



**COUNTY OF FRESNO
STATE OF CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended
June 30, 2015**

**Vicki Crow, C.P.A.
Auditor-Controller/Treasurer-Tax Collector**

County of Fresno
Comprehensive Annual Financial Report
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INTRODUCTORY SECTION

- Letter of Transmittal
- Organization Chart
- List of Principal Officials



County of Fresno

Vicki Crow, C.P.A.

Auditor-Controller/Treasurer-Tax Collector

December 30, 2015

The Honorable Board of Supervisors and
Citizens of the County of Fresno, California

Members of the Board and Citizens of the County of Fresno:

The Comprehensive Annual Financial Report (CAFR) of the County of Fresno (County) for the fiscal year ended June 30, 2015, is hereby submitted in accordance with the provisions of Sections 25250 and 25253 of the Government Code of the State of California.

The report contains financial statements that have been prepared in conformity with generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County's management. An established comprehensive framework of internal controls has been designed to provide reasonable assurance that the enclosed data is accurate in all material respects and that its presentation fairly depicts the financial position and changes in financial position of County funds. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

The County's financial statements have been audited by the certified public accounting firm of Brown Armstrong Accountancy Corporation. 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, 2015 are free of material misstatement. The independent certified public accounting firm has issued an unmodified ("clean") opinion on the County's financial statements as of and for the year ended June 30, 2015. The auditor's report is located at the beginning of the financial section of this report.

This letter of transmittal is designed to complement, and should be read in conjunction with, Management's Discussion and Analysis (MD&A), and the included financial statements and financial statement notes. MD&A provides a narrative introduction, overview, and analysis of the financial statements and can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The County was created from parts of Merced, Tulare and Mariposa counties in 1856 and is a political subdivision chartered by the State of California (the State). It is the sixth largest county in the State in terms of area, occupying over 6,000 square miles in the heart of the San Joaquin Valley and has a population of 972,297 as of June 30, 2015. There are 15 incorporated cities within the County: Fresno, Clovis, Reedley, Sanger, Kerman, Fowler, Selma, Kingsburg, Parlier, Orange Cove, Huron, San Joaquin, Coalinga, Mendota,

and Firebaugh. The largest employment categories include public administration, trade, transportation, utilities, education, health, other services, agriculture, and manufacturing.

Policy making and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets, appointing committees, and appointing the County Administrative Officer (CAO). The CAO, in turn, appoints the non-elected department heads that are not otherwise appointed by law. The County has five elected department heads responsible for the offices of Assessor-Recorder, Auditor-Controller/Treasurer-Tax Collector, County Clerk-Registrar of Voters, District Attorney-Public Administrator, and Sheriff-Coroner. The following organization chart reflects the various functional categories reported in the government-wide Statement of Activities, and identifies principal officials in each area.

Board of Supervisors

Brian Pacheco District 1	Andreas Borgeas District 2	Henry R. Perea District 3	Buddy Mendes District 4	Deborah Poochigian District 5
-----------------------------	-------------------------------	------------------------------	----------------------------	----------------------------------

John A. Navarrette
County Administrative Officer

Daniel C. Cederborg
County Counsel

Public Protection	Health & Public Assistance	Public Ways & Facilities	Education	Culture & Recreation	General Government
Margaret Mims Sheriff-Coroner	Delfino Neira Director Social Services	Alan Weaver Director/Public Works & Planning	Laurel Prysiazny County Librarian	Alan Weaver Director/Public Works & Planning	Paul Dictos, C.P.A. Assessor-Recorder
Lisa A. Smittcamp District Attorney- Public Administrator	David Pomaville Director Public Health	Les Wright Agricultural Commissioner/Sealer of Weights & Measures	Shannon Mueller Cooperative Extension		Vicki Crow, C.P.A. Auditor-Controller/ Treasurer-Tax Collector
Rick Chavez Chief Probation Officer	Dawan Utecht, Director Behavioral Health Public Guardian				Beth Bandy Director Personnel Services
Elizabeth Diaz Public Defender	Kari Gilbert Director Child Support Services				Robert W. Bash Director of Internal Services-Chief Information Officer
					Brandi L. Orth County Clerk/Registrar of Voters

The County, with an average of 6,571 full-time equivalent employees, provides a full range of services to its residents as the above organizational chart depicts. Included in reported operations are various component units that provide specific services county-wide or to distinct geographic areas within the County. They

include, among others, a plethora of County Service Areas (CSAs), the Fresno County Financing Authority (FCFA), the Fresno County Tobacco Funding Corporation, and the San Joaquin Valley Insurance Authority. While these entities are legally separate from the County, the County has some financial accountability for them, their governing bodies are substantially the same as the County's Board, and in most cases, provide services exclusively to the County.

For financial planning and control, the Board adopts an annual appropriated budget for the County. Activities of the General Fund, Special Revenue Funds, Capital Projects Fund, and the Debt Service Fund are included in the annual budget. Budgetary control is exercised at the department level in both the General and Special Revenue Funds. The legal level of control is at the object level except for capital assets, which are controlled at the sub-object level. Project-length financial plans are adopted for capital improvements. The County also maintains an encumbrance accounting system to assist with budgetary control. Encumbered appropriations supported by a written commitment do not lapse at year-end; encumbrances outstanding at that time are reported as assignments of fund balance for the following year's budget. Budget-to-actual comparisons are provided in this report for each major governmental fund for which an appropriated annual budget has been adopted.

The County of Fresno internet site at <http://www.co.fresno.ca.us> provides extensive information about the County government and its services to the citizens of Fresno County and to those who visit. The County's website includes information about the Board, including how to contact the Board, and provides Board Agendas, County job listings, bid solicitations, County directories, information on how to appeal assessments, voter information, County permits and forms, and financial information such as the County tax rate book, the annual budget, and recent CAFRs. The site also provides several online services, including the ability to view both live and archived Board meetings, look up election results and polling places, and pay property taxes.

ECONOMIC OVERVIEW

The County of Fresno serves as a financial, trade, commercial and educational center for central California. The County is one of eight counties in the Valley that routinely account for one-half of California's agricultural production. In addition to an extensive highway and road system, several motor freight carriers and a railway network, the County is also home to Fresno Yosemite International Airport, which provides both passenger and cargo services.

California has the largest labor market in the United States with a labor force of 19,043,100 persons as of June 30, 2015. The employed labor force at June 30, 2015, was 17,847,100 persons on a seasonally adjusted basis. This number demonstrates a steady improvement in the California labor market. The State-wide unemployment rate is 6.3%, or 1,196,000 persons. The County of Fresno has experienced a similar growth in labor force and employment with a corresponding decline in unemployment. The County of Fresno labor force consisted of 449,900 persons as of June 30, 2015. Unemployment in the County has declined by 1.1% from the prior year, and is at a rate of 9.3% as of June 30, 2015.

The County's economy continues to have moderate growth in property tax and sales tax revenues. The net assessed value of the Property Tax Secured Roll increased to \$60,805,318,141 in the 2014-15 fiscal year. Property tax revenues increased by 5.42% from fiscal year 2013-14 to fiscal year 2014-15, while sales tax revenues increased by 1.39% over the same time period. This movement indicated a steady and continued recovery in the County's economy.

The housing market in the County continues to show significant growth. The median home price within the County was up to \$223,150 during the month of June 2015; this represents an increase of \$21,350 or 10.58

%, as compared to the median home prices in June 2014, of \$201,800. Furthermore, housing sales increased by 19.7% in July compared to the same period last year. The current Unsold Inventory Index, which is a measure in number of months, of current housing inventory, based on current sales volume, decreased from 5.2 months in August 2014 to 4.9 months in August 2015. A six to seven-month supply is considered typical in a normal market.

The County remained one of the leading agricultural counties in the State and nation. Total gross agricultural production in 2014 increased by 9.26% from 2013. For the first time in history, the County has a gross production value of agricultural commodities that exceeds seven billion dollars. The number one crop in value was Almonds (\$1,302,866,000) followed by Grapes (\$905,099,000). Fruit and nut crops provide 48.99% (\$3,448,767,000) of the gross agricultural production value followed by Livestock at 17.87% (\$1,257,911,000).

While agriculture currently accounts for 15.29% of wage and salary employment, other important sources of employment include: government 18.16%; trade, transportation and utilities 16.86%; education and health services 15.40%; leisure and hospitality services 8.40%; professional and business services 8.56%; manufacturing 6.32%; and construction 3.50% .

MAJOR INITIATIVES, SERVICE EFFORTS AND ACCOMPLISHMENTS

Current Financial Planning

The County maintains the largest road system in the State covering over 3,516 miles of roads. The 2015-2016 Road Fund adopted budget totals \$58.2 million, which reflects a decrease of 2% from the prior year adopted budget. Major projects anticipated for fiscal year 2015-16 include beginning construction of Mountain View Ave from Bethel to the Tulare County line, Congestion Management and Air Quality shoulder improvements, and one federally funded Highway Safety Project Striping at various locations. The 2015-2016 road maintenance programs includes \$33.64 million dedicated to pavement seals and maintenance overlays, contracted preventative maintenance, routine maintenance, traffic signs and striping, and traffic safety and operations. Approximately 30 miles of chip seal projects, and 20 miles of asphalt concrete overlay projects are programmed to begin soon.

In April 2006, the County issued subordinate Tobacco Settlement Asset-Backed Bonds in the amount of \$39,015,131 to fund future capital projects. As of June 30, 2015, \$4,301,998 in bond proceeds remained available for future capital expenditures. The County assigned \$8,111,000 in bond proceeds to the West Annex Jail project that will house 300 inmate beds and will provide space for treatment programs.

Long-term Financial Planning

The County's budget is strongly influenced by the State's fiscal budget. The State passed the fiscal year 2016 State budget of \$161 billion on June 24, 2015, an increase of 1.3% over the revised prior year budget. For the fiscal year, State operations did not result in a deficit; as such, the State was able to increase spending in some areas while paying down several key liabilities. However, the State budget remains precariously balanced. The budget includes an approximately \$2 billion increase in expenditures from the prior year's adopted budget, achieved with increases to Education, Health Care, In-Home Supportive Services, workforce development, drought resistance, and judiciary program spending. The budget includes spending increases from the prior year; however, the State is continuing its policy of conservative reserve planning.

The County's fiscal year 2015-16 adopted budget is \$615.4 million greater than the prior year. The increase is due to increases in County revenues including sales and property tax revenues, Realignment Funds, and New Special Revenue Funds. Significant budget increases were made in Human (7.6%) and Justice Services (3.7%) programs and the Health & Welfare Trust Fund (33.23%).

RELEVANT FINANCIAL POLICIES

Investments

The County manages the Treasury Investment Pool (Pool). The Pool is comprised of all County and agency funds that are deposited in the County Treasury for operating purposes. A formal investment policy is administered by staff to ensure that investments satisfy legal guidelines, provide liquidity to meet the daily demands upon the Treasury, and provide the highest interest earnings within these constraints. A Treasury Oversight Committee is responsible for regulatory oversight.

Investments authorized under this policy include U.S. Treasury and agency obligations, bankers' acceptances, commercial paper, certificates of deposit, repurchase agreements, medium-term notes, the State's Local Agency Investment Fund (LAIF), mutual funds, and mortgage-backed securities. The policy further restricts investments such that the average weighted maturity of the Pool cannot exceed 1,278 days or 3½ years unless economic trends or market timing indicate such investments are beneficial.

