housing Cal Home
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|-------------------|-------------------|---------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Intergovernmental | \$ 80,819 | \$ 80,819 | \$ 54,754 | \$ (26,065) |
| Miscellaneous revenue | -- | -- | 695 | 695 |
| Total Revenues | <u>80,819</u> | <u>80,819</u> | <u>55,449</u> | <u>(25,370)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public assistance | 80,819 | 80,819 | 1,424 | 79,395 |
| Total Expenditures | <u>80,819</u> | <u>80,819</u> | <u>1,424</u> | <u>79,395</u> |
| Net Change in Fund Balances | -- | -- | 54,025 | 54,025 |
| Fund Balance - Beginning | <u>998,763</u> | <u>998,763</u> | <u>998,763</u> | -- |
| Fund Balance - Ending | <u>\$ 998,763</u> | <u>\$ 998,763</u> | <u>\$ 1,052,788</u> | <u>\$ 54,025</u> |

COUNTY OF SHASTA

Endangered Species
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|------------------|-----------------|-------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ 500 | \$ 500 | \$ 923 | \$ 423 |
| Total Revenues | <u>500</u> | <u>500</u> | <u>923</u> | <u>423</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public protection | 191,185 | 191,185 | 185 | 191,000 |
| Total Expenditures | <u>191,185</u> | <u>191,185</u> | <u>185</u> | <u>191,000</u> |
| Net Change in Fund Balances | (190,685) | (190,685) | 738 | 191,423 |
| Fund Balance - Beginning | <u>192,228</u> | <u>192,228</u> | <u>192,228</u> | -- |
| Fund Balance - Ending | <u>\$ 1,543</u> | <u>\$ 1,543</u> | <u>\$ 192,966</u> | <u>\$ 191,423</u> |

COUNTY OF SHASTA

Roads SVAP Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|---------------------|---------------------|---------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Charges for other services | \$ 5,500 | \$ 5,500 | \$ 6,400 | \$ 900 |
| Total Revenues | <u>5,500</u> | <u>5,500</u> | <u>6,400</u> | <u>900</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public ways/ facilities | 20,000 | 20,000 | -- | 20,000 |
| Total Expenditures | <u>20,000</u> | <u>20,000</u> | <u>--</u> | <u>20,000</u> |
| Net Change in Fund Balances | (14,500) | (14,500) | 6,400 | 20,900 |
| Fund Balance - Beginning | <u>1,070,689</u> | <u>1,070,689</u> | <u>1,070,689</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 1,056,189</u> | <u>\$ 1,056,189</u> | <u>\$ 1,077,089</u> | <u>\$ 20,900</u> |

COUNTY OF SHASTA

Child Support Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|---------------------|---------------------|---------------------|------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ 5,000 | \$ 5,000 | \$ 77,991 | \$ 72,991 |
| Intergovernmental | 7,941,718 | 7,941,718 | 7,057,052 | (884,666) |
| Miscellaneous revenue | -- | -- | 10,141 | 10,141 |
| Total Revenues | <u>7,946,718</u> | <u>7,946,718</u> | <u>7,145,184</u> | <u>(801,534)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public protection | 8,062,828 | 8,062,828 | 7,202,038 | 860,790 |
| Total Expenditures | <u>8,062,828</u> | <u>8,062,828</u> | <u>7,202,038</u> | <u>860,790</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(116,110)</u> | <u>(116,110)</u> | <u>(56,854)</u> | <u>59,256</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of capital assets | -- | -- | 578 | 578 |
| Net Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>578</u> | <u>578</u> |
| Net Change in Fund Balances | (116,110) | (116,110) | (56,276) | 59,834 |
| Fund Balance - Beginning | <u>2,161,806</u> | <u>2,161,806</u> | <u>2,161,806</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 2,045,696</u> | <u>\$ 2,045,696</u> | <u>\$ 2,105,530</u> | <u>\$ 59,834</u> |

COUNTY OF SHASTA

Public Health
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|---------------------|---------------------|----------------------|---------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Licenses and permits | \$ 5,000 | \$ 5,000 | \$ 5,539 | \$ 539 |
| Fines and forfeitures | 2,000 | 2,000 | 2,210 | 210 |
| Use of money and property | -- | -- | 38,688 | 38,688 |
| Intergovernmental | 15,090,917 | 15,912,529 | 14,442,917 | (1,469,612) |
| Charges for other services | 873,135 | 873,135 | 832,532 | (40,603) |
| Miscellaneous revenue | 119,243 | 119,243 | 190,601 | 71,358 |
| Total Revenues | <u>16,090,295</u> | <u>16,911,907</u> | <u>15,512,487</u> | <u>(1,399,420)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Health and sanitation | 16,894,592 | 16,846,979 | 13,868,858 | 2,978,121 |
| Total Expenditures | <u>16,894,592</u> | <u>16,846,979</u> | <u>13,868,858</u> | <u>2,978,121</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(804,297)</u> | <u>64,928</u> | <u>1,643,629</u> | <u>1,578,701</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 613,524 | 319,155 | 319,155 | -- |
| Transfers out | (98,296) | (654,236) | (251,474) | 402,762 |
| Net Financing Sources (Uses) | <u>515,228</u> | <u>(335,081)</u> | <u>67,681</u> | <u>402,762</u> |
| Net Change in Fund Balances | (289,069) | (270,153) | 1,711,310 | 1,981,463 |
| Fund Balance - Beginning | <u>8,928,386</u> | <u>8,928,386</u> | <u>8,928,386</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 8,639,317</u> | <u>\$ 8,658,233</u> | <u>\$ 10,639,696</u> | <u>\$ 1,981,463</u> |

COUNTY OF SHASTA

Shasta Housing Fund
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|---------------------|---------------------|---------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ 1,025 | \$ 1,025 | \$ 19,982 | \$ 18,957 |
| Intergovernmental | 25,000 | 25,000 | \$ -- | (25,000) |
| Total Revenues | <u>26,025</u> | <u>26,025</u> | <u>19,982</u> | <u>(6,043)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public assistance | 41,470 | 41,470 | 16,710 | 24,760 |
| Total Expenditures | <u>41,470</u> | <u>41,470</u> | <u>16,710</u> | <u>24,760</u> |
| Net Change in Fund Balances | (15,445) | (15,445) | 3,272 | 18,717 |
| Fund Balance - Beginning | <u>4,370,087</u> | <u>4,370,087</u> | <u>4,370,087</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 4,354,642</u> | <u>\$ 4,354,642</u> | <u>\$ 4,373,359</u> | <u>\$ 18,717</u> |

COUNTY OF SHASTA

County Water Agency
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|-------------------|-------------------|------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 144,900 | \$ 144,900 | \$ 164,536 | \$ 19,636 |
| Use of money and property | 90 | 90 | 484 | 394 |
| Intergovernmental | 2,500 | 2,500 | 3,004 | 504 |
| Charges for other services | 33,900 | 33,900 | 62,387 | 28,487 |
| Total Revenues | <u>181,390</u> | <u>181,390</u> | <u>230,411</u> | <u>49,021</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public ways/ facilities | <u>213,018</u> | <u>213,018</u> | <u>281,888</u> | <u>(68,870)</u> |
| Total Expenditures | <u>213,018</u> | <u>213,018</u> | <u>281,888</u> | <u>(68,870)</u> |
| Net Change in Fund Balances | (31,628) | (31,628) | (51,477) | (19,849) |
| Fund Balance - Beginning | <u>144,826</u> | <u>144,826</u> | <u>144,826</u> | -- |
| Fund Balance - Ending | <u>\$ 113,198</u> | <u>\$ 113,198</u> | <u>\$ 93,349</u> | <u>\$ (19,849)</u> |

COUNTY OF SHASTA

Air Quality Management
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---------------------------------------|---------------------|---------------------|---------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Licenses and permits | \$ 181,750 | \$ 181,750 | \$ 229,873 | \$ 48,123 |
| Fines and forfeitures | -- | -- | 6,375 | 6,375 |
| Use of money and property | 12,000 | 12,000 | 14,788 | 2,788 |
| Intergovernmental | 1,312,100 | 1,512,100 | 1,526,558 | 14,458 |
| Charges for other services | 31,050 | 31,050 | 45,044 | 13,994 |
| Miscellaneous revenue | -- | -- | 2,407 | 2,407 |
| Total Revenues | <u>1,536,900</u> | <u>1,736,900</u> | <u>1,825,045</u> | <u>88,145</u> |
| Expenditures | | | | |
| Current: | | | | |
| Health and sanitation | 2,066,533 | 2,266,533 | 1,960,484 | 306,049 |
| Total Expenditures | <u>2,066,533</u> | <u>2,266,533</u> | <u>1,960,484</u> | <u>306,049</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of fixed assets | -- | -- | 52 | 52 |
| Net Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>52</u> | <u>52</u> |
| Net Change in Fund Balances | (529,633) | (529,633) | (135,387) | 394,246 |
| Fund Balance - Beginning | <u>1,694,612</u> | <u>1,694,612</u> | <u>1,694,612</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 1,164,979</u> | <u>\$ 1,164,979</u> | <u>\$ 1,559,225</u> | <u>\$ 394,246</u> |

COUNTY OF SHASTA

Fire Protection CSA #1
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 1,805,075 | \$ 1,805,075 | \$ 1,875,396 | \$ 70,321 |
| Licenses and permits | 18,000 | 18,000 | 22,610 | 4,610 |
| Use of money and property | 10,000 | 10,000 | 16,508 | 6,508 |
| Intergovernmental | 599,000 | 697,000 | 797,732 | 100,732 |
| Charges for other services | 722,167 | 744,607 | 1,138,375 | 393,768 |
| Miscellaneous revenue | 200 | 200 | 7,260 | 7,060 |
| Total Revenues | <u>3,154,442</u> | <u>3,274,882</u> | <u>3,857,881</u> | <u>582,999</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public protection | 7,197,820 | 7,358,035 | 6,322,074 | 1,035,961 |
| Total Expenditures | <u>7,197,820</u> | <u>7,358,035</u> | <u>6,322,074</u> | <u>1,035,961</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(4,043,378)</u> | <u>(4,083,153)</u> | <u>(2,464,193)</u> | <u>1,618,960</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 2,234,993 | 2,300,326 | 2,201,475 | (98,851) |
| Sale of capital assets | 14,000 | 16,000 | 29,796 | 13,796 |
| Net Financing Sources (Uses) | <u>2,248,993</u> | <u>2,316,326</u> | <u>2,231,271</u> | <u>(85,055)</u> |
| Net Change in Fund Balances | <u>(1,794,385)</u> | <u>(1,766,827)</u> | <u>(232,922)</u> | <u>1,533,905</u> |
| Fund Balance - Beginning | <u>3,497,289</u> | <u>3,497,289</u> | <u>3,497,289</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 1,702,904</u> | <u>\$ 1,730,462</u> | <u>\$ 3,264,367</u> | <u>\$ 1,533,905</u> |

COUNTY OF SHASTA

IHSS Public Authority
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ -- | \$ -- | \$ 197 | \$ 197 |
| Intergovernmental | 499,590 | 527,554 | 469,523 | (58,031) |
| Total Revenues | <u>499,590</u> | <u>527,554</u> | <u>469,720</u> | <u>(57,834)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public assistance | 495,744 | 449,514 | 461,022 | (11,508) |
| Total Expenditures | <u>495,744</u> | <u>449,514</u> | <u>461,022</u> | <u>(11,508)</u> |
| Net Change in Fund Balances | 3,846 | 78,040 | 8,698 | (69,342) |
| Fund Balance - Beginning | <u>134,380</u> | <u>134,380</u> | <u>134,380</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 138,226</u> | <u>\$ 212,420</u> | <u>\$ 143,078</u> | <u>\$ (69,342)</u> |

COUNTY OF SHASTA

Lighting Districts
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|-------------------|-------------------|-------------------|------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 16,631 | \$ 16,631 | \$ 19,326 | \$ 2,695 |
| Use of money and property | 760 | 760 | 1,491 | 731 |
| Intergovernmental | 308 | 308 | 317 | 9 |
| Total Revenues | <u>17,699</u> | <u>17,699</u> | <u>21,134</u> | <u>3,435</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public ways and facilities | <u>38,991</u> | <u>38,991</u> | <u>7,950</u> | <u>31,041</u> |
| Total Expenditures | <u>38,991</u> | <u>38,991</u> | <u>7,950</u> | <u>31,041</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(21,292)</u> | <u>(21,292)</u> | <u>13,184</u> | <u>34,476</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | <u>800</u> | <u>800</u> | <u>800</u> | <u>--</u> |
| Net Financing Sources (Uses) | <u>800</u> | <u>800</u> | <u>800</u> | <u>--</u> |
| Net Change in Fund Balances | <u>(20,492)</u> | <u>(20,492)</u> | <u>13,984</u> | <u>34,476</u> |
| Fund Balance - Beginning | <u>305,308</u> | <u>305,308</u> | <u>305,308</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 284,816</u> | <u>\$ 284,816</u> | <u>\$ 319,292</u> | <u>\$ 34,476</u> |

COUNTY OF SHASTA

Special Revenue County Service Areas
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 100,664 | \$ 100,664 | \$ 99,764 | \$ (900) |
| Use of money and property | 1,775 | 1,775 | 3,484 | 1,709 |
| Intergovernmental | 1,700 | 1,700 | 1,570 | (130) |
| Charges for other services | 21,711 | 21,699 | 21,711 | 12 |
| Total Revenues | <u>125,850</u> | <u>125,838</u> | <u>126,529</u> | <u>691</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public ways/ facilities | <u>161,414</u> | <u>161,414</u> | <u>94,447</u> | <u>66,967</u> |
| Total Expenditures | <u>161,414</u> | <u>161,414</u> | <u>94,447</u> | <u>66,967</u> |
| Net Change in Fund Balances | (35,564) | (35,576) | 32,082 | 67,658 |
| Fund Balance - Beginning | <u>717,944</u> | <u>717,944</u> | <u>717,944</u> | -- |
| Fund Balance - Ending | <u>\$ 682,380</u> | <u>\$ 682,368</u> | <u>\$ 750,026</u> | <u>\$ 67,658</u> |