General Fund, Fund Balance Classifications

During budget preparations, the County establishes various Commitments and Assignments of fund balance within the General Fund to provide for unforeseen expenditures or emergencies that may arise during the course of the fiscal year, and to accumulate funds in the General Fund for designated uses. General Fund Assignments differ from Commitments in that the Board can transfer Assignments during the fiscal year to finance unanticipated expenditures, while Commitments can only be used for the specific purpose for which they were established, are not available to finance current year expenditures except in cases where the Board declares an emergency as defined by Government Code 29127. The Board can approve increases to Commitments and Assignments during the fiscal year.

As part of the County's debt policy, a "pay-as-you-go" financing policy has been deemed an acceptable use of unassigned fund balance to provide a cushion in the event of unanticipated revenue downturns and emergency situations. The County continues to develop fiscal policies for departmental reserve minimums and constraints that will guard against future deficits created by a dependency on fund balance and reserves during times of economic uncertainty.

Budget

Under State law, the County is required to approve an adopted budget by resolution for the County and dependent Special Districts, no later than October 2 of each year. The budget includes the operations of the County and other agencies whose affairs and finances are under the supervision and control of the Board of Supervisors. Before adopting by resolution, the Board of Supervisors holds a public hearing at which anyone may appear and testify on any item in the proposed budget.

Appropriations within the adopted budget will be controlled by the Board of Supervisors at the object level, except for capital assets. Transfers of appropriations between funds and departments require approval from the Board of Supervisors. Transfers of appropriations between expenditure objects, e.g., Salaries and Employee Benefits, Services and Supplies, Other Charges, and Capital Assets, within a department are permitted with the approval of the County Administrative Officer.

The County Administrative Officer supervises and directs the preparation of the annual budget of the County for the Board and is responsible for its administration after adoption.

Debt Limitations

The County abides by California Constitution Article XVI, section 18, which limits the amount of debt that the County may lawfully incur without approval of 2/3 of the qualified electorate: "(a) No county... shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the voters of the public entity voting at an election to be held for that purpose."

The County will evaluate legal limitations and affordability of debt prior to any new financing or refinancing. It is important for the County to consider its current debt levels as well as legal restrictions imposed by statute or by existing bond covenants. The County will employ specialized legal and financial advisors, as necessary, to assist in the evaluation of additional debt.

ACKNOWLEDGEMENTS

Acknowledgments

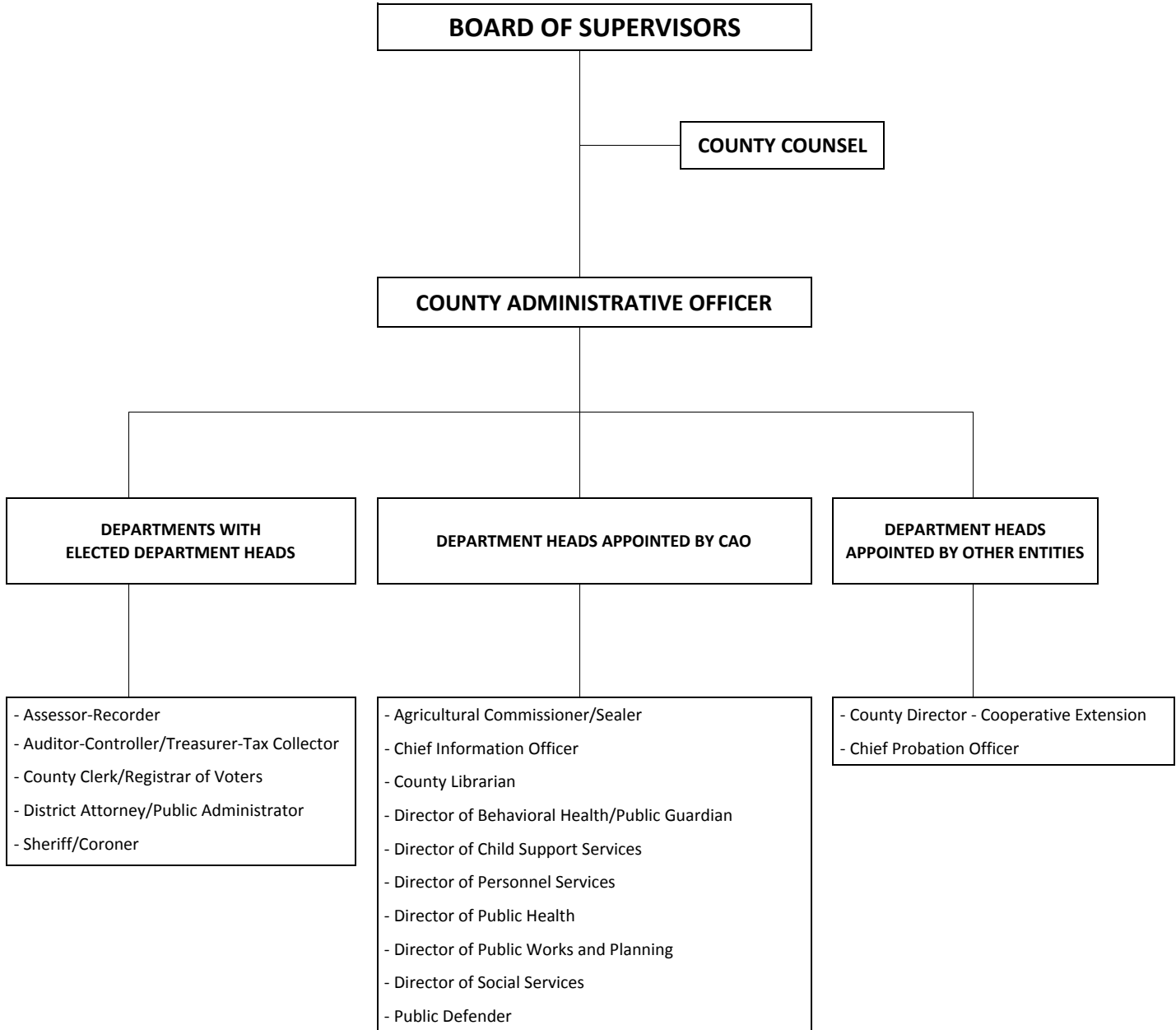
I wish to express my appreciation to the staff of the Auditor-Controller/Treasurer-Tax Collector's Office, whose hard work, professionalism and dedication are responsible for the timely preparation of this report, and to Brown Armstrong Accountancy Corporation for their professional assistance. Finally, I would like to thank the Board and members of the Audit Committee for their continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully submitted,



Vicki Crow, C.P.A.
Auditor-Controller/Treasurer-Tax Collector

COUNTY OF FRESNO ORGANIZATIONAL CHART



**County of Fresno
List of Principal Officials
June 30, 2015**

ELECTED OFFICIALS

Board of Supervisors:

Supervisor, District 1.....Brian Pacheco
Supervisor, District 2.....Andreas Borgeas
Supervisor, District 3.....Henry R. Perea
Supervisor, District 4.....Buddy Mendes
Chairperson Supervisor, District 5.....Deborah Poochigian
Assessor-Recorder.....Paul Dictos, C.P.A.
Auditor-Controller/Treasurer-Tax Collector.....Vicki Crow, C.P.A.
County Clerk/Registrar of Voters.....Brandi L. Orth
District Attorney/Public Administrator.....Lisa A. Smittcamp
Sheriff/Coroner.....Margaret Mims

APPOINTED OFFICIALS

County Administrative Officer.....John A. Navarrette
County Counsel.....Daniel Cederborg

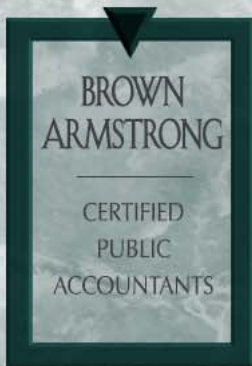
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FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
County of Fresno
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Fresno, California (the County) as of and for the year ended June 30, 2015, where applicable, cash flows, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during fiscal year 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Fresno County Employees' Retirement Association Schedule of the County's Proportionate Share of the Net Pension Liability, the Fresno County Employees' Retirement Association Schedule of the County's Contributions, and the respective budgetary comparison information for the General Fund, Road Fund, Behavioral Health – MH, Social Services, Local Health and Welfare Fund, 2011 Realignment, 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 GASB, 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 30, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 30, 2015

County of Fresno
Management's Discussion and Analysis
June 30, 2015
(amounts expressed in thousands)

The County of Fresno's (County) management's discussion and analysis is designed to present a narrative overview of the financial activities of the County and an analysis of the County's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- At the close of the 2014-2015 fiscal year, the liabilities and deferred inflows of resources of the County exceeded assets and deferred outflows of resources by \$169,114. The residual of this difference is referred to as "net position". The County has an unrestricted net position of \$(763,037). The County's net position also includes a restricted net position of \$1,588 representing assets which can only be used for specific purposes, and \$592,335 representing the County's net investment in capital assets.
- The County's long-term debt increased by \$801,919. Long-term debt totals \$1,721,042 at June 30, 2015.
- The primary government's total net position decreased to \$(169,114). The governmental activities net position is \$(259,946) and business-type activities net position is \$90,832.
- As of June 30, 2015, the County's governmental funds reported combined ending fund balances of \$671,887, which is an increase of \$92,268 in comparison to the prior year. Approximately 93% of combined fund balances, or \$625,648, is either non-spendable or restricted for specific uses; 7%, or \$46,720, is unrestricted to meet the County's current and future uses.
- The total fund balance in the County's primary operating fund, the General Fund, at year-end was \$190,533. Approximately \$144,294 is either non-spendable or restricted for specific uses. The remaining \$46,239, which approximates to 4% of the General Fund's total expenditures for the year, is unrestricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following narrative is an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. Therefore, the statements are reported using the accrual basis of accounting. Please refer to *Note 2, section (B)* on page 28 for further information on the accrual basis of accounting.

The *Statement of Net Position* presents information on all County assets and liabilities, deferred inflows and outflows of resources, with the residual of these elements being 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.

County of Fresno
Management's Discussion and Analysis
June 30, 2015
(amounts expressed in thousands)

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.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by intergovernmental revenues and property and sales taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government; public protection; public ways and facilities; health, sanitation, and public assistance; education; and culture and recreation. The business-type activities of the County include the Fresno County Solid Waste Enterprise (Landfill) and the County Service Areas (CSAs).

Component units are included in our basic financial statements and can be blended or discretely presented. Blended component units consist of legally separate entities for which the County is financially accountable and have substantially the same governing board as the County or provide services entirely to the County. The County's blended component units include the CSAs, the Fresno County Tobacco Funding Corporation, and the Fresno County Financing Authority. Discretely presented component units are legally separate entities, which have some financial accountability to the County Board of Supervisors (Board); though the entity's governing board is substantially different from the County Board. As of June 30, 2015, the County has no discretely presented component units.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements present the County's financial activities in a traditional fund format. 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. The fund financial statements are reported using the modified accrual basis of accounting. See *Note 2, section (B)* on page 30, which explains the modified accrual basis of accounting. 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 the 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. 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 twenty-nine individual governmental funds, seven of which are considered to be major governmental funds. Information for the General Fund, Debt Service, Road Fund, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Fund is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of

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Revenues, Expenditures and Changes in Fund Balances. Data for the other, non-major governmental funds are combined into a single, aggregated presentation. Summary fund data by fund type and individual fund data for these non-major governmental funds is provided as other supplementary information in the form of *combining statements* found on pages 82-90 of this report.