COUNTY OF SHASTA

Permanent Road Divisions
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|-------------------|-------------------|---------------------|---------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Taxes | \$ 450 | \$ 450 | \$ 948 | \$ 498 |
| Use of money and property | 1,599 | 1,599 | 8,971 | 7,372 |
| Intergovernmental | 16 | 16 | 16 | -- |
| Charges for other services | 462,451 | 462,451 | 465,905 | 3,454 |
| Miscellaneous | -- | -- | 22,079 | 22,079 |
| Total Revenues | <u>464,516</u> | <u>464,516</u> | <u>497,919</u> | <u>33,403</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public ways/ facilities | 1,233,619 | 1,244,019 | 164,593 | 1,079,426 |
| Total Expenditures | <u>1,233,619</u> | <u>1,244,019</u> | <u>164,593</u> | <u>1,079,426</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(769,103)</u> | <u>(779,503)</u> | <u>333,326</u> | <u>1,112,829</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | -- | -- | -- | -- |
| Net Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Change in Fund Balances | (769,103) | (779,503) | 333,326 | 1,112,829 |
| Fund Balance - Beginning | <u>1,255,592</u> | <u>1,255,592</u> | <u>1,255,592</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 486,489</u> | <u>\$ 476,089</u> | <u>\$ 1,588,918</u> | <u>\$ 1,112,829</u> |



CAPITAL PROJECT FUNDS



COUNTY OF SHASTA

Combining Balance Sheet
 Non-Major Capital Projects Funds
 June 30, 2016

| | Accumulated Capital Outlay | Juvenile Hall | Adult Rehab Center | Total |
|--|----------------------------------|------------------|--------------------------|----------------------|
| Assets | | | | |
| Cash and investments | \$ 9,205,569 | \$ 6,794 | \$ 956,540 | \$ 10,168,903 |
| Total Assets | <u>\$ 9,205,569</u> | <u>\$ 6,794</u> | <u>\$ 956,540</u> | <u>\$ 10,168,903</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ -- | \$ -- | \$ 88,995 | \$ 88,995 |
| Due to other funds | 26,875 | -- | 9,599 | 36,474 |
| Total Liabilities | <u>26,875</u> | <u>--</u> | <u>98,594</u> | <u>125,469</u> |
| Fund Balances: | | | | |
| Committed | -- | -- | 857,946 | 857,946 |
| Assigned | 9,178,694 | 6,794 | -- | 9,185,488 |
| Total Fund Balance | <u>9,178,694</u> | <u>6,794</u> | <u>857,946</u> | <u>10,043,434</u> |
| Total Liabilities and Fund Balances | <u>\$ 9,205,569</u> | <u>\$ 6,794</u> | <u>\$ 956,540</u> | <u>\$ 10,168,903</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, 2016

| | <u>Accumulated Capital Outlay</u> | <u>Juvenile Hall</u> | <u>Adult Rehab Center</u> | <u>Total</u> |
|--|---|--------------------------|-----------------------------------|----------------------|
| Revenues | | | | |
| Use of money and property | \$ 50,784 | \$ 238 | \$ 7,007 | \$ 58,029 |
| Intergovernmental | -- | 72,000 | -- | 72,000 |
| Total Revenues | <u>50,784</u> | <u>72,238</u> | <u>7,007</u> | <u>130,029</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | -- | 64,999 | 1,003,043 | 1,068,042 |
| Total Expenditures | <u>--</u> | <u>64,999</u> | <u>1,003,043</u> | <u>1,068,042</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>50,784</u> | <u>7,239</u> | <u>(996,036)</u> | <u>(938,013)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 10,070,000 | -- | -- | 10,070,000 |
| Transfers out | <u>(4,691,879)</u> | <u>(70,000)</u> | <u>--</u> | <u>(4,761,879)</u> |
| Total Other Financing Sources (Uses) | <u>5,378,121</u> | <u>(70,000)</u> | <u>--</u> | <u>5,308,121</u> |
| Net Change in Fund Balances | 5,428,905 | (62,761) | (996,036) | 4,370,108 |
| Fund Balances - Beginning | <u>3,749,789</u> | <u>69,555</u> | <u>1,853,982</u> | <u>5,673,326</u> |
| Fund Balances - Ending | <u>\$ 9,178,694</u> | <u>\$ 6,794</u> | <u>\$ 857,946</u> | <u>\$ 10,043,434</u> |

COUNTY OF SHASTA

Capital Projects - Accumulated Capital Outlay
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|-----------------------------|-----------------------------|----------------------------|------------------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ 7,000 | \$ 7,000 | \$ 50,784 | \$ 43,784 |
| Total Revenues | <u>7,000</u> | <u>7,000</u> | <u>50,784</u> | <u>43,784</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>7,000</u> | <u>7,000</u> | <u>50,784</u> | <u>43,784</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 10,070,000 | 10,070,000 | 10,070,000 | -- |
| Transfers out | <u>(1,689,605)</u> | <u>(5,039,605)</u> | <u>(4,691,879)</u> | <u>347,726</u> |
| Net Financing Sources (Uses) | <u>8,380,395</u> | <u>5,030,395</u> | <u>5,378,121</u> | <u>347,726</u> |
| Net Change in Fund Balances | 8,387,395 | 5,037,395 | 5,428,905 | 391,510 |
| Fund Balance - Beginning | <u>5,770,325</u> | <u>5,770,325</u> | <u>3,749,789</u> | <u>(2,020,536)</u> |
| Fund Balance - Ending | <u><u>\$ 14,157,720</u></u> | <u><u>\$ 10,807,720</u></u> | <u><u>\$ 9,178,694</u></u> | <u><u>\$ (1,629,026)</u></u> |

COUNTY OF SHASTA

Capital Projects - Juvenile Hall
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|------------------|------------------|-----------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ -- | \$ -- | \$ 238 | \$ 238 |
| Intergovernmental | 72,000 | 72,000 | 72,000 | -- |
| Total Revenues | <u>72,000</u> | <u>72,000</u> | <u>72,238</u> | <u>238</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 64,999 | 64,999 | 64,999 | -- |
| Total Expenditures | <u>64,999</u> | <u>64,999</u> | <u>64,999</u> | <u>--</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>7,001</u> | <u>7,001</u> | <u>7,239</u> | <u>238</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (70,000) | (70,000) | (70,000) | -- |
| Net Financing Sources (Uses) | <u>(70,000)</u> | <u>(70,000)</u> | <u>(70,000)</u> | <u>--</u> |
| Net Change in Fund Balances | (70,000) | (70,000) | (62,761) | 238 |
| Fund Balance - Beginning | <u>114,077</u> | <u>114,077</u> | <u>69,555</u> | <u>(44,522)</u> |
| Fund Balance - Ending | <u>\$ 44,077</u> | <u>\$ 44,077</u> | <u>\$ 6,794</u> | <u>\$ (44,284)</u> |

COUNTY OF SHASTA

Capital Projects - Adult Rehab Center
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ 4,000 | \$ 4,000 | \$ 7,007 | \$ 3,007 |
| Total Revenues | <u>4,000</u> | <u>4,000</u> | <u>7,007</u> | <u>3,007</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 1,900,818 | 1,900,818 | 1,003,043 | 897,775 |
| Total Expenditures | <u>1,900,818</u> | <u>1,900,818</u> | <u>1,003,043</u> | <u>897,775</u> |
| Net Change in Fund Balances | (1,896,818) | (1,896,818) | (996,036) | 900,782 |
| Fund Balance - Beginning | <u>2,429,672</u> | <u>2,429,672</u> | <u>1,853,982</u> | <u>(575,690)</u> |
| Fund Balance - Ending | <u>\$ 532,854</u> | <u>\$ 532,854</u> | <u>\$ 857,946</u> | <u>\$ 325,092</u> |



DEBT SERVICE FUNDS



COUNTY OF SHASTA

Combining Balance Sheet
 Non-Major Debt Service Funds
 June 30, 2016

| | <u>Courthouse Improvement</u> | <u>Admin Center</u> | <u>Energy Retrofit</u> | <u>Total</u> |
|-----------------------------------|-----------------------------------|-------------------------|----------------------------|------------------|
| Assets | | | | |
| Cash and investments | \$ 14,283 | \$ 500 | \$ 76 | \$ 14,859 |
| Cash and investments - restricted | -- | 12 | -- | 12 |
| Total Assets | <u>\$ 14,283</u> | <u>\$ 512</u> | <u>\$ 76</u> | <u>\$ 14,871</u> |
| Fund Balances | | | | |
| Restricted | \$ 14,283 | \$ 512 | \$ 76 | \$ 14,871 |
| Total Fund Balances | <u>\$ 14,283</u> | <u>\$ 512</u> | <u>\$ 76</u> | <u>\$ 14,871</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, 2016

| | <u>Courthouse Improvement</u> | <u>Admin Center</u> | <u>Energy Retrofit</u> | <u>Total</u> |
|--|-----------------------------------|-------------------------|----------------------------|--------------------|
| Revenues | | | | |
| Use of money and property | \$ 69 | \$ 19 | \$ 8 | \$ 96 |
| Total Revenues | <u>69</u> | <u>19</u> | <u>8</u> | <u>96</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 435,000 | 1,415,000 | 39,285 | 1,889,285 |
| Interest | 98,315 | 959,050 | 12,499 | 1,069,864 |
| Fiscal agent fees | -- | 1,801 | -- | 1,801 |
| Total Expenditures | <u>533,315</u> | <u>2,375,851</u> | <u>51,784</u> | <u>2,960,950</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(533,246)</u> | <u>(2,375,832)</u> | <u>(51,776)</u> | <u>(2,960,854)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | <u>533,315</u> | <u>2,373,858</u> | <u>51,784</u> | <u>2,958,957</u> |
| Total Other Financing Sources (Uses) | <u>533,315</u> | <u>2,373,858</u> | <u>51,784</u> | <u>2,958,957</u> |
| Net Change in Fund Balances | 69 | (1,974) | 8 | (1,897) |
| Fund Balances - Beginning | <u>14,214</u> | <u>2,486</u> | <u>68</u> | <u>16,768</u> |
| Fund Balances - Ending | <u>\$ 14,283</u> | <u>\$ 512</u> | <u>\$ 76</u> | <u>\$ 14,871</u> |

COUNTY OF SHASTA

Budgetary Comparison Schedule
Debt Service - Courthouse Fund
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|-------------------------|-------------------------|-------------------------|---------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ -- | \$ -- | \$ 69 | \$ 69 |
| Total Revenues | <u>--</u> | <u>--</u> | <u>69</u> | <u>69</u> |
| Expenditures | | | | |
| Current: | | | | |
| Debt Service | 533,315 | 533,315 | 533,315 | -- |
| Total Expenditures | <u>533,315</u> | <u>533,315</u> | <u>533,315</u> | <u>--</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(533,315)</u> | <u>(533,315)</u> | <u>(533,246)</u> | <u>69</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 533,315 | 533,315 | 533,315 | -- |
| Net Financing Sources (Uses) | <u>533,315</u> | <u>533,315</u> | <u>533,315</u> | <u>--</u> |
| Net Change in Fund Balances | -- | -- | 69 | 69 |
| Fund Balance - Beginning | <u>14,214</u> | <u>14,214</u> | <u>14,214</u> | <u>--</u> |
| Fund Balance - Ending | <u><u>\$ 14,214</u></u> | <u><u>\$ 14,214</u></u> | <u><u>\$ 14,283</u></u> | <u><u>\$ 69</u></u> |

COUNTY OF SHASTA

Budgetary Comparison Schedule
Debt Service - Admin Center Bond
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|-------------------------|-------------------------|----------------------|---------------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ -- | \$ -- | \$ 19 | \$ 19 |
| Total Revenues | <u>--</u> | <u>--</u> | <u>19</u> | <u>19</u> |
| Expenditures | | | | |
| Current: | | | | |
| Debt Service | 2,376,550 | 2,376,550 | 2,375,851 | 699 |
| Total Expenditures | <u>2,376,550</u> | <u>2,376,550</u> | <u>2,375,851</u> | <u>699</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(2,376,550)</u> | <u>(2,376,550)</u> | <u>(2,375,832)</u> | <u>718</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 2,376,550 | 2,376,550 | 2,373,858 | (2,692) |
| Net Financing Sources (Uses) | <u>2,376,550</u> | <u>2,376,550</u> | <u>2,373,858</u> | <u>(2,692)</u> |
| Net Change in Fund Balances | -- | -- | (1,974) | (1,974) |
| Fund Balance - Beginning | <u>88,139</u> | <u>88,139</u> | <u>2,486</u> | <u>(85,653)</u> |
| Fund Balance - Ending | <u><u>\$ 88,139</u></u> | <u><u>\$ 88,139</u></u> | <u><u>\$ 512</u></u> | <u><u>\$ (87,627)</u></u> |