The County adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement is provided for the General Fund and other governmental funds to demonstrate compliance with this budget. The County's General Fund, Road Fund, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Fund budgetary comparison schedules are presented as Required Supplementary Information.

The governmental funds financial statements can be found on pages 16-19 of this report

Proprietary funds are generally used to account for services provided by the County where fees are charged for these services. The County maintains two different types of proprietary funds – enterprise funds and internal service funds. 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 Landfill and CSAs' operations whose revenues are collected from external user fees. Internal service funds are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its fleet, information technology, central printing, risk management, PeopleSoft software operations, facility services, security services, and communications functions. Substantially all of the revenues for the County's internal service funds come from other internal County departments. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements; however, information is provided in more detail and includes cash flow statements. The Landfill and CSAs' operations are considered to be major funds of the County. The County's eight internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided as supplementary information in the form of combining statements which can be found on pages 96-103 of this report.

The proprietary funds financial statements can be found on pages 20-23 of this report.

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 these funds are not available to support the County's own programs. The accounting used for fiduciary funds, except for the agency funds, is much like that used for proprietary funds. Individual fund data for agency funds is provided as supplementary information in the form of combining statements. These statements can be found on page 106 of this report.

The fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes can be found on pages 27-63 of this report.

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Required Supplementary Information includes the Budgetary Comparison Schedules for the General Fund, Road Fund, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Fund. Additionally, this section includes the Fresno County Employees' Retirement Association (FCERA) Schedule of County's Proportionate Share of the Net Pension Liability, which provides information regarding the County's portion of the net pension liability along with the Schedule of County Contributions, which provides information on the actuarially determined contribution rates for the next 10 fiscal years. Required supplementary information can be found on pages 66-74 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, internal service funds, and fiduciary funds, and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 81-106 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$169,114 at June 30, 2015.

Summary of Net Position
June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Assets:						
Current and other assets	\$ 998,712	\$ 1,414,494	\$ 84,864	\$ 83,846	\$ 1,083,576	\$ 1,498,340
Capital assets	731,272	733,936	62,792	61,831	794,064	795,767
Total assets	1,729,984	2,148,430	147,656	145,677	1,877,640	2,294,107
Deferred Outflows of Resources						
Deferred pensions	161,093	-	1,249	-	162,342	-
Total deferred outflows of resources	161,093	-	1,249	-	162,342	-
Liabilities:						
Other liabilities	133,629	113,010	1,561	2,139	135,190	115,149
Long-term liabilities	1,667,244	873,336	53,798	45,787	1,721,042	919,123
Total liabilities	1,800,873	986,346	55,359	47,926	1,856,232	1,034,272
Deferred Inflows of Resources						
Deferred pensions	350,150	-	2,714	-	352,864	-
Total deferred inflows of resources	350,150	-	2,714	-	352,864	-
Net Position:						
Net investment in capital assets	533,674	537,359	58,661	58,001	592,335	595,360
Restricted	-	482,088	1,588	1,646	1,588	483,734
Unrestricted	(793,620)	142,637	30,583	38,104	(763,037)	180,741
Total net position	\$ (259,946)	\$ 1,162,084	\$ 90,832	\$ 97,751	\$ (169,114)	\$ 1,259,835

The largest portion of the County's net position, \$592,335, represents its investment in capital assets (e.g. land, land improvements, buildings, equipment, infrastructure, intangible assets, construction in progress), less any outstanding debt used to acquire those assets. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the County uses these capital assets to provide services to citizens. Restricted net position balance of \$1,588 represents resources that are subject to

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external restrictions on how they may be used. The remaining balance for unrestricted net position, \$(763,037), may be used to meet the County's ongoing obligation to citizens and creditors.

Current and other assets decreased from \$1,498,340 to \$1,083,576 or 38.3%. This decrease over prior year was due primarily to the reclassification of the pension asset to net pension liability in accordance with GASB Statement No. 68. Please refer to Note 11 on page 52 for additional information on pensions.

Capital assets increased by \$3,628 from \$795,767 to \$794,064, or 0.2% from the prior year. The increase was primarily due to the increase in non-depreciable assets (construction in progress), with a corresponding decrease in depreciable assets. The corresponding depreciation to those previously non-depreciable assets slightly reduced the net book value of the assets.

Long-term liabilities increased by \$801,919, from \$919,123 to \$1,721,042, or 46.6% from the prior year. This was primarily due to recognition of Net Pension Liability in the amount of \$815,975.

The following table indicates the changes in net position for governmental and business-type activities:

Summary of Changes in Net Position
For the Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenues:						
Program revenues:						
Charges for services	\$ 74,780	\$ 80,837	\$ 20,380	\$ 17,292	\$ 95,160	\$ 98,129
Operating grants and contributions	812,333	770,108	494	625	812,827	770,733
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property taxes	232,374	216,038	711	671	233,085	216,709
Sales taxes	186,747	161,119	-	-	186,747	161,119
Motor vehicle in lieu taxes	58,964	37,713	-	-	58,964	37,713
Franchise taxes	22,736	14,070	-	-	22,736	14,070
Tobacco settlement proceeds	-	6,657	-	-	-	6,657
Investment earnings	9,344	14,776	638	1,732	9,982	16,508
Miscellaneous	13,970	18,110	1,870	1,446	15,840	19,556
Total revenues	1,411,248	1,319,428	24,093	21,766	1,435,341	1,341,194
Expenses:						
General government	34,673	45,280	-	-	34,673	45,280
Public protection	291,148	319,197	-	-	291,148	319,197
Public ways and facilities	45,635	43,145	-	-	45,635	43,145
Health, sanitation & public assistance	760,840	787,234	-	-	760,840	787,234
Education	23,918	25,073	-	-	23,918	25,073
Culture and recreation	2,380	2,933	-	-	2,380	2,933
Interest on long-term debt	40,219	40,030	-	-	40,219	40,030
County Service Areas, other	-	-	5,652	6,162	5,652	6,162
Landfill	-	-	21,451	17,783	21,451	17,783
Total expenses	1,198,813	1,262,892	27,103	23,945	1,225,916	1,286,837
Increase (decrease) in net position before transfers	212,435	56,536	(3,010)	(2,179)	209,425	54,357
Transfers	(2,750)	(2,724)	2,750	2,724	-	-
Extraordinary item	-	-	-	-	-	-
Increase (decrease) in net position	209,685	53,812	(260)	545	209,425	54,357
Net position beginning of year	1,162,084	1,085,596	97,751	91,558	1,259,835	1,177,154
Prior period adjustment	(1,631,715)	22,676	(6,659)	5,648	(1,638,374)	28,324
Net position end of year	\$ (259,946)	\$ 1,162,084	\$ 90,832	\$ 97,751	\$ (169,114)	\$ 1,259,835

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Governmental activities. Governmental activities decreased the County's net position by \$1,422,030, which accounts for the majority of the total decrease in net position of the County. This represents a \$1,498,518 in net position decline from fiscal year 2013-2014. This decrease in net position growth occurred primarily as the result of a \$1,631,715 prior period adjustment and recognition of the Net Pension Liability as a result of implementing GASB Statement No. 68. Revenue related to charges for services decreased by \$6,057 due to a reduction in service levels. Operating grant revenue increased by \$42,225 primarily due to the addition of particular federal programs, as well as increases in funding for realigned programs. Property taxes increased by \$16,336. This increase in property taxes is due to a slight increase in assessed values and a slightly decreased property tax delinquency rate. Sales taxes increased by \$25,628 as consumer confidence continues its upward trend.

Expenses for general government decreased by \$10,607; this was due to savings recognized in the cost of salaries and benefits countywide. Expenses for health, sanitation, and public assistance decreased by \$26,394 due to the restructuring of particular federal programs and other realigned programs. Expenses for public ways and facilities increased by \$2,490, due to increased expenditures for road building and repairing activities.

One point to keep in mind when analyzing the increases/decreases noted above, is the application of the accrual basis of accounting for the County's governmental activities. Governmental activities budget and subsequently issue fund financial statements that reflect their budget and accounting practices under the modified accrual basis of accounting. Under this approach, capital asset purchases and debt principal payments are expensed. Further, revenues are accrued if measurable and available within the County's availability period (established at 60 days for general revenue or 180 days for grant revenue). In contrast, the Statement of Activities (summarized here as "Summary of Changes in Net Position") is reported under the full accrual basis of accounting, which capitalizes capital asset purchases, reduces liabilities by principal payments and recognizes revenues regardless of if they are available within the 60 to 180 day period. See the reconciliation on page 17, which further explains the difference between changes in the County's fund balance under the modified accrual basis and changes in net position under the accrual basis of accounting.

Business-type activities. Business-type activities decreased the County's net position by \$6,659. The decrease in net position from business-type activities is attributable to the recognition of a net pension liability consistent with GASB Statement No. 68, an increase in landfill expenses, and prior period adjustments reflecting reclassified funds that are now included in the business-type activities.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds. The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Projects Funds. 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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At June 30, 2015, the County's governmental funds reported combined ending fund balances of \$671,887, an increase of \$92,968 in comparison with the prior fiscal year. Approximately 7% of this total amount, or \$46,239, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance, totaling \$625,648, is restricted; this includes \$43,828 "not in spendable form" for items that are not expected to be converted into cash, such as inventories and imprest cash balances, that are long-term in nature and thus do not represent available spendable resources. The remainder of the fund balance also includes \$581,820 restricted for programs at various levels.

General Fund. The General Fund is the chief operating fund of the County. At June 30, 2015, unrestricted fund balance of the General Fund was \$46,239, while total fund balance was \$190,533. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 4% of total fund expenditures less transfers, while total fund balance represents 16.4% of that same amount.

The fund balance of the County's General Fund increased \$41,118 during the current fiscal year due to the restructuring of special revenue funds for financial reporting purposes.

Revenues for the General Fund without transfers totaled \$504,671, which represents a 3.0% increase from fiscal year 2013-2014. Tax revenue increased by \$12,937, along with aid from other governmental agencies by \$22,058.

Expenditures without transfers for the General Fund totaled \$1,163,368 in fiscal year 2014-2015, which represents an increase of 2.5% from fiscal year 2013-2014. The primary cause for the increase is an overall increase in public protection and assistance.

Debt Service Fund. The Debt Service Fund is a major governmental fund. Fund balance decreased by \$1,419 from \$60,087 to \$58,668 or 2.4%. This decrease is due to an overall reduction in revenues coupled with an increase in debt payment charges.

Road Fund. The Road Fund is used to finance operations to provide maintenance, rehabilitation, and reconstruction of County roads, bridges, and attendant facilities as authorized by California Streets and Highways Code and to provide for traffic safety. The Road Fund ended fiscal year 2014-2015 with a \$41,424 fund balance, a decrease of \$2,812 or 6.4%. The fund balance decrease was primarily due to prior period adjustment of \$3,957 in the Road Fund.

Revenues decreased by \$587 or 1.1% from fiscal year 2013-2014. This decrease was primarily attributable to an overall decrease in aid from other governmental agencies.

Expenditures increased by \$7,518 or 15.1% from fiscal year 2013-2014. The increase was attributable to a \$22,085 increase in charges for salaries, benefits, services and supplies and a \$14,567 decrease in capital outlay.

Behavioral Health-MH Fund. The Behavioral Health-MH Fund was established during fiscal year 2013-2014, as this fund was previously reported in the General Fund. This fund was created pursuant to the Mental Health Services Act. This fund received \$47,663 in revenues and distributed \$27,864 to the General Fund. The fund balance increased \$19,799 or 25.3% from fiscal year 2013-2014. The fund balance increase was primarily attributable to an increase of \$16,591 in State aid.

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Social Services Fund. The Social Services Fund was established during fiscal year 2013-2014, as these funds were previously reported in the General Fund. This fund was created primarily to house welfare assistance and administration revenues. This fund received \$331,717 in revenues and distributed \$345,152 to the General Fund. The fund balance decreased \$13,584 or 23.6% from fiscal year 2013-2014. The fund balance decrease was attributable to a decrease in State & Federal revenue.

Local Health and Welfare Fund. The Local Health and Welfare Fund existed as a non-major special revenue fund in previous fiscal years. This fund was created pursuant to Assembly Bill 1288 of 1991. This fund received \$173,762 in revenues and distributed \$222,225 to the General Fund which, when combined with the \$16,320 in restricted fund balance from the prior year, resulted in \$31,323 in restricted fund balance for fiscal year 2013-2014.

2011 Realignment Fund. The 2011 Realignment Fund was established in fiscal year 2011-2012. This fund was created pursuant to Assembly Bill 118, which realigned particular Public Safety and Health programs. This fund received \$143,739 in revenues and distributed \$116,849 to the General Fund which, when combined with the \$35,756 in restricted fund balance from the prior year, resulted in \$62,646 in restricted fund balance for fiscal year 2014-2015.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, except in more detail.

Landfills have \$67,528 in net position at June 30, 2015, and the CSAs have \$23,304. The Landfills' and CSAs' unrestricted net positions are \$27,602 and \$2,981, respectively; this comprises 41% and 13%, respectively, of their total net positions. Overall net position decreased \$6,919 for the combined Landfill and CSA funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total change between the original budget and the final amended budget was an increase of \$47,101. Some of the significant differences between the original budget and the final amended budget are briefly summarized as follows:

- The Sheriff Department's appropriations increased by \$5,863 as a result consolidating the Coroner's office into its operations along with an increase in expenditures associated with the Inmate Welfare Trust Fund program.
- The Department of Behavioral Health's Services and Supplies appropriations increased by \$7,374 due to expanded program costs and increased utilization of medical services.
- The Department of Social Services' appropriations increased by \$7,817, which is primarily due to increased staffing and services and supplies associated with the continued workload increase related to the Affordable Care Act.
- The Department of Social Services' State Revenues increased by \$41,167 as a result of increased funding for CalWIN, Medi-Cal, CalFresno, and CalWORKs allocations.

The actual General Fund revenue balance of \$504,671 was 498,469 or 50% lower than what was expected. The primary reason for the revenue shortfalls is a reclassification of accounts which moved the majority of State and Federal revenue out of the General Fund.

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Actual General Fund expenditures fell below the total budget estimates by \$180,522, or 13%. The savings were achieved by an array of continuous efforts to effectively manage the County's budget.

- \$69,356 decrease in salaries and benefits primarily due to the elimination of vacant positions across all functions.
- \$85,638 in services and supplies and \$13,020 decrease in other charges primarily due to a reduction in contract and miscellaneous expenditures and savings from prudent spending.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

As of June 30, 2015, the County's investment in capital assets for its governmental and business-type activities was \$794,064. This investment in capital assets includes infrastructure, infrastructure in progress, land, right-of-way, buildings and improvements, equipment, intangible assets, intangible in progress, and construction in progress. The total increase in the County's investment in capital assets for the current period was \$1,703.

Capital asset projects during the current fiscal year included the following:

- Construction of road projects.
- Various improvement projects.

For government-wide financial statement presentation, all depreciable capital assets except land, right-of-way, infrastructure in progress and construction in progress, were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

County of Fresno's Capital Assets
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Assets:						
Infrastructure	\$ 279,172	\$ 254,827	\$ -	\$ -	\$ 279,172	\$ 254,827
Infrastructure in progress	40,868	61,355	-	-	40,868	61,355
Land	16,569	16,673	9,183	7,488	25,752	24,161
Land easements	40,570	40,322	-	-	40,570	40,322
Buildings and Improvements	319,446	330,460	42,534	33,186	361,980	363,646
Equipment	27,725	26,248	4,015	4,153	31,740	30,401
Construction in progress	4,458	248	7,060	17,004	11,518	17,252
Intangible assets	2,464	3,803	-	-	2,464	3,803
	<u>\$ 731,272</u>	<u>\$ 733,936</u>	<u>\$ 62,792</u>	<u>\$ 61,831</u>	<u>\$ 794,064</u>	<u>\$ 795,767</u>

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For more detailed information on capital asset activity refer to the relevant disclosures (Note 7) in the notes to the basic financial statements.

Infrastructure Assets

The County capitalizes and depreciates the value of bridges, streets and traffic lights using the straight-line depreciation method. Right-of-way is treated as a non-depreciable asset, labeled as land easements. During fiscal year 2014-2015, the County added infrastructure totaling \$36,375. Accumulated depreciation for infrastructure increased by \$12,030.

Long-term debt

At June 30, 2015, the County had total long-term debt outstanding of \$1,721,042, compared to \$919,123 for the prior fiscal year. This amount was comprised of \$41,535 in compensated absences, \$5,461 in capital leases, \$85,805 in liability for self-insurance, \$717,968 in bonds payable, \$6,775 from an adverse judgment, \$809,700 in net pension liability from governmental activities along with \$43,586 in closure and post-closure care, \$3,580 in bonds payable, \$75 in loans payable, \$282 in compensated absences, and \$6,275 in net pension liability from business activities. Please refer to Note 10 on page 47 and page 50 for further information on the County's long-term debt.

Economic Factors and Next Year's Budget and Rates

- The national, state and local economies have seen solid gains in their recovery from the recession. Fresno County has seen upward trends in both property and sales taxes, as well as in its investment earnings. However, high unemployment and overall uncertainty about the economic policies of government continue to persist, although nonfarm unemployment has decreased. Also, while new construction activity in the housing market has occurred, housing inventory remains low, leading to higher median home prices.
- Due to the County being heavily dependent on agriculture, it experiences chronically high unemployment, which places continual pressure on the County to provide adequate social and medical services. In addition, certain types of crime are considered high profile and public protection is a high priority to citizens.
- Due to the stabilizing economy, the County's general revenue, sometimes referred to as discretionary revenue, has increased. Both property and sales tax revenues have seen solid increases. At the same time, the portion of the County's budget that relies on this revenue continues to experience increased costs due to general inflation, medical insurance, workers' compensation, retirement increases and increases in service demands. Medical insurance, in particular, has been affected, most notably by the passage of the Affordable Care Act; the full effects of the legislation have yet to be realized.
- Realignment funds support the County's public safety, social services, health and mental health programs. These are comprised of vehicle license fees and sales taxes. Realignment funds increased significantly pursuant to Assembly Bill 118, which realigned additional programs and reassigned responsibility of overseeing and providing core services to local governments. While Realignment funds continue to increase, specific program-related revenue continues to fall to compensate.

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To the extent these factors were known, or could be estimated, they were considered in preparing the County's budget for fiscal year 2014-2015. The County will make adjustments to its budget as necessary to deal with further expected State budget actions.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Auditor-Controller/Treasurer-Tax Collector, 2281 Tulare Street, Fresno, CA 93721.

County of Fresno
Statement of Net Position
June 30, 2015
(amounts expressed in thousands)

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and investments	\$ 767,687	\$ 50,107	\$ 817,794
Restricted cash and investments	13,791	32,939	46,730
Receivables			
Accounts (net of allowances for uncollectibles)	129,185	2,407	131,592
Taxes	34,022	-	34,022
Interest	2,511	269	2,780
Loans	39,112	-	39,112
Internal balances	861	(861)	-
Due from other governmental units	6,070	-	6,070
Inventories of supplies	5,473	3	5,476
Capital assets (net of accumulated depreciation):			
Land	16,569	9,183	25,752
Land easements	40,570	-	40,570
Buildings and improvements	319,446	42,534	361,980
Equipment	27,725	4,015	31,740
Construction in progress	4,458	7,060	11,518
Infrastructure	279,172	-	279,172
Infrastructure in progress	40,868	-	40,868
Intangible	2,464	-	2,464
Total assets	<u>1,729,984</u>	<u>147,656</u>	<u>1,877,640</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	<u>161,093</u>	<u>1,249</u>	<u>162,342</u>
Total deferred outflows of resources	<u>161,093</u>	<u>1,249</u>	<u>162,342</u>
LIABILITIES			
Accounts payable	57,418	458	57,876
Salaries and benefits payable	40,653	282	40,935
Interest payable	5,536	84	5,620
Due to other governmental units	14,146	630	14,776
Deposits and other liabilities	401	11	412
Unearned revenue	15,475	96	15,571
Noncurrent liabilities:			
Due within one year	68,471	604	69,075
Due beyond one year	<u>1,598,773</u>	<u>53,194</u>	<u>1,651,967</u>
Total liabilities	<u>1,800,873</u>	<u>55,359</u>	<u>1,856,232</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	<u>350,150</u>	<u>2,714</u>	<u>352,864</u>
Total deferred inflows of resources	<u>350,150</u>	<u>2,714</u>	<u>352,864</u>
NET POSITION			
Net investment in capital assets	533,674	58,661	592,335
Restricted for:			
Debt service	-	1,588	1,588
Unrestricted	<u>(793,620)</u>	<u>30,583</u>	<u>(763,037)</u>
Total net position	<u>\$ (259,946)</u>	<u>\$ 90,832</u>	<u>\$ (169,114)</u>

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

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Statement of Activities
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Function/Program	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	\$ 34,673	\$ 22,475	\$ 11,348	\$ -	\$ (850)	\$ -	\$ (850)
Public protection	291,148	26,476	83,189	-	(181,483)	-	(181,483)
Public ways and facilities	45,635	2,227	36,098	-	(7,310)	-	(7,310)
Health, sanitation and public assistance	760,840	20,771	681,490	-	(58,579)	-	(58,579)
Education	23,918	1,808	208	-	(21,902)	-	(21,902)
Culture and recreation	2,380	1,023	-	-	(1,357)	-	(1,357)
Interest and fiscal charges	40,219	-	-	-	(40,219)	-	(40,219)
Total governmental activities	<u>1,198,813</u>	<u>74,780</u>	<u>812,333</u>	<u>-</u>	<u>(311,700)</u>	<u>-</u>	<u>(311,700)</u>
Business activities							
Water and sewer	5,652	4,001	283	-	-	(1,368)	(1,368)
Landfill	21,451	16,379	211	-	-	(4,861)	(4,861)
Total business-type activities	<u>27,103</u>	<u>20,380</u>	<u>494</u>	<u>-</u>	<u>-</u>	<u>(6,229)</u>	<u>(6,229)</u>
Total primary government	<u>\$ 1,225,916</u>	<u>\$ 95,160</u>	<u>\$ 812,827</u>	<u>\$ -</u>	<u>(311,700)</u>	<u>(6,229)</u>	<u>(317,929)</u>
General revenues:							
Property tax					232,374	711	233,085
Sales tax					186,747	-	186,747
Franchise tax					22,736	-	22,736
Unrestricted motor vehicle in-lieu taxes					58,964	-	58,964
Other					13,970	1,870	15,840
Unrestricted investment earnings					9,344	638	9,982
Transfers in (out)					(2,750)	2,750	-
Total general revenues and transfers					<u>521,385</u>	<u>5,969</u>	<u>527,354</u>
Change in net position					209,685	(260)	209,425
Net position - beginning					1,162,084	97,751	1,259,835
Prior period adjustment					(1,631,715)	(6,659)	(1,638,374)
Net position - ending					<u>\$ (259,946)</u>	<u>\$ 90,832</u>	<u>\$ (169,114)</u>