COUNTY OF SHASTA

Budgetary Comparison Schedule
Debt Service - Energy Retrofit
For the Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variances |
|---|----------------------------|----------------------------|---------------------|--------------------------|
| | Original | Final | | Final to Actual |
| Revenues | | | | |
| Use of money and property | \$ -- | \$ -- | \$ 8 | \$ 8 |
| Total Revenues | <u>--</u> | <u>--</u> | <u>8</u> | <u>8</u> |
| Expenditures | | | | |
| Current: | | | | |
| Debt Service | 384,842 | 192,421 | 51,784 | 140,637 |
| Total Expenditures | <u>384,842</u> | <u>192,421</u> | <u>51,784</u> | <u>140,637</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>(384,842)</u> | <u>(192,421)</u> | <u>(51,776)</u> | <u>140,645</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 51,784 | 51,784 | 51,784 | -- |
| Net Financing Sources (Uses) | <u>51,784</u> | <u>51,784</u> | <u>51,784</u> | <u>--</u> |
| Net Change in Fund Balances | (333,058) | (140,637) | 8 | 140,645 |
| Fund Balance - Beginning | <u>53</u> | <u>53</u> | <u>68</u> | <u>15</u> |
| Fund Balance - Ending | <u><u>\$ (333,005)</u></u> | <u><u>\$ (140,584)</u></u> | <u><u>\$ 76</u></u> | <u><u>\$ 140,660</u></u> |



NONMAJOR ENTERPRISE FUNDS



COUNTY OF SHASTA

Combining Statement of Net Position
 Non-Major Enterprise Funds
 June 30, 2016

| | CSA #2 Sugarloaf Water | CSA #3 Castella Water | CSA # 8 Palo Cedro |
|-------------------------------------|------------------------------|-----------------------------|--------------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 4,354 | \$ 37,681 | \$ 474,214 |
| Receivables, net | 6,729 | 7,594 | 28,180 |
| Due from other governments | -- | -- | -- |
| Due from other funds | 5,466 | 7,814 | 29,530 |
| Other assets | -- | -- | -- |
| Total current assets | <u>16,549</u> | <u>53,089</u> | <u>531,924</u> |
| Noncurrent Assets: | | | |
| Special assessments receivable | -- | 161,930 | -- |
| Cash and investments - restricted | -- | 7,163 | -- |
| Capital assets, non-depreciable | 1,342 | 19,860 | 340,835 |
| Capital assets, depreciable - net | 27,945 | 725,466 | 1,037,592 |
| Total noncurrent assets | <u>29,287</u> | <u>914,419</u> | <u>1,378,427</u> |
| Total Assets | <u>45,836</u> | <u>967,508</u> | <u>1,910,351</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 387 | 834 | 2,463 |
| Interest payable | -- | 2,324 | -- |
| Due to other funds | 7,235 | 3,020 | 24,130 |
| Deposits from others | -- | 500 | -- |
| Unearned revenue | 2,305 | 812 | 4,037 |
| Bonds, notes payable | -- | 2,600 | 20,000 |
| Total current liabilities | <u>9,927</u> | <u>10,090</u> | <u>50,630</u> |
| Noncurrent Liabilities: | | | |
| Advances from other funds | -- | -- | -- |
| Bonds, notes payable | -- | 166,400 | -- |
| Total noncurrent liabilities | <u>--</u> | <u>166,400</u> | <u>--</u> |
| Total Liabilities | <u>9,927</u> | <u>176,490</u> | <u>50,630</u> |
| Net Position | | | |
| Net investment in capital assets | 29,287 | 576,326 | 1,358,427 |
| Unrestricted | 6,622 | 214,692 | 501,294 |
| Total Net Position | <u>\$ 35,909</u> | <u>\$ 791,018</u> | <u>\$ 1,859,721</u> |

continued

COUNTY OF SHASTA

Combining Statement of Net Position (continued)
 Non-Major Enterprise Funds
 June 30, 2016

| | CSA #11 French Gulch | CSA #13 Alpine Meadows | CSA # 17 Cotton- wood |
|-----------------------------------|----------------------------|------------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 102,366 | \$ 17,458 | \$ -- |
| Receivables, net | 21,180 | 6,163 | 161,136 |
| Due from other governments | -- | -- | 252,265 |
| Due from other funds | 13,215 | 4,387 | 74,396 |
| Other assets | -- | -- | -- |
| Total current assets | <u>136,761</u> | <u>28,008</u> | <u>487,797</u> |
| Noncurrent Assets: | | | |
| Special assessments receivable | -- | -- | -- |
| Cash and investments - restricted | -- | -- | -- |
| Capital assets, non-depreciable | 45,928 | -- | 568,991 |
| Capital assets, depreciable - net | 739,130 | 127,267 | 2,005,749 |
| Total noncurrent assets | <u>785,058</u> | <u>127,267</u> | <u>2,574,740</u> |
| Total Assets | <u>921,819</u> | <u>155,275</u> | <u>3,062,537</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 105 | 9,224 | 8,033 |
| Interest payable | -- | -- | -- |
| Due to other funds | 5,876 | 3,443 | 136,274 |
| Deposits from others | -- | -- | -- |
| Unearned revenue | 547 | 973 | 8,205 |
| Bonds, notes payable | -- | -- | -- |
| Total current liabilities | <u>6,528</u> | <u>13,640</u> | <u>152,512</u> |
| Noncurrent Liabilities: | | | |
| Advances from other funds | -- | 10,000 | 335,512 |
| Bonds, notes payable | -- | -- | -- |
| Total noncurrent liabilities | <u>--</u> | <u>10,000</u> | <u>335,512</u> |
| Total Liabilities | <u>6,528</u> | <u>23,640</u> | <u>488,024</u> |
| Net Position | | | |
| Net investments in capital assets | 785,058 | 127,267 | 2,574,740 |
| Unrestricted | 130,233 | 4,368 | (227) |
| Total Net Position | <u>\$ 915,291</u> | <u>\$ 131,635</u> | <u>\$ 2,574,513</u> |

continued

COUNTY OF SHASTA

Combining Statement of Net Position (continued)
 Non-Major Enterprise Funds
 June 30, 2016

| | CSA #23 Crag View Water | CSA #25 Keswick Water | Shasta Co Transit | Total |
|-------------------------------------|-------------------------------|-----------------------------|----------------------|---------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 403 | \$ -- | \$ 204,460 | \$ 840,936 |
| Receivables, net | 8,589 | 12,529 | -- | 252,100 |
| Due from other governments | -- | 158,976 | 48,594 | 459,835 |
| Due from other funds | 8,454 | 8,344 | -- | 151,606 |
| Other assets | 6,864 | -- | -- | 6,864 |
| Total current assets | <u>24,310</u> | <u>179,849</u> | <u>253,054</u> | <u>1,711,341</u> |
| Noncurrent Assets: | | | | |
| Special assessments receivable | 210,974 | -- | -- | 372,904 |
| Cash and investments - restricted | 13,736 | -- | -- | 20,899 |
| Capital assets, non-depreciable | -- | 230 | -- | 977,186 |
| Capital assets, depreciable - net | 1,322,784 | 1,869,786 | -- | 7,855,719 |
| Total noncurrent assets | <u>1,547,494</u> | <u>1,870,016</u> | <u>--</u> | <u>9,226,708</u> |
| Total Assets | <u>1,571,804</u> | <u>2,049,865</u> | <u>253,054</u> | <u>10,938,049</u> |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | 133 | 3,925 | 55,326 | 80,430 |
| Interest payable | -- | -- | -- | 2,324 |
| Due to other funds | 4,744 | 135,771 | -- | 320,493 |
| Deposits from others | -- | -- | -- | 500 |
| Unearned revenue | 505 | 1,592 | -- | 18,976 |
| Bonds, notes payable | 13,727 | -- | -- | 36,327 |
| Total current liabilities | <u>19,109</u> | <u>141,288</u> | <u>55,326</u> | <u>459,050</u> |
| Noncurrent Liabilities: | | | | |
| Advances from other funds | -- | -- | -- | 345,512 |
| Bonds, notes payable | 233,364 | -- | -- | 399,764 |
| Total noncurrent liabilities | <u>233,364</u> | <u>--</u> | <u>--</u> | <u>745,276</u> |
| Total Liabilities | <u>252,473</u> | <u>141,288</u> | <u>55,326</u> | <u>1,204,326</u> |
| Net Position | | | | |
| Net investments in capital assets | 1,075,693 | 1,870,016 | -- | 8,396,814 |
| Unrestricted | 243,638 | 38,561 | 197,728 | 1,336,909 |
| Total Net Position | <u>\$ 1,319,331</u> | <u>\$ 1,908,577</u> | <u>\$ 197,728</u> | <u>\$ 9,733,723</u> |

continued

COUNTY OF SHASTA

Combining Statement of Revenues, Expenses and Changes in Net Position
 Non-Major Enterprise Funds
 For the Year Ended June 30, 2016

| | CSA #2 Sugarloaf Water | CSA #3 Castella Water | CSA # 8 Palo Cedro |
|--|------------------------------|-----------------------------|--------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Operating Revenues | | | |
| Charges for services | \$ 40,664 | \$ 42,920 | \$ 153,399 |
| Total Operating Revenues | <u>40,664</u> | <u>42,920</u> | <u>153,399</u> |
| Operating Expenses | | | |
| Services and supplies | 40,498 | 68,580 | 228,473 |
| Central service costs | 2,374 | 3,680 | 19,013 |
| Depreciation | 4,658 | 41,199 | 95,778 |
| Total Operating Expenses | <u>47,530</u> | <u>113,459</u> | <u>343,264</u> |
| Operating Income (Loss) | <u>(6,866)</u> | <u>(70,539)</u> | <u>(189,865)</u> |
| Non-Operating Revenues (Expenses) | | | |
| Investment income | 24 | 295 | 2,498 |
| Property tax revenue | -- | -- | -- |
| Non-operating grants | -- | -- | -- |
| Capital improvement fees | -- | -- | 3,650 |
| Interest expense | -- | (6,988) | -- |
| Miscellaneous revenue | 24 | 7,543 | 437 |
| Total Non-Operating Revenues (Expenses) | <u>48</u> | <u>850</u> | <u>6,585</u> |
| Change in Net Position | (6,818) | (69,689) | (183,280) |
| Net Position - Beginning | <u>42,727</u> | <u>860,707</u> | <u>2,043,001</u> |
| Net Position - Ending | <u>\$ 35,909</u> | <u>\$ 791,018</u> | <u>\$ 1,859,721</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, 2016

| | CSA #11 French Gulch | CSA #13 Alpine Meadows | CSA # 17 Cotton- wood |
|--|----------------------------|------------------------------|-----------------------------|
| Operating Revenues | | | |
| Charges for services | \$ 6,943 | \$ 35,892 | \$ 616,266 |
| Total Operating Revenues | <u>6,943</u> | <u>35,892</u> | <u>616,266</u> |
| Operating Expenses | | | |
| Services and supplies | 74,522 | 42,254 | 606,319 |
| Central service costs | 4,550 | 1,760 | 23,321 |
| Depreciation | 43,056 | 7,070 | 240,599 |
| Total Operating Expenses | <u>122,128</u> | <u>51,084</u> | <u>870,239</u> |
| Operating Income (Loss) | <u>(115,185)</u> | <u>(15,192)</u> | <u>(253,973)</u> |
| Non-Operating Revenues (Expenses) | | | |
| Investment income | 738 | 88 | 695 |
| Property tax revenue | -- | -- | -- |
| Non-operating grants | -- | -- | 252,265 |
| Capital improvement fees | -- | -- | -- |
| Interest expense | (2,292) | -- | (14,289) |
| Miscellaneous revenue | -- | -- | 24 |
| Total Non-Operating Revenues (Expenses) | <u>(1,554)</u> | <u>88</u> | <u>238,695</u> |
| Change in Net Position | (116,739) | (15,104) | (15,278) |
| Net Position - Beginning | <u>1,032,030</u> | <u>146,739</u> | <u>2,589,791</u> |
| Net Position - Ending | <u>\$ 915,291</u> | <u>\$ 131,635</u> | <u>\$ 2,574,513</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, 2016

| | CSA #23 Crag View Water | CSA #25 Keswick Water | Shasta Co Transit | Total |
|--|-------------------------------|-----------------------------|----------------------|---------------------|
| Operating Revenues | | | | |
| Charges for services | \$ 44,129 | \$ 70,423 | \$ 193,917 | \$ 1,204,553 |
| Total Operating Revenues | <u>44,129</u> | <u>70,423</u> | <u>193,917</u> | <u>1,204,553</u> |
| Operating Expenses | | | | |
| Services and supplies | 75,265 | 127,812 | 440,708 | 1,704,431 |
| Central service costs | 2,089 | 8,161 | 7,132 | 72,080 |
| Depreciation | 30,976 | 21,364 | -- | 484,700 |
| Total Operating Expenses | <u>108,330</u> | <u>157,337</u> | <u>447,840</u> | <u>2,261,211</u> |
| | | | -- | |
| Operating Income (Loss) | <u>(64,201)</u> | <u>(86,914)</u> | <u>(253,923)</u> | <u>(1,056,658)</u> |
| Non-Operating Revenues (Expenses) | | | | |
| Investment income | 98 | (1,023) | 546 | 3,959 |
| Property tax revenue | 5,441 | 22,931 | -- | 28,372 |
| Non-operating grants | -- | 1,130,349 | -- | 1,382,614 |
| Capital improvement fees | -- | -- | -- | 3,650 |
| Interest expense | -- | -- | -- | (23,569) |
| Miscellaneous revenue | 1,383 | 17,375 | 8,131 | 34,917 |
| Total Non-Operating Revenues (Expenses) | <u>6,922</u> | <u>1,169,632</u> | <u>8,677</u> | <u>1,429,943</u> |
| Change in Net Position | (57,279) | 1,082,718 | (245,246) | 373,285 |
| Net Position - Beginning | <u>1,376,610</u> | <u>825,859</u> | <u>442,974</u> | <u>9,360,438</u> |
| Net Position - Ending | <u>\$ 1,319,331</u> | <u>\$ 1,908,577</u> | <u>197,728</u> | <u>\$ 9,733,723</u> |

COUNTY OF SHASTA

Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Fiscal Year Ended June 30, 2016

| | CSA #2 Sugarloaf Water | CSA #3 Castella Water | CSA # 8 Palo Cedro |
|--|------------------------------|-----------------------------|--------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers | \$ 35,739 | \$ 43,606 | \$ 127,299 |
| Payments to suppliers | (35,297) | (69,281) | (226,070) |
| Operating subsidies and transfers | -- | -- | -- |
| Net Cash Provided (Used) by Operating Activities | <u>442</u> | <u>(25,675)</u> | <u>(98,771)</u> |
| Cash Flows from Non-Capital Financing Activities: | | | |
| Property taxes | -- | -- | -- |
| Other revenue | 24 | -- | 437 |
| Nonoperating subsidies and transfers | 372 | -- | 555 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>396</u> | <u>--</u> | <u>992</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition and construction of capital assets | -- | -- | -- |
| Capital improvement fees | -- | -- | 3,150 |
| Principal payments on capital debt | -- | (2,500) | -- |
| Proceeds from capital-type special assessments | -- | 2,939 | -- |
| Capital grants received | -- | -- | -- |
| Interest payments on capital debt | -- | (7,022) | -- |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>--</u> | <u>(6,583)</u> | <u>3,150</u> |
| Cash Flows from Investing Activities | | | |
| Income on investments | 24 | 295 | 2,355 |
| Net Cash Provided (Used) by Investing Activities | <u>24</u> | <u>295</u> | <u>2,355</u> |
| Net Increase (Decrease) in Cash | 862 | (31,963) | (92,274) |
| Cash and cash equivalents, beginning of year | <u>3,492</u> | <u>76,807</u> | <u>566,488</u> |
| Cash and cash equivalents, end of year | <u>\$ 4,354</u> | <u>\$ 44,844</u> | <u>\$ 474,214</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | (6,866) | (70,539) | (189,865) |
| Adjustments to reconcile net operating income to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 4,658 | 41,199 | 95,778 |
| Changes in assets and liabilities: | | | |
| Receivables, net | (41) | 1,389 | 1,288 |
| Due from other funds | (4,885) | -- | (27,388) |
| Due from other governments | -- | -- | -- |
| Other assets | -- | -- | -- |
| Accounts payable | 341 | (744) | (2,714) |
| Due to other funds | 7,235 | 3,020 | 24,130 |
| Due to other governments | -- | -- | -- |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 442</u> | <u>\$ (25,675)</u> | <u>\$ (98,771)</u> |

continued

COUNTY OF SHASTA

Combining Statement of Cash Flows (continued)
 Non-Major Enterprise Funds
 For the Fiscal Year Ended June 30, 2016

| | CSA #11 French Gulch | CSA #13 Alpine Meadows | CSA # 17 Cotton- wood |
|--|----------------------------|------------------------------|-----------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers | \$ (6,204) | \$ 32,920 | \$ 590,343 |
| Payments to suppliers | (73,389) | (31,412) | (515,694) |
| Operating subsidies and transfers | -- | -- | |
| Net Cash Provided (Used) by Operating Activities | <u>(79,593)</u> | <u>1,508</u> | <u>74,649</u> |
| Cash Flows from Non-Capital Financing Activities: | | | |
| Property taxes | -- | -- | -- |
| Other revenue | -- | -- | 24 |
| Nonoperating subsidies and transfers | -- | (1,667) | (21,702) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>--</u> | <u>(1,667)</u> | <u>(21,678)</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition and construction of capital assets | -- | -- | (216,218) |
| Capital improvement fees | -- | -- | -- |
| Principal payments on capital debt | (103,896) | -- | -- |
| Proceeds from capital-type special assessments | 103,896 | -- | -- |
| Capital grants received | -- | -- | -- |
| Interest payments on capital debt | (3,465) | -- | (14,289) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(3,465)</u> | <u>--</u> | <u>(230,507)</u> |
| Cash Flows from Investing Activities | | | |
| Income on investments | 738 | 89 | 695 |
| Net Cash Provided (Used) by Investing Activities | <u>738</u> | <u>89</u> | <u>695</u> |
| Net Increase (Decrease) in Cash | (82,320) | (70) | (176,841) |
| Cash and cash equivalents, beginning of year | 184,686 | 17,528 | 176,841 |
| Cash and cash equivalents, end of year | <u>\$ 102,366</u> | <u>\$ 17,458</u> | <u>\$ --</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$ (115,185) | \$ (15,192) | \$ (253,973) |
| 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 | (1,414) | 759 | 37,785 |
| Due from other funds | (11,733) | (3,904) | (64,231) |
| Due from other governments | -- | -- | -- |
| Other assets | -- | -- | -- |
| Accounts payable | (193) | 9,332 | (21,805) |
| Due to other funds | 5,876 | 3,443 | 136,274 |
| Due to other governments | -- | -- | -- |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (79,593)</u> | <u>\$ 1,508</u> | <u>\$ 74,649</u> |

continued

COUNTY OF SHASTA

Combining Statement of Cash Flows (continued)
 Non-Major Enterprise Funds
 For the Fiscal Year Ended June 30, 2016

| | CSA #23 Crag View Water | CSA #25 Keswick Water | Shasta Co Transit | Total |
|--|-------------------------------|-----------------------------|----------------------|---------------------|
| Cash Flows from Operating Activities | | | | |
| Receipts from customers | \$ 43,075 | \$ 428,329 | \$ 193,917 | \$ 1,489,024 |
| Payments to suppliers | (83,700) | (521,654) | (424,487) | (1,980,984) |
| Operating subsidies and transfers | 4,135 | -- | -- | 4,135 |
| Net Cash Provided (Used) by Operating Activities | <u>(36,490)</u> | <u>(93,325)</u> | <u>(230,570)</u> | <u>(487,825)</u> |
| Cash Flows from Non-Capital Financing Activities: | | | | |
| Property taxes | 5,441 | 22,931 | -- | 28,372 |
| Other revenue | 100 | 17,375 | 8,131 | 26,091 |
| Nonoperating subsidies and transfers | -- | -- | -- | (22,442) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>5,541</u> | <u>40,306</u> | <u>8,131</u> | <u>32,021</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Acquisition and construction of capital assets | -- | (1,076,075) | -- | (1,292,293) |
| Capital improvement fees | -- | -- | -- | 3,150 |
| Principal payments on capital debt | (13,727) | -- | -- | (120,123) |
| Proceeds from capital-type special assessments | 15,010 | -- | -- | 121,845 |
| Capital grants received | -- | 1,130,117 | 289,027 | 1,419,144 |
| Interest payments on capital debt | -- | -- | -- | (24,776) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>1,283</u> | <u>54,042</u> | <u>289,027</u> | <u>106,947</u> |
| Cash Flows from Investing Activities | | | | |
| Income on investments | 99 | (1,023) | 546 | 3,818 |
| Net Cash Provided (Used) by Investing Activities | <u>99</u> | <u>(1,023)</u> | <u>546</u> | <u>3,818</u> |
| Net Increase (Decrease) in Cash | (29,567) | -- | 67,134 | (345,039) |
| Cash and cash equivalents, beginning of year | 43,706 | -- | 137,326 | 1,206,874 |
| Cash and cash equivalents, end of year | <u>\$ 14,139</u> | <u>\$ --</u> | <u>\$ 204,460</u> | <u>\$ 861,835</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | |
| Operating income (loss) | \$ (64,201) | \$ (86,914) | \$ (253,923) | \$ (1,056,658) |
| Adjustments to reconcile net operating income to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 30,976 | 21,364 | -- | 484,700 |
| Changes in assets and liabilities: | | | | |
| Receivables, net | (1,559) | (1,883) | -- | 36,324 |
| Due from other funds | (7,272) | (6,721) | -- | (126,134) |
| Due from other governments | -- | 359,789 | -- | 359,789 |
| Other assets | 1,666 | -- | -- | 1,666 |
| Accounts payable | (844) | (143,380) | -- | (160,007) |
| Due to other funds | 4,744 | (237,444) | -- | (52,722) |
| Due to other governments | -- | 1,864 | 23,353 | 25,217 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (36,490)</u> | <u>\$ (93,325)</u> | <u>\$ (230,570)</u> | <u>\$ (487,825)</u> |



INTERNAL SERVICE FUNDS



COUNTY OF SHASTA

Combining Statement of Net Position
Internal Service Funds
June 30, 2016

| | <u>Fleet Management</u> | <u>Risk Management</u> | <u>Information Systems</u> |
|-------------------------------------|-----------------------------|----------------------------|--------------------------------|
| Assets | | | |
| Current Assets: | | | |
| Cash and investments | \$ 4,738,054 | \$ 21,064,771 | \$ 2,174,427 |
| Receivables, net | 7,298 | 6,205 | 5,510 |
| Due from other governments | -- | 409 | 6,608 |
| Inventories | 54,821 | -- | -- |
| Due from other funds | 15,469 | 174 | 349 |
| Other assets | 39 | 850 | 150,895 |
| Total current assets | <u>4,815,681</u> | <u>21,072,409</u> | <u>2,337,789</u> |
| Noncurrent Assets: | | | |
| Advances to other funds | -- | 335,512 | -- |
| Capital assets, non-depreciable | 55,375 | -- | 153,761 |
| Capital assets, depreciable -net | 2,047,584 | -- | 466,794 |
| Total noncurrent assets | <u>2,102,959</u> | <u>335,512</u> | <u>620,555</u> |
| Total Assets | <u>6,918,640</u> | <u>21,407,921</u> | <u>2,958,344</u> |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 37,013 | 188,935 | 127,379 |
| Salaries and benefits payable | 24,643 | 43,635 | 206,326 |
| Due to other governments | -- | -- | -- |
| Due to other funds | 2,368 | 14,713 | 22,040 |
| Claims payable | -- | 3,695,806 | -- |
| Compensated absences payable | 12,365 | 40,342 | 141,052 |
| Total current liabilities | <u>76,389</u> | <u>3,983,431</u> | <u>496,797</u> |
| Noncurrent Liabilities: | | | |
| Claims payable | -- | 16,657,194 | -- |
| Compensated absences payable | 10,662 | 34,787 | 121,629 |
| Total noncurrent liabilities | <u>10,662</u> | <u>16,691,981</u> | <u>121,629</u> |
| Total Liabilities | <u>87,051</u> | <u>20,675,412</u> | <u>618,426</u> |
| Net Position | | | |
| Net investment in capital assets | 2,102,959 | -- | 620,555 |
| Unrestricted | 4,728,630 | 732,509 | 1,719,363 |
| Total Net Position | <u>\$ 6,831,589</u> | <u>\$ 732,509</u> | <u>\$ 2,339,918</u> |

continued

COUNTY OF SHASTA

Combining Statement of Net Position (continued)
Internal Service Funds
June 30, 2016

| | <u>Facilities Management</u> | <u>County Utilities</u> | <u>Total</u> |
|----------------------------------|----------------------------------|-----------------------------|----------------------|
| Assets | | | |
| Current Assets: | | | |
| Cash and investments | \$ 509,454 | \$ 170,906 | \$ 28,657,612 |
| Receivables, net | -- | -- | 19,013 |
| Due from other governments | -- | -- | 7,017 |
| Inventories | 44,159 | -- | 98,980 |
| Due from other funds | 366,311 | 231,103 | 613,406 |
| Other assets | -- | -- | 151,784 |
| Total current assets | <u>919,924</u> | <u>402,009</u> | <u>29,547,812</u> |
| Noncurrent Assets: | | | |
| Advances to other funds | -- | -- | 335,512 |
| Capital assets, non-depreciable | -- | -- | 209,136 |
| Capital assets, depreciable -net | 190,267 | -- | 2,704,645 |
| Total noncurrent assets | <u>190,267</u> | <u>--</u> | <u>3,249,293</u> |
| Total Assets | <u>1,110,191</u> | <u>402,009</u> | <u>32,797,105</u> |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 64,359 | 315 | 418,001 |
| Salaries and benefits payable | 131,363 | -- | 405,967 |
| Due to other governments | 1,292 | 130,293 | 131,585 |
| Due to other funds | 1,360 | -- | 40,481 |
| Claims payable | -- | -- | 3,695,806 |
| Compensated absences payable | 82,849 | -- | 276,608 |
| Total current liabilities | <u>281,223</u> | <u>130,608</u> | <u>4,968,448</u> |
| Noncurrent Liabilities: | | | |
| Claims payable | -- | -- | 16,657,194 |
| Compensated absences payable | 71,441 | -- | 238,519 |
| Total noncurrent liabilities | <u>71,441</u> | <u>--</u> | <u>16,895,713</u> |
| Total Liabilities | <u>352,664</u> | <u>130,608</u> | <u>21,864,161</u> |
| Net Position | | | |
| Net investment in capital assets | 190,267 | -- | 2,913,781 |
| Unrestricted | 567,260 | 271,401 | 8,019,163 |
| Total Net Position | <u>\$ 757,527</u> | <u>\$ 271,401</u> | <u>\$ 10,932,944</u> |