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

County of Fresno
Balance Sheet
Governmental Funds
June 30, 2015
(amounts expressed in thousands)

	General Fund	Debt Service	Road Fund	Behavioral Health -MH	Social Services	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and investments	\$ 238,173	\$ 44,736	\$ 41,007	\$ 93,034	\$ 33,482	\$ 5,272	\$ 45,747	143,645	\$ 645,096
Restricted cash and investments	-	13,791	-	-	-	-	-	-	13,791
Receivables, net:									
Accounts	45,346	-	7,922	4,798	25,369	26,007	16,899	1,423	127,764
Taxes	31,379	-	-	-	-	-	-	2,643	34,022
Interest	931	141	149	319	109	44	-	422	2,115
Loans	39,112	-	-	-	-	-	-	-	39,112
Due from other funds	489	-	407	-	-	-	-	43	939
Due from other governmental units	1,040	-	2	-	-	-	-	43	1,085
Advances to other funds	295	-	-	-	-	-	-	-	295
Inventory of supplies	3,738	-	721	-	-	-	-	20	4,479
Total assets	<u>\$ 360,503</u>	<u>\$ 58,668</u>	<u>\$ 50,208</u>	<u>\$ 98,151</u>	<u>\$ 58,960</u>	<u>\$ 31,323</u>	<u>\$ 62,646</u>	<u>\$ 148,239</u>	<u>\$ 868,698</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES									
Liabilities:									
Accounts payable	\$ 43,158	\$ -	\$ 3,260	\$ -	\$ 39	\$ -	\$ -	\$ 1,631	\$ 48,088
Salaries and benefits payable	36,482	-	1,191	-	-	-	-	1,068	38,741
Due to other governmental units	1,765	-	3,628	-	45	-	-	118	5,556
Due to other funds	5,323	-	660	-	-	-	-	311	6,294
Deposits and other liabilities	44	-	-	-	-	-	-	-	44
Unearned revenue	-	-	45	-	14,780	-	-	65	14,890
Total liabilities	<u>86,772</u>	<u>-</u>	<u>8,784</u>	<u>-</u>	<u>14,864</u>	<u>-</u>	<u>-</u>	<u>3,193</u>	<u>113,613</u>
Deferred inflows of resources:									
Unavailable HARP Loan	39,112	-	-	-	-	-	-	-	39,112
Unavailable property taxes	29,978	-	-	-	-	-	-	-	29,978
Other unavailable	14,108	-	-	-	-	-	-	-	14,108
Total deferred inflows of resources	<u>83,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,198</u>
Fund balances:									
Nonspendable	43,092	-	721	-	-	-	-	15	43,828
Restricted	4,985	58,668	16,891	98,151	44,096	31,323	62,646	131,834	448,594
Committed	18,724	-	-	-	-	-	-	-	18,724
Assigned	77,493	-	23,812	-	-	-	-	13,197	114,502
Unassigned	46,239	-	-	-	-	-	-	-	46,239
Total fund balances	<u>190,533</u>	<u>58,668</u>	<u>41,424</u>	<u>98,151</u>	<u>44,096</u>	<u>31,323</u>	<u>62,646</u>	<u>145,046</u>	<u>671,887</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 360,503</u>	<u>\$ 58,668</u>	<u>\$ 50,208</u>	<u>\$ 98,151</u>	<u>\$ 58,960</u>	<u>\$ 31,323</u>	<u>\$ 62,646</u>	<u>\$ 148,239</u>	<u>\$ 868,698</u>

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

County of Fresno
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015
(amounts expressed in thousands)

Fund balances - total governmental funds	\$ 671,887
Amounts reported for net position of governmental activities are different because:	
Capital assets are not recorded in governmental fund types but recorded in government-wide statements to conform with generally accepted accounting principles.	703,126
Deferred outflows of resources not recorded in governmental fund types but recorded in government-wide statements	153,198
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. This amount is net of internal service fund activity.	(1,534,122)
Unmatured interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. This amount is net of internal service fund activity.	(5,536)
Deferred inflows of resources not recorded in governmental fund types but recorded in government-wide statements	(332,990)
Because the focus of governmental funds is not short-term financing, some assets will not be available to pay current period expenditures. Those assets are offset by deferred revenues in the governmental funds. This amount is net of internal service fund activity.	83,198
Internal service funds are used by management to charge the cost of fleet services, information systems, printing and mailing services, facility services, security, risk management and communications to individual funds. The assets, deferred outflows, liabilities, and deferred inflows of the internal service funds are included in the statement of net position.	1,293
Net position of governmental activities	<u><u>\$ (259,946)</u></u>

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

County of Fresno
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	General Fund	Debt Service	Road Fund	Behavioral Health -MH	Social Services	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
Revenues									
Taxes	\$ 242,548	\$ -	\$ 10,064	\$ -	\$ -	\$ -	\$ 143,296	\$ 26,121	\$ 422,029
Licenses and permits	8,513	-	138	-	287	-	-	8,334	17,272
Fines, forfeitures and penalties	5,526	-	-	-	-	-	-	8,340	13,866
Use of money and property	3,666	647	432	1,081	196	82	443	1,475	8,022
Aid from other governmental agencies:									
State	148,435	-	25,841	46,582	95,089	173,680	-	15,426	505,053
Federal	37,097	-	9,969	-	235,785	-	-	59,703	342,554
Other	2,957	-	37	-	330	-	-	-	3,324
Charges for current services	45,284	-	5,047	-	-	-	-	5,210	55,541
Other revenues	10,645	11,092	121	-	30	-	-	4,802	26,690
Total revenues	504,671	11,739	51,649	47,663	331,717	173,762	143,739	129,411	1,394,351
Expenditures									
General government	37,010	-	-	-	-	-	-	4	37,014
Public ways and facilities	1,964	41	33,146	-	-	-	-	1,729	36,880
Public protection	323,534	-	-	-	-	-	-	570	324,104
Health, sanitation and public assistance	794,932	-	-	-	156	-	-	2,931	798,019
Education	226	-	-	-	-	-	-	24,926	25,152
Culture and recreation	2,596	-	-	-	-	-	-	-	2,596
Capital outlay	3,106	-	16,585	-	-	-	-	2,023	21,714
Debt service:								-	
Principal	-	32,655	-	-	-	-	-	-	32,655
Interest and fiscal charges	-	20,960	-	-	-	-	-	-	20,960
Total expenditures	1,163,368	53,656	49,731	-	156	-	-	32,183	1,299,094
Excess (deficiency) of revenues over (under) expenditures	(658,697)	(41,917)	1,918	47,663	331,561	173,762	143,739	97,228	95,257
Other Financing Sources (Uses)									
Transfers in	809,896	42,526	329	-	7	63,466	-	909	917,133
Transfers out	(110,142)	(2,028)	(1,102)	(27,864)	(345,152)	(222,225)	(116,849)	(94,755)	(920,117)
Total other financing sources (uses)	699,754	40,498	(773)	(27,864)	(345,145)	(158,759)	(116,849)	(93,846)	(2,984)
Net change in fund balances	41,057	(1,419)	1,145	19,799	(13,584)	15,003	26,890	3,382	92,273
Fund balances - beginning	149,415	60,087	44,236	78,352	57,680	16,320	35,756	137,073	578,919
Prior period adjustment	61	-	(3,957)	-	-	-	-	4,591	695
Fund balances - ending	\$ 190,533	\$ 58,668	\$ 41,424	\$ 98,151	\$ 44,096	\$ 31,323	\$ 62,646	\$ 145,046	\$ 671,887

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

County of Fresno
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$ 92,273
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for general capital assets, infrastructure and other related capital asset adjustments	21,714
Less - current year depreciation expense	<u>(26,395)</u> (4,681)
Interest is expended in the governmental funds when paid, while interest on long-term debt is accrued in the Statement of Net Position. This is the amount by which the current year accrued interest decreased from the prior year's reported total.	568
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is net of internal service fund activity.	14,890
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount is net of internal service fund activity.	87,084
Certain revenues are deferred because they are not available within the County's 90 day availability period. However, they are recognized in the government-wide financial statements. Amounts at the beginning of the fiscal year are netted with those at the end of the fiscal year. This amount is net of internal service fund activity.	7,631
Internal service funds are used by management to charge the cost of fleet services, information systems, printing and mailing services, facility services, security, risk management and communications to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.	11,920
Change in net position of governmental activities	<u><u>\$ 209,685</u></u>

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

County of Fresno
Statement of Net Position
Proprietary Funds
June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Enterprise	County Service Areas, Other	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 44,684	\$ 5,423	\$ 50,107	\$ 122,591
Restricted cash and cash equivalents	31,351	1,588	32,939	-
Accounts receivable (net of allowance)	1,891	516	2,407	750
Interest receivable	247	22	269	396
Due from other funds	151	533	684	6,812
Due from other governmental units	-	-	-	4,985
Inventory of supplies	3	-	3	994
Total current assets	<u>78,327</u>	<u>8,082</u>	<u>86,409</u>	<u>136,528</u>
Noncurrent assets:				
Accounts receivable	-	-	-	671
Nondepreciable:				
Land	7,956	1,227	9,183	-
Construction in progress	4,868	2,192	7,060	1,617
Depreciable:				
Buildings and improvements	55,557	38,667	94,224	4,025
Equipment	16,177	750	16,927	63,664
Less accumulated depreciation	(44,632)	(19,970)	(64,602)	(41,406)
Intangible	-	-	-	20,563
Less accumulated amortization	-	-	-	(20,317)
Total noncurrent assets	<u>39,926</u>	<u>22,866</u>	<u>62,792</u>	<u>28,817</u>
Total assets	<u>118,253</u>	<u>30,948</u>	<u>149,201</u>	<u>165,345</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	876	373	1,249	7,895
Total deferred outflows of resources	<u>876</u>	<u>373</u>	<u>1,249</u>	<u>7,895</u>
LIABILITIES				
Current liabilities:				
Accounts payable	212	246	458	9,330
Salaries and benefits payable	192	90	282	1,912
Due to other funds	489	761	1,250	891
Due to other governmental units	630	-	630	8,590
Advances from other funds	-	295	295	-
Liability for self-insurance	-	-	-	85,805
Interest payable	-	84	84	-
Unearned revenue	-	96	96	585
Deposits and other liabilities	-	11	11	357
Loans payable	-	2	2	-
General obligation bonds payable	-	180	180	-
Compensated leave and absences	100	72	172	1,097
Accrued closure/post-closure liability	250	-	250	-
Capital lease obligations	-	-	-	2,058
Total current liabilities	<u>1,873</u>	<u>1,837</u>	<u>3,710</u>	<u>110,625</u>
Noncurrent liabilities				
Compensated leave and absences	92	18	110	1,122
General obligation bonds payable	-	3,400	3,400	-
Loans payable	-	73	73	-
Accrued closure/post-closure liability	43,336	-	43,336	-
Capital lease obligations	-	-	-	3,358
Net pension liability	4,398	1,877	6,275	39,682
Total noncurrent liabilities	<u>47,826</u>	<u>5,368</u>	<u>53,194</u>	<u>44,162</u>
Total liabilities	<u>49,699</u>	<u>7,205</u>	<u>56,904</u>	<u>154,787</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	1,902	812	2,714	17,160
Total deferred inflows of resources	<u>1,902</u>	<u>812</u>	<u>2,714</u>	<u>17,160</u>
NET POSITION				
Net investment in capital assets	39,926	18,735	58,661	22,730
Restricted				
Debt service	-	1,588	1,588	-
Unrestricted	<u>27,602</u>	<u>2,981</u>	<u>30,583</u>	<u>(21,437)</u>
Total net position	<u>\$ 67,528</u>	<u>\$ 23,304</u>	<u>\$ 90,832</u>	<u>\$ 1,293</u>

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

County of Fresno
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Enterprise	County Service Areas, Other	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 16,379	\$ 4,001	\$ 20,380	\$ 172,540
Other operating revenues	719	1,457	2,176	1,948
Total operating revenues	17,098	5,458	22,556	174,488
Operating expenses:				
Salaries and benefits	3,890	1,253	5,143	24,564
Insurance	122	135	257	82,954
Professional services	8,012	650	8,662	8,349
Special departmental	3,197	496	3,693	9,248
General and administrative	1,116	216	1,332	5,780
Repairs and maintenance	721	1,211	1,932	5,253
Rents and leases	168	4	172	4,916
Parts and supplies	-	-	-	1,975
Accrued closure/post-closure	2,240	-	2,240	-
Utilities	139	757	896	12,925
Depreciation	1,846	930	2,776	5,693
Total operating expenses	21,451	5,652	27,103	161,657
Operating income (loss)	(4,353)	(194)	(4,547)	12,831
Non-operating revenues (expenses):				
Gain (loss) on sale of equipment	-	-	-	(47)
Use of money and property	575	63	638	1,322
Interest expense	-	(247)	(247)	-
Tax revenues	-	711	711	-
Donation	-	-	-	(2,420)
Closure/post-closure expense/fees	(59)	-	(59)	-
Grants and other revenues	211	283	494	-
Total non-operating revenues (expenses)	727	810	1,537	(1,145)
Net income (loss) before transfers	(3,626)	616	(3,010)	11,686
Transfers in (out):				
Transfers in	3,090	-	3,090	3,331
Transfers out	(244)	(96)	(340)	(3,097)
Total transfers in (out)	2,846	(96)	2,750	234
Change in net position	(780)	520	(260)	11,920
Net position - beginning	72,647	25,104	97,751	38,851
Prior period adjustment	(4,339)	(2,320)	(6,659)	(49,478)
Net position - ending	\$ 67,528	\$ 23,304	\$ 90,832	\$ 1,293

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

County of Fresno
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Page 1 of 2

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Enterprise	County Service Areas, Other	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from users	\$ 16,938	\$ 3,953	\$ 20,891	\$ 167,472
Cash paid to suppliers	(13,762)	(3,461)	(17,223)	(110,254)
Cash paid to employees	(4,463)	(1,465)	(5,928)	(28,989)
Cash paid for claims	-	-	-	(12,291)
Cash received from other operating revenues	-	1,457	1,457	-
Net cash provided by operating activities	(1,287)	484	(803)	15,938
Cash flows from non-capital financing activities:				
Tax revenues	-	711	711	-
Grant revenues	211	283	494	-
Transfers from other funds	3,090	-	3,090	3,331
Transfers to other funds	(244)	(96)	(340)	(3,097)
Advances received from other funds	-	295	295	-
Cash paid to closure/post-closure liability	(446)	-	(446)	-
Net cash provided by (used in) non-capital financing activities	2,611	1,193	3,804	234
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(1,293)	(729)	(2,022)	(7,879)
Principal paid on long-term liabilities	-	(170)	(170)	-
Interest paid on long-term liabilities	-	(247)	(247)	-
Net cash (used in) capital and related financing activities	(1,293)	(1,146)	(2,439)	(7,879)
Cash flows from investing activities:				
Use of money and property received	575	63	638	1,242
Net cash provided by investing activities	575	63	638	1,242
Net increase (decrease) in cash and cash equivalents	606	594	1,200	9,535
Cash and cash equivalents - beginning	75,429	6,417	81,846	109,097
Prior period adjustment	-	-	-	3,959
Cash and cash equivalents - ending	<u>\$ 76,035</u>	<u>\$ 7,011</u>	<u>\$ 83,046</u>	<u>\$ 122,591</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents in cash and investments	\$ 44,684	\$ 5,423	\$ 50,107	\$ 122,591
Cash and cash equivalents in restricted cash and investments	31,351	1,588	32,939	-
Total	<u>\$ 76,035</u>	<u>\$ 7,011</u>	<u>\$ 83,046</u>	<u>\$ 122,591</u>

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

County of Fresno
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Page 2 of 2

	Solid Waste Enterprise	County Service Areas, Other	Total	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (4,353)	\$ (194)	\$ (4,547)	\$ 12,831
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Pension expense	335	143	478	3,027
Current year deferred retirement contributions	(833)	(355)	(1,188)	(7,514)
Depreciation expense	1,846	930	2,776	5,693
Accrued closure/postclosure expense	2,240	-	2,240	-
Decrease (increase) in accounts receivable	(163)	(61)	(224)	(451)
Decrease (increase) in due from other funds	2	13	15	1,085
Decrease (increase) in due from other governmental units	-	-	-	(1,252)
Decrease (increase) in inventory	1	-	1	21
Decrease (increase) in deposits and other assets	-	-	-	(2,430)
(Decrease) increase in accounts payable	(526)	(108)	(634)	5,976
(Decrease) increase in salaries and benefits payable	(75)	-	(75)	62
(Decrease) increase in unearned revenue	-	96	96	217
(Decrease) increase in due to other funds	120	63	183	(2,021)
(Decrease) increase in due to developer deposits	-	(43)	(43)	-
(Decrease) increase in due to other government units	119	-	119	2,496
(Decrease) increase in liability for self-insurance	-	-	-	(1,802)
Total adjustments	<u>3,066</u>	<u>678</u>	<u>3,744</u>	<u>3,107</u>
Net cash provided by (used in) operating activities	<u>\$ (1,287)</u>	<u>\$ 484</u>	<u>\$ (803)</u>	<u>\$ 15,938</u>
Noncash investing, capital, and financing activities:				
Borrowing under capital lease				<u>\$ 2,516</u>

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

County of Fresno
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015
(amounts expressed in thousands)

	Investment Trust	Agency
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 1,669,503	\$ 105,895
Accounts receivable	-	63,478
Interest receivable	-	536
Due from other governmental units	-	2,745
Property held by public administrator	-	8,517
Total assets	<u>\$ 1,669,503</u>	<u>\$ 181,171</u>
LIABILITIES		
Accounts payable	\$ -	\$ 27,645
Due to other taxing units	-	67,103
Due to other governmental units	5,789	46,577
Fiduciary liabilities	-	39,846
Total liabilities	<u>\$ 5,789</u>	<u>\$ 181,171</u>
NET POSITION		
Net position held in trust	<u>\$ 1,663,714</u>	

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

County of Fresno
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Investment Trust
ADDITIONS:	
Contributions:	
Contributions to pooled investments	\$ 11,172,784
Total contributions	<u>11,172,784</u>
Interest and investment revenue:	
Use of money and property	<u>33,648</u>
Total interest and investment revenue	<u>33,648</u>
Total additions	<u>11,206,432</u>
DEDUCTIONS:	
Disbursements from pooled investments	<u>10,959,427</u>
Total deductions	<u>10,959,427</u>
Change in net position	247,005
Net position - beginning	<u>1,416,709</u>
Net position - ending	<u><u>\$ 1,663,714</u></u>

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

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County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

NOTE 1 - The Financial Reporting Entity

The County of Fresno (County) is a political subdivision chartered by the State of California (State) and, as such, can exercise the powers specified by the Constitution and laws of the State. The County operates under its Charter and is governed by an elected five member Board of Supervisors (Board). The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, road construction, road maintenance, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

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. The following circumstances set forth a primary government's financial accountability for a legally separate organization (from Government Accounting Standards Board (GASB) Statement No. 61):

- a. The primary government is financially accountable if it appoints a voting majority of the organization's governing body *and* (1) it is able to impose its will on that organization *or* (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
- b. The primary government is financially accountable if an organization is fiscally dependent on *and* there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The basic financial statements include blended component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and data from these units is combined with data of the primary government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by making a request to the County of Fresno, Auditor-Controller/Treasurer-Tax Collector's Office, 2281 Tulare Street, Room 105, Fresno, California 93721.

Blended Component Units: The following organizations are included in the County's financial statements as blended components.

County Service Areas, Other (CSAs) which include Lighting and Maintenance Districts and Waterworks Districts, are blended as Special Revenue funds and Enterprise funds because they are an integral part of the County, their governing bodies are comprised of the Board, and there is potential that the organization can provide specific financial benefits or impose financial burdens on the County.

The Fresno County Financing Authority (FCFA) was formed to finance the construction, installation and equipping of the County facilities. The bonds issued by the FCFA are recorded in the County financial statements. The FCFA and the County have a financial and operational relationship (FCFA is financially accountable to the County), which requires that the FCFA's

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

financial statements be blended into the County's financial statements. The FCFA's policies are determined by a five-member board appointed by the Board.

The Fresno County Tobacco Funding Corporation is reported as a Debt Service fund in the financial statements because it is an integral part of the County. The Fresno County Tobacco Funding Corporation Board consists of members of the Board or members appointed by the Board. Also, the financial benefit/burden relationship exists between the two entities. A separate financial report can be reviewed at the Auditor-Controller/Treasurer-Tax Collector's office.

Discretely Presented Component Unit: Discretely presented component units are legally separate entities, which have some financial accountability to the Board; though the entity's governing board is substantially different from the Board. As of June 30, 2015, the County has no discretely presented component units.

NOTE 2 - Summary of Significant Accounting Policies

(A) Basis of Presentation

Government-wide Financial Statements

The statement of net position and statement of activities display 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. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues. When both restricted and unrestricted net position is available for use, restricted resources are used prior to depleting unrestricted resources.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category: *governmental, proprietary, and fiduciary*, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. These funds are each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and combined in one column for reporting as non-major funds in the fund financial statements.

Proprietary funds distinguish *operating* revenues, such as charges for services, which result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports seven major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes the following services: public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation.
- The *Debt Service Fund* accounts for all activities involving the issuance and payment of debt. This includes receipt of bond issuance proceeds, the distribution of those proceeds, along with the payment of principal and interest to extinguish the debt.
- The *Road Fund* provides for planning, design, construction, maintenance and administration of County transportation planning activities. Revenues consist primarily of the County's share of State Highway Use Taxes, Federal Grants, and Vehicle Code Fines and Fees.
- The *Behavioral Health – Mental Health (MH) Fund* is used to account for health services mandated under the California Mental Health Act. Revenue is derived primarily from state grants.
- The *Social Services Fund* accounts for a variety of public assistance and social service programs that are funded primarily from federal and state grants.
- The *Local Health and Welfare Fund* is used to account for proceeds of sales tax designated for State/Local Program Realignment. In addition, the fund is used to deposit Vehicle License Fees received in the General Fund from the Local Revenue Fund of the State for Realignment.
- The *2011 Realignment Fund* is utilized to account for funds provided by the State pursuant to Assembly Bill 118, which required counties to use moneys with the County Local Revenue Fund 2011 exclusively for specific public safety services related to appropriate rehabilitative, housing, and supervision services to youth offenders.