COUNTY OF SHASTA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2016

| | <u>Fleet Management</u> | <u>Risk Management</u> | <u>Information Systems</u> |
|--|-----------------------------|----------------------------|--------------------------------|
| Operating Revenues | | | |
| Charges for services | \$ 1,754,871 | \$ 9,004,495 | \$ 5,892,494 |
| Total Operating Revenues | <u>1,754,871</u> | <u>9,004,495</u> | <u>5,892,494</u> |
| Operating Expenses | | | |
| Salaries and benefits | 469,918 | 881,308 | 4,051,051 |
| Services and supplies | 510,010 | 1,111,898 | 1,482,763 |
| Central service costs | 94,050 | 131,351 | 312,380 |
| Insurance premiums | -- | 1,902,377 | -- |
| Claims expense | -- | 4,392,652 | -- |
| Depreciation | 493,269 | -- | 173,143 |
| Total Operating Expenses | <u>1,567,247</u> | <u>8,419,586</u> | <u>6,019,337</u> |
| Operating Income (Loss) | <u>187,624</u> | <u>584,909</u> | <u>(126,843)</u> |
| Non-Operating Revenues (Expenses) | | | |
| Investment income (loss) | 21,881 | 105,099 | 9,752 |
| Miscellaneous revenue | 25,009 | 1,421,529 | 74,653 |
| Miscellaneous expense | -- | (90) | -- |
| Gain (loss) on disposition of capital assets | (12,842) | 32 | 8,176 |
| Total Non-Operating Revenues (Expenses) | <u>34,048</u> | <u>1,526,570</u> | <u>92,581</u> |
| Net Income (Loss) Before Transfers | 221,672 | 2,111,479 | (34,262) |
| Transfers out | -- | (51,557) | -- |
| Change in Net Position | 221,672 | 2,059,922 | (34,262) |
| Net Position - Beginning | <u>6,609,917</u> | <u>(1,327,413)</u> | <u>2,374,180</u> |
| Net Position - Ending | <u>\$ 6,831,589</u> | <u>\$ 732,509</u> | <u>\$ 2,339,918</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, 2016

| | <u>Facilities Management</u> | <u>County Utilities</u> | <u>Total</u> |
|--|----------------------------------|-----------------------------|----------------------|
| Operating Revenues | | | |
| Charges for services | \$ 3,644,930 | \$ 1,387,796 | \$ 21,684,586 |
| Total Operating Revenues | <u>3,644,930</u> | <u>1,387,796</u> | <u>21,684,586</u> |
| Operating Expenses | | | |
| Salaries and benefits | 2,460,386 | -- | 7,862,663 |
| Services and supplies | 1,273,857 | 1,335,915 | 5,714,443 |
| Central service costs | 111,842 | -- | 649,623 |
| Insurance premiums | -- | -- | 1,902,377 |
| Claims expense | -- | -- | 4,392,652 |
| Depreciation | 32,471 | -- | 698,883 |
| Total Operating Expenses | <u>3,878,556</u> | <u>1,335,915</u> | <u>21,220,641</u> |
| Operating Income (Loss) | <u>(233,626)</u> | <u>51,881</u> | <u>463,945</u> |
| Non-Operating Revenues (Expenses) | | | |
| Investment income (loss) | 2,349 | 1,487 | 140,568 |
| Miscellaneous revenue | 280 | -- | 1,521,471 |
| Miscellaneous expense | -- | (211,208) | (211,298) |
| Gain (loss) on disposition of capital assets | 5,300 | -- | 666 |
| Total Non-Operating Revenues (Expenses) | <u>7,929</u> | <u>(209,721)</u> | <u>1,451,407</u> |
| Net Income (Loss) Before Transfers | <u>(225,697)</u> | <u>(157,840)</u> | <u>1,915,352</u> |
| Transfers out | -- | (51,784) | (103,341) |
| Change in Net Position | <u>(225,697)</u> | <u>(209,624)</u> | <u>1,812,011</u> |
| Net Position - Beginning | <u>983,224</u> | <u>481,025</u> | <u>9,120,933</u> |
| Net Position - Ending | <u>\$ 757,527</u> | <u>\$ 271,401</u> | <u>\$ 10,932,944</u> |

COUNTY OF SHASTA

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016

| | Fleet Management | Risk Management | Information Systems |
|--|---------------------|----------------------|------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers | \$ 1,780,232 | \$ 8,636,922 | \$ 5,772,163 |
| Receipts from internal customers | 83,292 | 389,791 | 119,927 |
| Payments to suppliers | (614,256) | (3,273,328) | (1,711,200) |
| Payments to employees | (457,838) | (863,263) | (4,022,581) |
| Claims paid | -- | (4,520,652) | -- |
| Net Cash Provided (Used) by Operating Activities | <u>791,430</u> | <u>369,470</u> | <u>158,309</u> |
| Cash Flows from Non-Capital Financing Activities: | | | |
| Other revenue | 25,009 | 1,421,439 | 74,652 |
| Payment of refund to participants | -- | -- | -- |
| Operating subsidies and transfers out | -- | (30,230) | -- |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>25,009</u> | <u>1,391,209</u> | <u>74,652</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition and construction of capital assets | (564,262) | -- | (216,051) |
| Proceeds from sale of capital assets | -- | 33 | -- |
| Cash Flows from Capital and Related and Related Financing Activities | <u>(564,262)</u> | <u>33</u> | <u>(216,051)</u> |
| Cash Flows from Investing Activities | | | |
| Interest on investments | 21,881 | 105,098 | 9,753 |
| Net Increase (Decrease) in Cash | 274,058 | 1,865,810 | 26,663 |
| Cash at Beginning of Year | <u>4,463,996</u> | <u>19,198,961</u> | <u>2,147,764</u> |
| Cash at End of Year | <u>\$ 4,738,054</u> | <u>\$ 21,064,771</u> | <u>\$ 2,174,427</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$ 187,624 | \$ 584,909 | \$ (126,843) |
| Adjustments to reconcile net operating income to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 493,269 | -- | 173,143 |
| Changes in assets and liabilities: | | | |
| Receivables, net | (7,078) | 11,503 | (5,295) |
| Due from other funds | 238,089 | (174) | 5,175 |
| Due from other governments | -- | 10,889 | (284) |
| Inventories | (8,854) | -- | -- |
| Other assets | -- | 830 | (40,738) |
| Accounts payable | (1,342) | (138,815) | 114,781 |
| Salaries and benefits payable | 4,620 | 6,709 | 35,372 |
| Due to other funds | (122,358) | 10,283 | 9,900 |
| Claims payable | -- | (128,000) | -- |
| Due to other governments | -- | -- | -- |
| Compensated absences payable | 7,460 | 11,336 | (6,902) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 791,430</u> | <u>\$ 369,470</u> | <u>\$ 158,309</u> |

continued

COUNTY OF SHASTA

Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Year Ended June 30, 2016

| | Facilities Management | Shasta County Utilities | Total |
|--|--------------------------|----------------------------|----------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers | \$ 3,159,130 | \$ 1,288,713 | \$ 20,637,160 |
| Receipts from internal customers | 125,741 | 82,857 | 801,608 |
| Payments to suppliers | (1,354,736) | (1,427,546) | (8,381,066) |
| Payments to employees | (2,436,583) | -- | (7,780,265) |
| Claims paid | -- | -- | (4,520,652) |
| Net Cash Provided (Used) by Operating Activities | <u>(506,448)</u> | <u>(55,976)</u> | <u>756,785</u> |
| Cash Flows from Non-Capital Financing Activities: | | | |
| Other revenue | 280 | -- | 1,521,380 |
| Payment of refund to participants | -- | (211,207) | (211,207) |
| Operating subsidies and transfers out | -- | (51,784) | (82,014) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>280</u> | <u>(262,991)</u> | <u>1,228,159</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition and construction of capital assets | (53,251) | -- | (833,564) |
| Proceeds from sale of capital assets | -- | -- | 33 |
| Cash Flows from Capital and Related and Related Financing Activities | <u>(53,251)</u> | <u>--</u> | <u>(833,531)</u> |
| Cash Flows from Investing Activities | | | |
| Income on investments | 2,349 | 1,487 | 140,568 |
| Net Increase (Decrease) in Cash | <u>(557,070)</u> | <u>(317,480)</u> | <u>1,291,981</u> |
| Cash at Beginning of Year | <u>1,066,524</u> | <u>488,386</u> | <u>27,365,631</u> |
| Cash at End of Year | <u>\$ 509,454</u> | <u>\$ 170,906</u> | <u>\$ 28,657,612</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$ (233,626) | \$ 51,881 | \$ 463,945 |
| Adjustments to reconcile net operating income to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 32,471 | -- | 698,883 |
| Changes in assets and liabilities: | | | |
| Receivables, net | 350 | -- | (520) |
| Due from other funds | (360,409) | (16,226) | (133,545) |
| Due from other governments | -- | -- | 10,605 |
| Inventories | 1,952 | -- | (6,902) |
| Other assets | 40 | -- | (39,868) |
| Accounts payable | 30,462 | (6,753) | (1,667) |
| Salaries and benefits payable | 26,727 | -- | 73,428 |
| Due to other funds | (539) | -- | (102,714) |
| Claims payable | -- | -- | (128,000) |
| Due to other governments | (912) | (84,878) | (85,790) |
| Compensated absences payable | (2,964) | -- | 8,930 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (506,448)</u> | <u>\$ (55,976)</u> | <u>\$ 756,785</u> |

TRUST AND AGENCY FUNDS



COUNTY OF SHASTA

Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2016

| | <u>Schools Districts</u> | <u>Special Districts</u> | <u>Total</u> |
|--|------------------------------|------------------------------|-----------------------|
| Assets | | | |
| Cash and investments | \$ 171,425,750 | \$ 9,998,642 | \$ 181,424,392 |
| Accounts receivable, net | -- | 221,090 | 221,090 |
| Due from other governments | -- | 25,017 | 25,017 |
| Due from other funds | -- | 183,857 | 183,857 |
| Total Assets | <u>171,425,750</u> | <u>10,428,606</u> | <u>181,854,356</u> |
| Liabilities | | | |
| Due to other funds | -- | 741 | 741 |
| Due to other governments | -- | 136,164 | 136,164 |
| Total Liabilities | <u>--</u> | <u>136,905</u> | <u>136,905</u> |
| Net Position | | | |
| Net position held in trust for investment pool participants | 171,425,750 | 10,291,701 | 181,717,451 |
| Total Net Position | <u>\$ 171,425,750</u> | <u>\$ 10,291,701</u> | <u>\$ 181,717,451</u> |

COUNTY OF SHASTA

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the year ended June 30, 2016

| | <u>Schools Districts</u> | <u>Special Districts</u> | <u>Total</u> |
|-------------------------------------|------------------------------|------------------------------|------------------------------|
| Additions | | | |
| Contributions to investment pool | \$ 456,644,539 | \$ 16,706,995 | \$ 473,351,534 |
| Deductions | | | |
| Distributions from investment pool | <u>447,742,050</u> | <u>16,025,717</u> | <u>463,767,767</u> |
| Change in Net Position | 8,902,489 | 681,278 | 9,583,767 |
| Net Position, Beginning | <u>162,523,261</u> | <u>9,610,423</u> | <u>172,133,684</u> |
| Net Position, Ending of Year | <u><u>\$ 171,425,750</u></u> | <u><u>\$ 10,291,701</u></u> | <u><u>\$ 181,717,451</u></u> |

COUNTY OF SHASTA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

| | <u>Balance</u> <u>July 1, 2015</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>June 30, 2016</u> |
|------------------------------|---------------------------------------|----------------------|----------------------|--|
| Clearing and revolving funds | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 29,532,194 | \$510,350,730 | \$509,785,703 | \$ 30,097,221 |
| Accounts receivable, net | 604,050 | 781,800 | 606,687 | 779,163 |
| Taxes receivable, net | 14,045,261 | 13,282,569 | 14,045,261 | 13,282,569 |
| Due from other governments | 57,978 | 138,718 | 57,978 | 138,718 |
| Due from other funds | 556,143 | 518,211 | 556,143 | 518,211 |
| Total assets | <u>\$ 44,795,626</u> | <u>\$525,072,028</u> | <u>\$525,051,772</u> | <u>\$ 44,815,882</u> |
| Liabilities: | | | | |
| Due to other funds | \$ 3,776,910 | \$ 3,753,960 | \$ 3,776,910 | \$ 3,753,960 |
| Due to other governments | 8,948,994 | 99,302,560 | 100,393,911 | 7,857,643 |
| Taxes due to other funds | 13,686,707 | 235,874,043 | 236,494,801 | 13,065,949 |
| Agency funds liabilities | 18,383,015 | 186,141,465 | 184,386,150 | 20,138,330 |
| Total liabilities | <u>\$ 44,795,626</u> | <u>\$525,072,028</u> | <u>\$525,051,772</u> | <u>\$ 44,815,882</u> |



STATISTICAL SECTION



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

| | Fiscal Year | | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 | 2015-2016 |
| Governmental Activities | | | | | | | | | | |
| Invested in Capital Assets, net of related debt | 77,297 | 83,659 | 78,476 | 90,282 | 92,541 | 95,467 | 106,550 | 113,574 | 116,639 | 124,597 |
| Restricted | 58,777 | 63,512 | 61,915 | 56,759 | 74,976 | 74,693 | 78,246 | 88,525 | 96,135 | 111,411 |
| Unrestricted | 62,292 | 71,133 | 60,953 | 64,130 | 53,116 | 39,196 | 28,138 | 29,212 | (145,460) | (157,186) |
| Total governmental activities net position | 198,365 | 218,304 | 201,344 | 211,171 | 220,633 | 209,356 | 212,934 | 231,311 | 67,313 | 78,822 |
| Business-type activities | | | | | | | | | | |
| Invested in Capital Assets, net of related debt | 23,682 | 25,841 | 27,908 | 26,665 | 29,658 | 33,010 | 35,730 | 35,823 | 35,756 | 36,467 |
| Restricted | 150 | 70 | 665 | 665 | 2 | 2 | 0 | 0 | 0 | 0 |
| Unrestricted | 2,278 | 2,297 | 8,658 | 9,708 | 9,134 | 8,281 | 11,475 | 11,211 | 17,945 | 17,942 |
| Total business-type activities net position | 26,110 | 28,208 | 37,232 | 37,039 | 38,794 | 41,294 | 47,205 | 47,034 | 53,701 | 54,408 |
| Total Primary Government | | | | | | | | | | |
| Invested in Capital Assets, net of related debt | 100,979 | 109,500 | 106,384 | 116,947 | 122,199 | 128,477 | 142,279 | 149,397 | 152,395 | 161,064 |
| Restricted | 58,927 | 63,582 | 62,580 | 57,425 | 74,978 | 74,695 | 78,246 | 88,525 | 96,135 | 111,411 |
| Unrestricted | 64,570 | 73,430 | 69,611 | 73,838 | 62,250 | 47,478 | 39,613 | 40,422 | (127,516) | (139,244) |
| Total primary government net position | 224,476 | 246,512 | 238,575 | 248,210 | 259,427 | 250,650 | 260,139 | 278,345 | 121,014 | 133,231 |

Notes:

Source - Statement of Net Assets for FY 2006-2007 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)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General government | 19,982 | 15,036 | 8,000 | 8,658 | 9,194 | 11,147 | 13,452 | 11,213 | 11,766 | 12,436 |
| Public protection | 74,423 | 84,215 | 83,197 | 77,730 | 74,255 | 78,107 | 85,761 | 83,041 | 91,500 | 89,979 |
| Public ways and facilities | 16,385 | 17,191 | 17,868 | 17,705 | 17,138 | 18,988 | 19,421 | 18,562 | 20,528 | 16,446 |
| Health and sanitation | 52,807 | 55,316 | 54,292 | 52,409 | 54,210 | 51,144 | 53,094 | 48,413 | 52,320 | 51,316 |
| Public assistance | 84,029 | 89,550 | 94,472 | 95,392 | 95,160 | 99,455 | 98,470 | 99,329 | 108,537 | 109,581 |
| Education | 1,596 | 1,725 | 1,440 | 1,392 | 1,421 | 1,445 | 1,489 | 1,571 | 1,598 | 1,510 |
| Recreation | 201 | 245 | 331 | 121 | 118 | 91 | 162 | 140 | 159 | 142 |
| Interest and fiscal charges | 2,807 | 2,576 | 2,505 | 2,429 | 2,367 | 2,308 | 1,927 | 1,223 | 1,109 | 1,042 |
| Total Governmental Activities Expenses | 252,231 | 265,853 | 262,104 | 255,836 | 253,863 | 262,685 | 273,776 | 263,493 | 287,515 | 282,451 |
| Business-type Activities Expenses | | | | | | | | | | |
| Airport | 91 | 99 | 111 | 80 | 78 | 94 | 89 | 98 | 149 | 322 |
| Solid Waste | 2,561 | 875 | 1,470 | 2,404 | 804 | 1,074 | 1,005 | 1,926 | 1,676 | 1,842 |
| Landfill | 994 | 978 | 509 | 522 | 506 | 513 | 1,214 | 722 | (1,840) | 578 |
| County Service Areas | 1,692 | 1,648 | 1,760 | 1,763 | 1,867 | 1,830 | 1,809 | 2,731 | 2,227 | 2,290 |
| Shasta County Transit | 0 | 0 | 0 | 0 | 0 | 0 | 335 | 420 | 405 | 441 |
| Total Business-type Activities Expenses | 5,338 | 3,600 | 3,849 | 4,768 | 3,254 | 3,511 | 4,451 | 5,897 | 2,618 | 5,473 |
| Total Primary Government Expenses | 257,569 | 269,453 | 265,953 | 260,605 | 257,117 | 266,196 | 278,227 | 269,390 | 290,133 | 287,923 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Fees, Fines, Charges for Services | | | | | | | | | | |
| General government | 5,438 | 6,636 | 5,325 | 5,942 | 5,610 | 6,390 | 5,500 | 12,574 | 5,655 | 5,033 |
| Public protection | 14,893 | 15,318 | 16,276 | 17,476 | 13,455 | 12,670 | 13,361 | 12,733 | 15,128 | 13,933 |
| Public ways and facilities | 2,048 | 1,917 | 1,752 | 2,201 | 1,205 | 1,260 | 1,278 | 1,845 | 1,733 | 1,317 |
| Health and sanitation | 3,637 | 2,820 | 3,103 | 3,269 | 3,163 | 3,377 | 3,287 | 3,226 | 3,233 | 2,974 |
| Public assistance | 2,906 | 3,076 | 3,070 | 2,662 | 2,400 | 2,392 | 2,193 | 2,423 | 2,366 | 2,476 |
| Education | 45 | 33 | 26 | 23 | 22 | 21 | 25 | 28 | 27 | 26 |
| Recreation | 3 | 2 | 3 | 2 | 5 | 4 | 5 | 5 | 8 | 6 |
| Interest and fiscal charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Grants and Contributions | | | | | | | | | | |
| General Government | 4,397 | 1,700 | 2,051 | 1,510 | 2,968 | 3,767 | 1,056 | 1,334 | 516 | 1,441 |
| Public Protection | 32,558 | 33,012 | 28,972 | 32,968 | 29,077 | 30,825 | 37,760 | 37,958 | 37,675 | 40,440 |
| Public ways and facilities | 8,576 | 12,574 | 8,884 | 12,871 | 11,970 | 5,066 | 3,930 | 4,667 | 3,731 | 6,526 |
| Health and sanitation | 37,389 | 36,314 | 38,039 | 37,390 | 43,787 | 41,654 | 47,439 | 45,531 | 47,881 | 48,365 |
| Public assistance | 76,663 | 84,322 | 80,956 | 84,589 | 85,246 | 86,272 | 91,763 | 92,408 | 93,663 | 98,280 |
| Education | 294 | 73 | 6 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Recreation | 1 | 83 | 185 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Grants and Contributions | | | | | | | | | | |
| General government | 3,178 | 548 | 644 | 1,750 | 404 | 1,577 | 10,627 | 2,967 | 0 | 2,122 |
| Public protection | 651 | 578 | 10,768 | 12 | 22 | 4 | 80 | 48 | 95 | 16 |
| Public ways and facilities | 3,885 | 8,359 | 1 | 3,024 | 2,874 | 1,787 | 3,365 | 6,013 | 2,940 | 1,993 |
| Health and sanitation | 0 | 0 | 385 | 0 | 75 | 0 | 0 | 10 | 36 | 0 |
| Public assistance | 0 | 0 | 0 | 267 | 171 | 84 | 101 | 146 | 10 | 41 |
| Recreation | 0 | 0 | 0 | 7 | 27 | 0 | 0 | 0 | 0 | 0 |
| Total Governmental Activities | 196,563 | 207,363 | 200,446 | 205,968 | 202,480 | 197,150 | 221,771 | 223,916 | 214,698 | 224,990 |

Source: Statement of Activities

(continued)

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Business-type Activities | | | | | | | | | | |
| Fees, Fines, Charges for Services | | | | | | | | | | |
| Airport | 451 | 83 | 95 | 78 | 73 | 61 | 71 | 75 | 58 | 52 |
| Solid Waste | 1,066 | 1,634 | 1,177 | 1,242 | 939 | 840 | 1,245 | 2,147 | 2,041 | 1,066 |
| Landfill | 2,026 | 1,937 | 1,739 | 1,789 | 2,054 | 1,405 | 2,652 | 549 | 955 | 2,113 |
| Shasta County Transit | 0 | 0 | 0 | 0 | 0 | 0 | 507 | 22 | 21 | 23 |
| County Service Areas | 1,018 | 1,161 | 1,362 | 1,154 | 1,155 | 1,281 | 1,392 | 1,293 | 1,354 | 1,195 |
| Operating Grants and Contributions | | | | | | | | | | |
| Airport | 10 | 0 | 10 | 0 | 20 | 10 | 10 | 10 | 10 | 10 |
| Solid Waste | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| Landfill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shasta County Transit | | | | | | | | 471 | 335 | 170 |
| County Service Areas | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 524 | 1,383 |
| Capital Grants and Contributions | | | | | | | | | | |
| Airport | 5,386 | 1,627 | 1,171 | 148 | 108 | 117 | 375 | 168 | 23 | 0 |
| County Service Areas | 166 | 43 | 561 | 66 | 549 | 2,202 | 3,922 | 389 | 337 | 43 |
| Total Business-type Activities Revenue: | 10,124 | 6,484 | 6,116 | 4,477 | 4,897 | 5,916 | 10,174 | 5,124 | 5,658 | 6,063 |
| Total Primary Government Revenues | 206,687 | 213,847 | 206,562 | 210,445 | 207,378 | 203,066 | 231,945 | 229,040 | 220,356 | 231,053 |
| Net (Expense)/Revenues | | | | | | | | | | |
| Governmental Activities | (55,668) | (58,489) | (61,658) | (49,869) | (51,383) | (65,535) | (52,005) | (39,577) | (72,817) | (63,532) |
| Business-Type Activities | 4,786 | 2,884 | 2,267 | (291) | 1,644 | 2,405 | 5,723 | (773) | 3,040 | 461 |
| Total Primary Government net expense: | (50,882) | (55,605) | (59,391) | (50,160) | (49,739) | (63,130) | (46,281) | (40,349) | (69,777) | (63,072) |

General Revenue and Other Changes in Net Position

| | | | | | | | | | | |
|---------------------------------|--------|--------|----------|--------|--------|---------|--------|--------|--------|--------|
| Governmental Activities | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes | 25,041 | 26,853 | 24,583 | 25,177 | 22,584 | 22,568 | 28,123 | 26,100 | 26,176 | 27,127 |
| Sales and use taxes | 2,696 | 2,512 | 2,382 | 2,226 | 2,515 | 2,793 | 3,657 | 2,833 | 2,700 | 2,922 |
| Other Taxes | 23,995 | 24,046 | 26,598 | 24,921 | 28,192 | 29,512 | 28,641 | 30,265 | 31,013 | 29,562 |
| Motor Vehicles in-lieu | 12,155 | 12,889 | 11,349 | 10,969 | 9,396 | 632 | 637 | 613 | 603 | 602 |
| Interest and investment income | 6,615 | 5,974 | 3,059 | 1,127 | 1,199 | 1,017 | 523 | 758 | 1,535 | 1,671 |
| Miscellaneous | 2,123 | 3,145 | 3,659 | 3,335 | 4,000 | 3,802 | 4,189 | 3,876 | 18,630 | 8,919 |
| Transfers | 0 | 0 | (17,585) | 0 | 0 | 0 | 107 | 100 | 0 | 0 |
| Total Governmental Actives | 72,624 | 75,420 | 54,046 | 67,754 | 67,885 | 60,323 | 65,877 | 64,545 | 80,658 | 70,803 |
| Business-type Activities | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes | 33 | 0 | 29 | 29 | 23 | 29 | 27 | 27 | 27 | 28 |
| Interest and investment income | 747 | 593 | 358 | 128 | 135 | 112 | 53 | 89 | 112 | 114 |
| Miscellaneous | 1 | 105 | 4 | 5 | 5 | 7 | 31 | 654 | 3,489 | 104 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | (107) | (100) | 0 | 0 |
| Change in estimate | 0 | 0 | 6,210 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business-type Activities | 781 | 698 | 6,601 | 162 | 163 | 148 | 3 | 669 | 3,627 | 247 |
| Total Primary Government | 73,405 | 76,118 | 60,647 | 67,916 | 68,048 | 60,471 | 65,880 | 65,214 | 84,285 | 71,050 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | 16,956 | 16,930 | (7,612) | 17,886 | 16,502 | (5,211) | 13,873 | 24,968 | 7,841 | 7,270 |
| Business-Type Activities | 5,567 | 3,582 | 8,868 | (129) | 1,806 | 2,553 | 5,726 | (103) | 6,667 | 708 |
| Total Primary Government | 22,523 | 20,512 | 1,256 | 17,757 | 18,309 | (2,658) | 19,599 | 24,865 | 14,508 | 7,978 |

Notes:

Source - Statement of Activities

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

| | Fiscal Year | | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| General Fund | | | | | | |
| Reserved | 10,378 | 11,289 | 10,383 | 7,884 | | |
| Unreserved | 37,022 | 43,018 | 42,859 | 51,011 | | |
| Total General Fund | <u>47,400</u> | <u>54,307</u> | <u>53,241</u> | <u>58,895</u> | | |
| All Other Governmental Funds | | | | | | |
| Reserved | 6,786 | 11,986 | 18,726 | 16,935 | | |
| Unreserved, reported in: | | | | | | |
| Special Revenue Funds | 28,139 | 32,190 | 28,345 | 30,365 | | |
| Debt Service Funds | 0 | 0 | 6,238 | 1,617 | | |
| Capital Project Funds | 15,400 | 18,232 | 4,673 | 5,828 | | |
| Total all other Governmental Funds | <u>50,324</u> | <u>62,408</u> | <u>57,982</u> | <u>54,745</u> | | |
| | | | | | | |
| | | | | | | |
| General Fund | | | | | | |
| Nonspendable | 33 | 592 | 44 | 74 | 966 | 1,107 |
| Restricted | 9,944 | 12,219 | 12,785 | 13,206 | 17,714 | 20,640 |
| Committed | 0 | 0 | 0 | 0 | 83 | 130 |
| Assigned | 36,744 | 6,173 | 5,176 | 5,783 | 23,627 | 20,773 |
| Unassigned | 16,965 | 50,137 | 56,623 | 65,154 | 54,207 | 56,366 |
| Total General Fund | <u>63,686</u> | <u>69,122</u> | <u>74,629</u> | <u>84,218</u> | <u>96,598</u> | <u>99,016</u> |
| All Other Governmental Funds | | | | | | |
| Nonspendable | 561 | 601 | 869 | 457 | 648 | 425 |
| Restricted | 58,604 | 57,136 | 63,307 | 66,395 | 74,540 | 78,673 |
| Committed | 953 | 842 | 716 | 603 | 2,344 | 1,230 |
| Assigned | 4,768 | 5,426 | 1,214 | 8,322 | 3,825 | 9,206 |
| Unassigned | (135) | 0 | 0 | 0 | 0 | 0 |
| Total all other Governmental Funds | <u>64,752</u> | <u>64,005</u> | <u>66,105</u> | <u>75,776</u> | <u>81,357</u> | <u>89,535</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)