The County reports both of its enterprise activities as major proprietary funds:

- The *Solid Waste Enterprise Fund* is used to account for the County's operation of one transfer station, three disposal sites located in various areas of the County, one planning joint powers agreement, and one administrative fund.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

- The *County Service Areas, Other Fund* is used to account for special districts, governed by the Board, which include CSAs and Waterworks districts and one administrative fund. They were established to provide water and sewer services within specific areas of the County.

The County reports the following additional fund types:

Internal Service Funds account for the financing of goods or services provided by one County department to another County department on a cost reimbursement basis. Internal service funds account for the activities of fleet maintenance, centralized printing and mailing, centralized telecommunications, information services, the County's financial software, and centralized facility services and security. In addition, the County's Risk Management Fund accounts for the County's self-insurance programs - worker's compensation, long-term disability, employee benefits, and personal injury and property damage, on a cost-reimbursement basis.

Fiduciary Funds are utilized to account for funds held by the County for other entities. The Investment Trust Fund accounts for the investments of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, and regional boards and authorities. The Investment Trust Fund also accounts for tax collections passed through to cities within the County. This fund reports the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The Agency Funds account for assets held by the County as an agent for various local governments. Refer to Note 11 for more information on Fresno County Employees' Retirement Association (FCERA).

(B) Basis of Accounting

The government-wide, proprietary, and investment trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Other agency funds do not use a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange 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. Using the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

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

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and the various other funds of the government.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

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

(C) Budgeting

In accordance with the provisions of Sections 29000 through 29144 and Section 30200 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final balanced budget on or before October 2 for each fiscal year. Until the adoption of this final balanced budget, the appropriations are based on the budget of the preceding year as allowed per California Government Code 29124. The final adopted budget (County Budget) is available for review in the Auditor-Controller/Treasurer-Tax Collector's office.

A balanced operating budget is adopted each fiscal year for the General and Special Revenue funds and the Debt Service Fund on the modified accrual basis of accounting with some exceptions. The Tobacco Tax Funding Corporation is an exception, because it has no adopted budget. A budget is not adopted for the Capital Projects Fund. Public hearings are conducted on the proposed budget to review all appropriations and the source of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in appropriations.

Budgetary control is exercised at the department level in both the General and Special Revenue funds. Some Special Revenue funds benefit multiple departments, while most operate under a single department. The legal level of control is at the object level except for capital assets, which are controlled at the sub-object level. All amendments, expenditures that exceed appropriations and transfers of appropriations between levels within the same department or between departments within any fund are authorized by the County Administrative Office and must be approved by the Board. One exception in fiscal year 2015 was the Social Services Fund, which had expenditures with no budgeted appropriations. The Board must also approve supplemental appropriations financed by unanticipated revenues.

The General Fund, Road Fund, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Budgetary Comparison Schedules are part of Required Supplementary Information on pages 66-74. Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes in the General, Special Revenue, and Capital Project funds. Encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures.

(D) Cash and Cash Equivalents

Cash and cash equivalents as reported in the Statement of Cash Flows consist of cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and have an original maturity of three months or less.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

(E) Restricted Cash and Investments

The County reports restricted cash and investments in the Debt Service Fund and the enterprise funds. Amounts reported in the Debt Service Fund and CSA, Other enterprise fund are restricted for debt service payments. The amount reported in the Solid Waste enterprise fund is money set aside based on estimate to cover closure costs and thirty years of post-closure maintenance costs to provide financial assurance once the landfills are closed.

(F) Investments

Statutes authorize the County to invest its surplus cash (excluding cash belonging to the FCERA) in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds rated P-1 by Standard & Poor's Corporation or A-1 by Moody's Investor Service, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State Local Agency Investment Fund (LAIF). Gains and losses are recognized based upon the specific identification method. All pooled investments are reported at fair value. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by the real estate investment funds, futures investment managers, and alternative investment managers.

(G) Receivables

The County accrues revenues at fiscal year-end in both the governmental and government-wide statements. Certain receivables have an element of uncertainty in their ability to be collected; as such, County receivables are reported net of uncollectible accounts. See Note 5 for the uncollectible amounts.

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the school and special districts within the County. The Board levies property taxes as of September 1, on property values certified on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and delinquent with penalties after December 10 and the second is generally due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1. Property taxes on the unsecured roll are due upon receipt of the tax bill and become delinquent if unpaid on August 31. Property taxes are accounted for in the Property Tax Collection fund, an Agency fund, until apportionment and disbursement to taxing jurisdictions.

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Pursuant to Article XIII A (known as Proposition 13) of the State Constitution, the County is permitted to levy a maximum tax of 1 percent of full cash value. For fiscal year 2014-15, the County recorded \$232,374 in property taxes that were used to finance general governmental services.

Teeter Plan - The County elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County, through the Property Tax Collection fund, purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the Property Tax Collection fund records tax receivable and receives the delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, special districts, and school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the Property Tax Collection fund. Therefore, for participating agencies, revenue is

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

measurable and available and is recorded in the period the payment of current secured unpaid taxes is received.

(H) Inventories and Prepaid Items

Inventories are valued at cost, which is determined on a first-in, first-out basis. Inventories in the General and Special Revenue funds consist of expendable supplies held for consumption. Inventories are charged to operations as consumed in both the government-wide and fund financial statements.

(I) Capital Assets

Capital assets, including infrastructure, are recorded at historical cost, or at estimated historical cost, if the actual cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The County defines capital assets as assets with an initial, individual, cost of more than \$5 for equipment, \$100 for buildings, infrastructure and intangible assets. Capital assets also have an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (applicable to assets procured under capital leases) using the straight-line method over the lesser of the asset's estimated life (or capital lease period) in the government-wide financial statements and proprietary fund financial statements. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Depreciation on capital assets is taken over the following estimated lives:

<u>Type of Asset</u>	<u>Estimated Useful Life in Years</u>
Land	0
Buildings and improvements	20-50
Equipment	3-15
Infrastructure	40
Intangible	5-15

(J) Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the County recognizes deferred outflows and inflows of resources on the face of its financial statements.

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

(K) Liability for Earned Compensated Absences

The County reports a liability for compensated absences attributable to services already rendered as of the statements of net position date. This liability is based on the probability that the County will eventually compensate employees for these benefits through paid time off, or some other means, such as annual leave cash-outs or cash payments at termination or retirement. The liability is calculated based on pay or salary rates in effect at the statement of net position date and includes amounts for salary-related payments, such as Social Security and Medicare taxes. The County has included the liability within the government-wide financial statements and the proprietary fund financial statements.

(L) Bond Issuance Costs and Discounts

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund statement of net position. Bond discounts, as well as issuance costs, as a result of GASB Statement No. 65, are expensed in the period in which they are incurred. Bonds payable are reported net of the applicable bond discount or premium.

In the fund financial statements, government fund types recognize bond discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

(M) Fund Balance

In the fund financial statements, in accordance with GASB Statement No. 54, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent. The Board, the County's highest decision-making authority, establishes, modifies, or rescinds fund balance commitments by passage of an ordinance or resolution (ordinances and resolutions are considered of equal authority with respect to fund balance). This is done through adoption of the budget and subsequent budget amendments that occur throughout the year. In addition, per County policy, the County's Administrative Officer and Auditor-Controller/Treasurer-Tax Collector can establish, modify, or rescind fund balance assignments through the encumbrance process. Please refer to Note 13 for more information on fund balance.

(N) Special Assessments

The total amount of special assessments for special districts paid at June 30, 2015 was \$41,908. Special assessments include both debt collection activity and fees for services provided by the special district. The County is not liable for this; rather, it acts solely as an agent for the special district, which is liable for the debt or providing the services. Accordingly, this liability is not reflected in these financial statements. The assessments are added to the tax bill in accordance with Proposition 218.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

(O) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period.

(P) Recently Issued Accounting Pronouncements

During the year ended June 30, 2015, the County implemented the following GASB Statements:

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

The GASB has issued Statement No. 69, "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e. government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013.

The GASB has issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date; an amendment of GASB Statement No. 68." This Statement amends paragraph 137 of GASB Statement No. 68. The requirements of this Statement apply to all state and local governments that are required to apply the provisions of GASB Statement No. 68 for defined benefit pensions. The provisions of this Statement should be applied simultaneously with the provisions of GASB Statement No. 68.

The County is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

The GASB has issued Statement No. 72, "Fair Value Measurement and Application." This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

The GASB has issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67 and No. 68 for pension plans and pensions that are within their respective scopes. The requirements of this

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

Statement are effective for fiscal years beginning after June 15, 2015-except those requirements that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

The GASB has issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This Statement replaces Statements No. 43 as amended, and No. 57. It also includes requirements for defined contribution Other Postemployment Benefit (OPEB) plans that replace the requirements for those OPEB plans in Statement No. 25 as amended, Statement 43, and Statement No. 50. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

The GASB has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement replaces the requirements of Statements No. 45 as amended, and No. 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement is effective for fiscal years beginning after June 15, 2017.

The GASB has issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of accounting principles generally accepted in the United States of America (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

The GASB has issued Statement No. 77, "Tax Abatement Disclosures". This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

The GASB has issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

NOTE 3 - Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 817,794
Restricted cash and investments	46,730
Fiduciary Funds:	
Cash and investments	1,775,398
Total cash and investments	<u>\$ 2,639,922</u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 20,077
Deposits with financial institutions	61,768
Investments (pooled)	2,501,459
Total pooled cash and investments	<u>2,583,304</u>
Investments (fiscal agents)	14,216
Total County cash and investments	<u>2,597,520</u>
External Investments	<u>42,402</u>
Total cash and investments	<u>\$ 2,639,922</u>

The following represents a condensed statement of net position and changes in net position for the Treasury Investment Pool as of June 30, 2015.

Statement of Net Position

Cash and investments	\$ 2,633,102
Less: transitory items/warrants payable	<u>(49,798)</u>
Net position held in trust for pool participants	<u>\$ 2,583,304</u>

Equity of internal pool participants	\$ 923,882
Equity of external pool participants (voluntary and involuntary)	<u>1,659,422</u>
	<u>\$ 2,583,304</u>

Statement of Changes in Net Position

Net position at July 1, 2014	\$ 2,225,496
Net change in investments by pool participants	<u>357,808</u>
Net position held in trust for pool participants at June 30, 2015	<u>\$ 2,583,304</u>

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

Investments authorized by California Government Code (CGC) and the County of Fresno Treasury Investment Pool Policy

The following table identifies the investment types that are authorized for the County by CGC, or the County Treasury Investment Pool (IP) policy, where more restrictive. The table also identifies the more restrictive provision of the CGC or the IP that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by bond trustee's that are governed by the provisions of the County's debt agreements, rather than the general provisions of either the CGC or the IP.