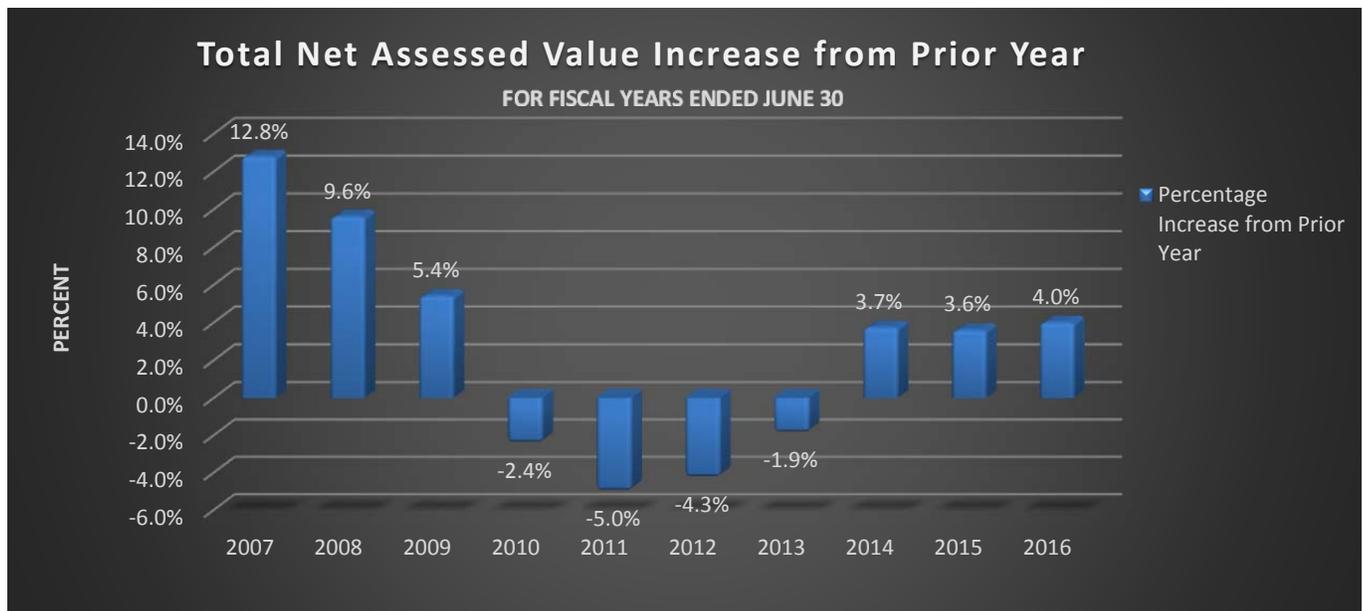
| | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|
| Revenues | | | | | | | | | | |
| Taxes | 64,067 | 65,518 | 49,009 | 48,580 | 47,618 | 47,161 | 49,229 | 49,222 | 49,250 | 52,042 |
| Licenses and permits | 4,088 | 3,688 | 3,293 | 3,550 | 3,076 | 3,061 | 3,285 | 3,780 | 4,063 | 4,258 |
| Fines and forfeitures | 4,774 | 5,006 | 4,170 | 5,324 | 4,556 | 3,885 | 6,011 | 11,764 | 7,116 | 4,894 |
| Use of money and property | 5,864 | 5,228 | 3,238 | 1,495 | 1,458 | 1,257 | 1,027 | 1,071 | 1,570 | 1,784 |
| Intergovernmental | 155,704 | 179,178 | 183,958 | 184,796 | 192,500 | 181,289 | 203,751 | 199,302 | 197,327 | 205,942 |
| Charges for current | 18,628 | 19,307 | 21,386 | 20,232 | 17,428 | 17,754 | 18,049 | 17,646 | 18,022 | 17,582 |
| Miscellaneous revenue | 5,338 | 5,881 | 5,080 | 4,714 | 3,809 | 4,126 | 4,700 | 4,220 | 18,721 | 6,354 |
| Total revenues | <u>258,462</u> | <u>283,806</u> | <u>270,133</u> | <u>268,692</u> | <u>270,445</u> | <u>258,534</u> | <u>286,052</u> | <u>287,004</u> | <u>296,068</u> | <u>292,856</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 20,988 | 16,577 | 7,358 | 11,967 | 9,572 | 10,347 | 22,170 | 12,071 | 11,189 | 15,737 |
| Public protection | 80,903 | 84,572 | 82,920 | 80,083 | 73,930 | 73,364 | 81,199 | 82,144 | 85,713 | 90,402 |
| Public ways and facilities | 85,486 | 89,348 | 29,610 | 21,317 | 18,407 | 18,760 | 18,398 | 21,304 | 18,833 | 14,930 |
| Health and sanitation | 18,872 | 23,900 | 53,879 | 52,097 | 53,596 | 49,005 | 51,568 | 47,894 | 50,858 | 49,768 |
| Public assistance | 55,999 | 55,388 | 93,471 | 94,506 | 94,121 | 96,330 | 95,908 | 98,645 | 105,840 | 107,065 |
| Education | 1,759 | 1,770 | 1,520 | 1,404 | 1,413 | 1,414 | 1,485 | 1,585 | 1,590 | 1,538 |
| Recreation | 204 | 246 | 337 | 122 | 121 | 110 | 176 | 161 | 155 | 141 |
| Debt service | 402 | 281 | 4,385 | 4,404 | 4,396 | 10,296 | 41,270 | 3,899 | 3,771 | 2,961 |
| Total expenditures | <u>264,612</u> | <u>272,081</u> | <u>273,478</u> | <u>265,899</u> | <u>255,556</u> | <u>259,628</u> | <u>312,174</u> | <u>267,703</u> | <u>277,949</u> | <u>282,543</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,149)</u> | <u>11,725</u> | <u>(3,345)</u> | <u>2,793</u> | <u>14,889</u> | <u>(1,094)</u> | <u>(26,122)</u> | <u>19,302</u> | <u>18,119</u> | <u>10,313</u> |
| Other Financing Sources | | | | | | | | | | |
| Premium on long term debt issued | - | - | - | - | - | - | 578 | - | - | - |
| Long term debt issued | - | - | - | - | 389 | 5,458 | 33,505 | - | - | - |
| Transfers in | 35,420 | 28,460 | 41,508 | 42,747 | 30,070 | 32,281 | 37,028 | 40,785 | 32,844 | 46,760 |
| Transfers out | (35,693) | (29,046) | (42,629) | (43,217) | (30,594) | (32,759) | (37,290) | (40,960) | (33,159) | (46,657) |
| Sale of capital assets | 85 | 82 | 153 | 94 | 45 | 803 | 155 | 132 | 157 | 179 |
| Total other financing sources and uses | <u>(188)</u> | <u>(504)</u> | <u>(969)</u> | <u>(377)</u> | <u>(90)</u> | <u>5,783</u> | <u>33,398</u> | <u>(42)</u> | <u>(158)</u> | <u>282</u> |
| Net change in fund balances | <u>(6,338)</u> | <u>11,220</u> | <u>(4,314)</u> | <u>2,416</u> | <u>14,798</u> | <u>4,689</u> | <u>7,276</u> | <u>19,259</u> | <u>17,962</u> | <u>10,595</u> |
| Debt Service as a percentage of non-capital expenditures | 0.16% | 0.11% | 1.70% | 1.74% | 1.76% | 4.06% | 13.88% | 1.52% | 1.39% | 1.09% |

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 |
|-------------|------------|-----------|------------|-------------------------|-------------------------------------|----------|
| 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 |
| 2015 | 14,101,469 | 876,245 | (258,020) | 14,719,694 | 3.6% | 1.0000 |
| 2016 | 14,749,949 | 816,097 | (256,160) | 15,309,886 | 4.0% | 1.0000 |

Source: <http://www.co.shasta.ca.us/docs/Auditor/property-tax-reports/2015-certified-values-by-tax-base.pdf?sfvrsn=2>



*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)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| County Direct Rates | | | | | | | | | |
| GENERAL | 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 | 0.0336 |
| BURNEY WATER BOND | 0.0175 | 0.0088 | 0.0109 | 0.0136 | 0.0072 | 0.0114 | - | - | - |
| CRAGVIEW WATER BOND | 0.0826 | 0.0352 | 0.0435 | 0.0475 | 0.0001 | 0.0477 | - | - | - |
| CENTERVILLE CSD BOND | 0.0031 | 0.0036 | 0.0034 | 0.0036 | 0.0040 | 0.0036 | 0.0063 | 0.0043 | 0.0037 |
| SHASTA DAM (GRUNSKY) | 0.0010 | 0.0002 | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0019 | 0.0014 |
| SHASTA DAM (CA LOAN) | 0.0129 | 0.0033 | - | - | - | - | - | - | - |
| GATEWAY UNIFIEDED SD G O BOND 2002 | 0.0440 | 0.0352 | 0.0343 | 0.0397 | 0.0422 | 0.0604 | 0.0621 | 0.0194 | 0.0680 |
| GATEWAY UNIFIEDED SD G O BOND 2008 | - | - | - | 0.0101 | 0.0062 | 0.0188 | 0.0141 | 0.0138 | 0.0291 |
| ANDERSON UNION HSD G O BOND 2012 | - | - | - | - | - | - | - | 0.0185 | 0.0163 |
| DUNSMUIR JT UNION SSB | 0.0601 | 0.0236 | - | - | - | - | - | - | - |
| FALL RIVER MILLS JUSD G O BOND 2004 | 0.0551 | 0.0340 | 0.0285 | 0.0380 | 0.0376 | 0.0423 | 0.0277 | 0.0319 | 0.0340 |
| SHASTA UNION HSD G O BOND 2001 | 0.0181 | 0.0160 | 0.0171 | 0.0187 | 0.0205 | 0.0289 | 0.0189 | 0.0219 | 0.0235 |
| S T & T JT COMM COLL G O BOND 2002 | 0.0069 | 0.0118 | 0.0091 | 0.0101 | 0.0095 | 0.0162 | 0.0054 | 0.0088 | 0.0107 |
| CASCADE ESD G O BOND 2008 | - | - | - | 0.0354 | 0.0336 | 0.0230 | 0.0150 | 0.0302 | 0.0262 |
| COLUMBIA ESD G O BOND 1996 | 0.0371 | 0.0276 | 0.0342 | 0.0228 | 0.0357 | 0.0407 | 0.0308 | 0.0321 | 0.0404 |
| COTTONWOOD ESD G O BOND 2003 | 0.0186 | 0.0172 | 0.0168 | 0.0197 | 0.0210 | 0.0285 | 0.0233 | 0.0237 | 0.0244 |
| ENTERPRISE ESD G O BOND 1990 | 0.0498 | 0.0367 | 0.0440 | 0.0487 | 0.0731 | 0.0396 | 0.0399 | 0.0472 | 0.0582 |
| ENTERPRISE ESD G O BOND 2008 | - | - | 0.0223 | 0.0278 | 0.0338 | 0.0608 | 0.0092 | 0.0187 | 0.0229 |
| GRANT ESD G O BOND 2004 | 0.0237 | 0.0228 | 0.0215 | 0.0275 | 0.0327 | 0.0411 | 0.0333 | 0.0375 | 0.0277 |
| HAPPY VALLEY ESD SSB BOND | 0.0613 | 0.0598 | 0.0671 | 0.0753 | 0.0842 | 0.0778 | 0.0791 | 0.0195 | 0.0161 |
| HAPPY VALLEY ESD G O BOND 2008 | - | - | - | - | - | - | 0.0495 | 0.0405 | 0.0412 |
| HAPPY VALLEY ESD G O BOND 2014 | - | - | - | - | - | - | - | - | - |
| JUNCTION SCHOOL SSB BOND | 0.0644 | 0.0637 | 0.0681 | 0.0774 | 0.0385 | - | - | - | - |
| NORTH COW CREEK SSB BOND | 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 | 0.0357 |
| REDDING ESD G O BOND 1991 | 0.0649 | 0.0564 | 0.0555 | 0.0622 | 0.0574 | 0.0600 | 0.0693 | 0.0615 | 0.0748 |
| BELLA VISTA WATER (LAND ONLY) | 0.3332 | 0.3344 | 0.3529 | 0.3700 | 0.3700 | 0.3700 | 0.3700 | 0.3700 | 0.3608 |

Source: <http://www.co.shasta.ca.us/docs/Auditor/property-tax-reports/2015-ad-valorem-rates-by-district.pdf?sfvrsn=4>

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

| Taxpayer | Industry | Fiscal Year 2016 | | | Fiscal Year 2008 | | |
|----------------------------------|---------------|---------------------|------|---|-------------------|------|---|
| | | Assessed Value | Rank | Percentage of Total County Assessed Value | Assessed Value | Rank | Percentage of Total County Assessed Value |
| Pacific Gas and Electric Company | Utility | 790,291 | 1 | 5.16% | 575,468 | 1 | 3.85% |
| Sierra Pacific Industries | Lumber | 134,122 | 2 | 0.88% | | | |
| Knauf Fiber Glass | Manufacturing | 126,422 | 3 | 0.83% | | | |
| Lehigh Southwest Cement Co. | Manufacturing | 68,586 | 4 | 0.45% | | | |
| MPT of Shasta LP | Hospital | 66,275 | 5 | 0.43% | 59,860 | 2 | 0.40% |
| RPI Shasta Mall LP | Retail | 50,903 | 6 | 0.33% | | | |
| Wal-Mart Real Estate Bus Trst | Retail | 41,859 | 7 | 0.27% | | | |
| RPI Shasta Mall LP | Retail | 36,771 | 8 | 0.24% | | | |
| Pacific Bell Telephone Company | Telephone | 27,552 | 9 | 0.18% | 56,044 | 3 | 0.38% |
| McConnell Foundation | Non-Profit | 30,219 | 10 | 0.20% | | | |
| Mt Shasta Mall LLC Etal | Retail | - | - | - | 31,885 | 4 | 0.21% |
| Lowes HIW Inc | Retail | | | | 21,854 | 5 | 0.15% |
| State Compensation Ins | | | | | 20,967 | 6 | 0.14% |
| Winco Foods LLC | Retail | | | | 19,527 | 7 | 0.13% |
| Cobblestone Owner | | | | | 17,672 | 8 | 0.12% |
| CA Physicians Service | | | | | 17,099 | 9 | 0.11% |
| WRI Golden State LLC | | | | | 15,430 | 10 | 0.10% |
| Total | | \$ 1,373,000 | | 8.97% | \$ 835,806 | | 4.84% |
| Total County Assessed Value | | \$ 15,309,886 | | | \$ 14,935,881 | | |

Source: County Property Tax System: Megabyte
Unable to retrieve statistical information for 2007

**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 | 173,197 | 167,350 | 96.62% | 5,847 | - | 0.00% |
| 2009 | 182,200 | 175,050 | 96.08% | 7,150 | - | 0.00% |
| 2010 | 179,241 | 173,186 | 96.62% | 6,055 | - | 0.00% |
| 2011 | 169,860 | 164,784 | 97.01% | 5,076 | - | 0.00% |
| 2012 | 167,885 | 163,919 | 97.64% | 3,966 | - | 0.00% |
| 2013 | 162,662 | 159,691 | 98.17% | 2,971 | - | 0.00% |
| 2014 | 166,263 | 164,177 | 98.75% | 2,086 | - | 0.00% |
| 2015 | 177,904 | 174,538 | 98.11% | 1,737 | 1,629 | 0.92% |
| 2016 | 184,246 | 181,149 | 98.32% | - | 3,097 | 1.68% |

Source: County Property Tax System: Megabyte

* Data not available prior to FY07/08

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Governmental Activities | | | | | | | | | | |
| Lease Revenue Bonds | \$52,445 | \$50,900 | \$49,290 | \$47,610 | \$45,865 | \$43,525 | \$39,415 | \$37,070 | \$34,620 | \$32,770 |
| Add deferred amounts: | | | | | | | | | | |
| For issuance premiums: | 1,225 | 1,178 | 1,131 | 1,084 | 1,037 | 990 | 570 | 540 | 510 | 479 |
| Notes Payable | | | | | 389 | 522 | 500 | 463 | 425 | 386 |
| Capital Leases | 1,780 | 1,559 | 1,328 | 1,114 | 889 | 651 | 401 | 137 | - | - |
| Total bonds and notes payable | \$53,670 | \$52,078 | \$50,421 | \$48,694 | \$47,291 | \$45,037 | \$40,485 | \$38,073 | \$35,555 | \$33,635 |
| Less resources restricted for principal repayment | 9,591 | - | 6,875 | 5,899 | 4,828 | 3,470 | 673 | - | - | - |
| Net total bonds and notes payable | \$63,261 | \$52,078 | \$57,296 | \$54,593 | \$52,119 | \$48,507 | \$41,158 | \$38,073 | \$35,555 | \$33,635 |
| Business Type | | | | | | | | | | |
| Bonds Payable | 3,532 | 2,826 | 2,285 | 1,698 | 1,029 | 990 | 949 | 912 | 874 | 833 |
| Financing Leases | | 2,000 | 1,891 | 1,779 | 1,664 | 1,545 | 1,423 | 1,298 | 1,169 | 1,037 |
| Notes Payable | 339 | 307 | 277 | 246 | 314 | 3,087 | 4,441 | 3,799 | 3,706 | 3,473 |
| Total bonds and notes payable | 3,871 | 5,133 | 4,453 | 3,723 | 3,007 | 5,622 | 6,813 | 6,009 | 5,749 | 5,343 |
| Less resources restricted for principal repayment | 150 | 70 | 665 | 665 | 2 | - | - | - | - | - |
| Net total bonds and notes payable | \$4,021 | \$5,203 | \$5,118 | \$4,388 | \$3,009 | \$5,622 | \$6,813 | \$6,009 | \$5,749 | \$5,343 |
| Total Outstanding Debt less restricted resources | \$67,282 | \$57,281 | \$62,414 | \$58,981 | \$55,128 | \$54,129 | \$47,971 | \$44,082 | \$41,304 | \$38,978 |
| Percentage of Personal Income | 1.09% | 0.84% | 0.93% | 0.88% | 0.83% | N/A | N/A | N/A | N/A | N/A |
| Percentage of Assessed Value of Taxable Property* | 0.49% | 0.38% | 0.40% | 0.38% | 0.38% | 0.39% | 0.35% | 0.31% | 0.28% | 0.25% |
| Net outstanding debt Per Capita | \$ 371.05 | \$ 313.01 | \$ 339.34 | \$ 332.34 | \$ 309.38 | N/A | N/A | 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 6 Long Term Liabilities
- * 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 | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Assessed Value of Property (a) | 13,625,477 | 14,935,881 | 15,743,647 | 15,357,954 | 14,586,699 | 13,960,442 | 13,695,496 | 14,208,433 | 14,719,694 | 15,309,886 |
| Debt Limit, 1.25% of Assessed Value | 170,318 | 186,699 | 196,796 | 191,974 | 182,334 | 174,506 | 171,194 | 177,605 | 183,996 | 191,374 |
| <i><u>Amount of Debt Applicable to Limit</u></i> | | | | | | | | | | |
| General Obligation Bonds (b) | - | - | - | - | - | - | - | - | - | - |
| Legal Debt Margin | <u>\$ 170,318</u> | <u>\$ 186,699</u> | <u>\$ 196,796</u> | <u>\$ 191,974</u> | <u>\$ 182,334</u> | <u>\$ 174,506</u> | <u>\$ 171,194</u> | <u>\$ 177,605</u> | <u>\$ 183,996</u> | <u>\$ 191,374</u> |
| 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 | | School Enrollment (3,b) | Unemployment Rate (2,a) |
|---------------|-----------------------|---------------------------------|----------------------------|----------------------------|-------------------------------|
| | | <i>(in billions)</i> (2,a,d) | Per Capita Income (2,a) | | |
| 2006 | 180,265 | 5.59 | 31,338 | 29,357 | 6.6% |
| 2007 | 181,328 | 5.83 | 32,543 | 28,908 | 7.5% |
| 2008 | 183,001 | 6.21 | 34,387 | 28,438 | 10.0% |
| 2009 | 183,928 | 6.17 | 34,068 | 28,348 | 14.6% |
| 2010 | 177,472 | 6.21 | 35,048 | 27,753 | 15.8% |
| 2011 | 178,189 | 6.30 | 35,466 | 27,392 | 14.9% |
| 2012 | 178,477 | 6.45 | 36,141 | 27,173 | 13.3% |
| 2013 | 178,980 | 6.96 | 39,016 | 27,176 | 10.9% |
| 2014 | 179,804 | N/A | N/A | 26,935 | 9.7% |
| 2015 | 179,533 | N/A | N/A | 26,626 | 7.8% |
| 2016 | N/A | N/A | N/A | 26,298 | 7.2% * |

Sources:

1. Employment Development Department
2. California Department of Transportation Shasta County Economic Forecast
3. As cited on kidsdata.org, California Dept. of Education, California Basic Educational Data System (CBEDS);
National Center for Education Statistics, Digest of Education Statistics (Nov. 2013).
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 2016

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 | | | | | | | | | |
|----------------------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| General Government | 245.00 | 247.00 | 247.00 | 247.00 | 229.00 | 230.00 | 226.00 | 226.00 | 228.00 | 234.00 |
| Public Protection | 669.50 | 683.00 | 687.00 | 687.00 | 582.00 | 581.00 | 619.00 | 622.00 | 626.00 | 605.00 |
| Public Ways and Facilities | 98.00 | 100.00 | 99.00 | 98.00 | 98.00 | 98.00 | 90.00 | 90.00 | 91.00 | 85.00 |
| Health and Sanitation | 387.30 | 376.50 | 352.50 | 346.50 | 323.00 | 323.50 | 329.00 | 326.00 | 330.00 | 324.50 |
| Public Assistance | 502.00 | 513.00 | 536.00 | 543.00 | 536.00 | 546.00 | 570.00 | 632.00 | 650.00 | 693.00 |
| Education | 16.38 | 3.50 | 2.50 | 2.50 | 1.50 | 1.50 | 2.50 | 2.50 | 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 | <u>1,918.18</u> | <u>1,923.00</u> | <u>1,924.00</u> | <u>1,924.00</u> | <u>1,769.50</u> | <u>1,780.00</u> | <u>1,836.50</u> | <u>1,898.50</u> | <u>1,927.50</u> | <u>1,944.00</u> |

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 | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------------|---------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Public Protection | | | | | | | | | | |
| Planning and Building | | | | | | | | | | |
| <i>Total Permits Issued</i> | 3,248 | 2,568 | 1,934 | 1,857 | 1,717 | 1,656 | 1,895 | 2,416 | 2,804 | 2867 |
| Sheriff | | | | | | | | | | |
| <i>Main Jail</i> | | | | | | | | | | |
| <i>Jail bookings</i> | 14,052 | 13,803 | 12,913 | 12,603 | 11,210 | 11,960 | 11,741 | 13,200 | 11,476 | 12169 |
| <i>Average daily population</i> | 355 | 336 | 268 | 226 | 231 | 274 | 332 | 330 | 333 | 331 |
| Probation | | | | | | | | | | |
| <i>Juvenile Hall</i> | | | | | | | | | | |
| <i>Average daily population</i> | 55 | 54 | 41 | 33 | 31 | 29 | 30 | 24 | 23 | 15 |
| <i>Crystal Creek Camp</i> | 45 | 45 | 45 | 45 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Average Daily Population</i> | 43 | 35 | 34 | **20 | 0 | 0 | 0 | 0 | 0 | 0 |
| Health and Sanitation | | | | | | | | | | |
| Environmental health | | | | | | | | | | |
| <i>Septic Permits Issued</i> | 476 | 349 | 275 | 229 | 182 | 203 | 218 | 266 | 232 | 224 |
| <i>Waivers Issued</i> | 149 | 117 | 71 | 57 | 50 | 42 | 48 | 51 | 67 | 55 |
| <i>Wells Permits Issued</i> | 341 | 319 | 315 | 271 | 201 | 337 | 227 | 285 | 254 | 201 |
| Health and Sanitation | | | | | | | | | | |
| Mental Health | | | | | | | | | | |
| <i>Total number of patient days in State Hospitals</i> | | | | | | | | | | |
| | 232 | 597 | 503 | 181 | 778 | 513 | 657 | 18 | 0 | 0 |
| <i>Day Treatment Days provided to youth in out-of-county group home facilities</i> | | | | | | | | | | |
| | 420 | 280 | 639 | 351 | 1020 | 1221 | 403 | 491 | 473 | 47 |
| Public Health | | | | | | | | | | |
| <i>Number of Children enrolled in the Healthy Families Program</i> | | | | | | | | | | |
| | 96 | 119 | 122 | 127 | 102 | 95 | 98 | 107 | 100 | 111 |
| <i>Percentage of the State allocated caseload enrolled in the Women, Infants & Children(WIC) Program</i> | | | | | | | | | | |
| | 100% | 101% | 101% | 95% | 98% | 99% | 98% | 94% | 90% | 97% |
| <i>Percentage of live born infants whose mothers received prenatal care in the first trimester.</i> | | | | | | | | | | |
| | 68% | 68% | 70% | 69% | 71% | 65% | 68% | 73% | Not Available | Not Available |
| Solid Waste | | | | | | | | | | |
| West Central Landfill | | | | | | | | | | |
| <i>Tonnage per year</i> | 146,792 | 144,362 | 126,778 | 130,060 | 127,655 | 126,286 | 122,847 | 124,379 | 124,827 | 129,603 |
| <i>% of Capacity</i> | 57% | 60% | ***40% | 42% | 45% | 47% | 49% | 51% | 53% | 55% |

(continued)

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

| Function / Department | Fiscal Year | | | | | | | | | |
|---|-------------|------|------|------|------|------|------|------|------|---------------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| 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> | 6.5 | 8.1 | 6.3 | 6.9 | 6.6 | 7.8 | 6.1 | 5.6 | 6.0 | Not Available |
| <i>Percentage of child abuse/neglect referrals where a response is required within 10 days that were timely</i> | 93.9 | 92.0 | 97.3 | 98.5 | 98.7 | 98.1 | 98.0 | 97.5 | 92.4 | 90.4 |

*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.

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

| Function/Program | Fiscal Year | | | | | | | | | |
|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| 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 | ^223 | 223 | 223 | 285 | 342 | 342 | 342 | 342 |
| Juvenile hall | 56 | 56 | 56 | *35 | *35 | *35 | *35 | **30 | 40 | 40 |
| Crystal Creek Camp*** | 45 | 45 | 45 | 45 | 0 | 0 | 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. Beds were temporarily limited 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.