Authorized Investment Types	Maximum Percentage Of Portfolio	Maximum Maturity
U.S. Treasury Bills, Notes and Bonds*	0 to 85%	5 Years
U.S. Government Agency Obligations*	0 to 85%	5 Years
Bankers' Acceptances	40%	180 Days
Commercial Paper	40%	270 Days
Negotiable Certificates of Deposit	30%	13 Months
Non-negotiable Certificates of Deposit	50%	13 Months
Repurchase Agreements	15%	Overnight/Weekend
Local Agency Investment Fund	\$40,000	5 Years
Medium Term Notes	30%	5 Years
Mutual Funds	20%	5 Years
Mortgage-Backed Securities	10%	5 Years

**Investments in U.S. Treasury Bills, Notes and Bonds, and U.S. Government Agency Obligations may not exceed 85% of the money in the Treasury IP.*

Investment Authorized by Debt Agreements

The County and its component units have \$14,216 in investments held by bond trustees pledged to the payment or security of certain debt issues. These funds are invested in accordance with bond covenants and are pledged for payment of principal, interest, and specified capital improvements.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is of its fair value to changes in market interest rates. A way the County manages its exposure to interest rate risk is by purchasing a combination of short term and long term investments as well as timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

Pooled Investments in County Treasury:

	Totals	Remaining Maturity (in months)					
		12 months or less	13 to 24 months	25 to 36 months	37 to 60 months	61 to 120 months	More than 120 months
U.S. Government Agency Obligation	\$ 1,692,932	\$ 350,601	\$ 442,703	\$ 384,561	\$ 515,067	\$ -	\$ -
Medium-Term Corporate Notes	484,444	67,630	88,308	151,228	177,278	-	-
U.S. Treasury Notes	43,991	2,933	3,773	3,292	33,993	-	-
Asset Backed Securities	6,896	135	1,102	4,859	800	-	-
Municipal Bonds	10,134	-	-	-	10,134	-	-
Mutual Fund	53,111	53,111	-	-	-	-	-
Bank Account	321,825	321,825	-	-	-	-	-
Vault	19,769	19,769	-	-	-	-	-
Total	\$ 2,633,102	\$ 816,004	\$ 535,886	\$ 543,940	\$ 737,272	\$ -	\$ -
Less: Outstanding warrants still invested	(49,798)						
Total Financial Statement Pooled Investments	\$ 2,583,304						

Investments with Fiscal Agents:

	Totals	Remaining Maturity (in months)					
		12 months or less	13 to 24 months	25 to 36 months	37 to 60 months	61 to 120 months	More than 120 months
Federal Home Loan Banks	\$ 2,077	\$ 2,077	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Association	6,971	6,971	-	-	-	-	-
Federated Government Obligation Fund	4,512	4,512	-	-	-	-	-
Money Market Mutual Funds	656	656	-	-	-	-	-
Total	\$ 14,216	\$ 14,216	\$ -	\$ -	\$ -	\$ -	\$ -

Except as inherent by their nature as disclosed above, the County's investments (including those held by a bond trustee) are not highly sensitive to interest rate fluctuations.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented in the following schedule is the minimum rating required by the CGC, or the IP, or debt agreements, and the actual rating as of year-end for each investment type.

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Pooled Investments in County Treasury:

		Ratings as of the Year End 6/30/2015					
Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	A1/P1 A-AAA	B-BBB	C-CCC	Not Rated
U.S. Government Agency Obligation	\$ 1,692,932	N/A	\$ -	\$ 1,692,932	\$ -	\$ -	\$ -
Medium-Term Corporate Notes	484,444	A3	-	483,674	770	-	-
U.S. Treasury Notes	43,991	N/A	43,991	-	-	-	-
Asset Backed Securities	6,896	AA	-	6,896	-	-	-
Municipal Bonds	10,134	N/A	-	10,134	-	-	-
Mutual Fund	53,111	N/A	-	-	-	-	53,111
Bank Account	321,825	N/A	-	-	-	-	321,825
Vault	19,769	N/A	-	-	-	-	19,769
Total	\$ 2,633,102		\$ 43,991	\$ 2,193,636	\$ 770	\$ -	\$ 394,705

Investments with Fiscal Agents:

		Ratings as of the Year End 6/30/2015					
Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	A1/P1 A-AAA	B-BBB	C-CCC	Not Rated
Federal Home Loan Banks	\$ 2,077	N/A	\$ -	\$ 2,077	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corporation	6,971	N/A	-	6,971	-	-	-
Federated Government Obligation Fund	4,512	N/A	-	4,512	-	-	-
Money Market Mutual Funds	656	N/A	-	656	-	-	-
Total	\$ 14,216		\$ -	\$ 14,216	\$ -	\$ -	\$ -

Concentration of Credit Risk

The IP does not limit the amount that can be invested in any one issuer beyond the limitations stipulated by the CGC. Investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of the total County's total investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal Agency Securities	\$ 540,391
Federal Home Loan Mortgage Corporation	Federal Agency Securities	602,280
Federal National Mortgage Association	Federal Agency Securities	507,093
Bank of the West	Bank Accounts	321,825

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that the County will not be able to recover its deposits or will not be able to recover collateral securities in the possession of an outside party if a depository institution fails. The custodial credit risk for *investments* is the risk that the County will not be able to recover the value of its investment or collateral securities held by another party if the counterparty (e.g., broker-dealer) to a transaction fails. The CGC and IP do not contain legal or policy requirements that would limit exposure to custodial credit risk for deposits or investments, other than the following provision applicable to *deposits*: The CGC requires any deposits of more than \$250 must be collateralized at 110% to 150% of the value of the deposit to guarantee the safety of the public funds. The first \$250 of the County's deposits is insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250 insured amount are fully collateralized by the banks by pledging identifiable U.S. Government securities at 110% or more.

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As of June 30, 2015, all of the County's deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the CGC. As of June 30, 2015, all of the County's investments were held by the County itself or by a broker-dealer (counterparty) other than the broker-dealer used by the County to purchase the securities.

Investment in State Investment Pool

The County is a voluntary participant in the LAIF that is regulated by the CGC under the oversight of the Treasurer of the State. The fair value of the County's investments in this pool is reported in the accompanying financial statements at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the County's position in the LAIF pool.

NOTE 4 - Restricted Cash and Investments

Cash and investments are restricted for various purposes in the funds that comprise governmental and business-type activities. Restricted cash and investments consist of the following:

Governmental activities:

Debt Service

Bond repayment	\$ 13,791
Total	<u>\$ 13,791</u>

Business-type activities:

Enterprise funds:

Solid Waste Enterprise

American Avenue post-closure care - other	\$ 28,600
Corrective action	658
Coalinga post-closure	<u>2,093</u>
Subtotal	<u>31,351</u>

CSAs:

Bond repayment/construction	<u>1,588</u>
Subtotal	<u>1,588</u>
Total	<u>\$ 32,939</u>

NOTE 5 - Receivables

Taxes and accounts receivable balances for the General, Debt Service, Road Fund, and non-major governmental funds, Internal Service, and Proprietary funds are stated net of allowances for uncollectible accounts.

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At June 30, 2015, the General Fund had an allowance of \$976, while the Internal Service Funds had an allowance of \$101. The total for uncollectible accounts was \$1,077.

GASB Statement No. 38, "Certain Financial Statement Note Disclosures," requires disclosure of significant receivable balances not expected to be collected within one year of the date of the financial statements. The detail of receivable balances not expected to be collected within the next fiscal year is as follows:

Loans Receivable

The County engages in programs designed to encourage construction or improvement of housing for persons with low to moderate incomes. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with County terms. Since the County does not expect to collect these loans in the near term, they have been offset by deferred inflow of resources in the fund financial statements. The amount not expected to be collected within the next fiscal year is \$39,112.

NOTE 6 - Interfund Transactions and Balances

Loans reported as receivables and payables are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statement presentation.

The composition of interfund balances as of June 30, 2015 was as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 489	\$ 5,323
Road Fund	407	660
Non-major governmental funds	43	311
Solid Waste Enterprise	151	489
CSAs	533	761
Internal Service Funds	6,812	891
	<u>\$ 8,435</u>	<u>\$ 8,435</u>

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The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 809,896	\$ 110,142
Debt Service	42,526	2,028
Road Fund	329	1,102
Behavioral Health - MH	-	27,864
Social Services	7	345,152
Local Health and Welfare	63,466	222,225
2011 Realignment Fund	-	116,849
Non-major governmental funds	909	94,755
Solid Waste Enterprise	3,090	244
CSAs	-	96
Internal Service Funds	3,331	3,097
	<u>\$ 923,554</u>	<u>\$ 923,554</u>

Transfers are comprised principally of transfers between the General Fund and special revenue funds and are related to State/Local Program Realignment (Assembly Bill 1288), Vehicle License Fees, and to debt service transfers to pay principal and interest payments on pension obligation bonds. In addition, significant transfers occurred between the various special revenue funds and the General Fund due to the County's budgetary practice of receiving revenues in the special revenue funds but budgeting for and spending expenditures in the General Fund. Resources are subsequently transferred to reimburse the General Fund.

The following schedule briefly summarizes the County's advances between funds for the fiscal year ended June 30, 2015:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ 295	\$ -
CSAs	-	295
	<u>\$ 295</u>	<u>\$ 295</u>

Advances from the General Fund to the CSAs are specifically for construction projects, wherein the County has entered into grant agreements with the State to fund specific projects and is spending funding upfront with reimbursement trailing from the grant agreements. While the expenditures and expected revenue are budgeted for and spent out of the General Fund, they are truly construction expenditures of the CSAs, and therefore are reported in that fund, with advances representing the amount owed to the General Fund.

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NOTE 7 - Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Additions	Retirements	Adjustments	Balance June 30, 2015
Government activities					
Capital assets, not being depreciated					
Land	\$ 16,673	\$ -	\$ -	\$ (104)	\$ 16,569
Land easements	40,322	248	-	-	40,570
Construction in progress	248	4,620	(410)	-	4,458
Infrastructure in progress	61,355	16,585	(36,375)	(697)	40,868
Total capital assets, not being depreciated	<u>118,598</u>	<u>21,453</u>	<u>(36,785)</u>	<u>(801)</u>	<u>102,465</u>
Capital assets, being depreciated					
Buildings and improvements	508,889	410	-	-	509,299
Equipment	97,220	8,221	(4,396)	224	101,269
Infrastructure	506,434	36,375	-	-	542,809
Intangible	44,615	517	-	-	45,132
Total capital assets, being depreciated	<u>1,157,158</u>	<u>45,523</u>	<u>(4,396)</u>	<u>224</u>	<u>1,198,509</u>
Less accumulated depreciation for:					
Buildings and improvements	(178,429)	(11,424)	-	-	(189,853)
Equipment	(70,972)	(6,999)	4,198	229	(73,544)
Infrastructure	(251,607)	(12,030)	-	-	(263,637)
Intangible	(40,812)	(1,635)	-	(221)	(42,668)
Total accumulated depreciation	<u>(541,820)</u>	<u>(32,088)</u>	<u>4,198</u>	<u>8</u>	<u>(569,702)</u>
Total capital assets, being depreciated, net	<u>615,338</u>	<u>13,435</u>	<u>(198)</u>	<u>232</u>	<u>628,807</u>
Government activities capital assets, net	<u>\$ 733,936</u>	<u>\$ 34,888</u>	<u>\$ (36,983)</u>	<u>\$ (569)</u>	<u>\$ 731,272</u>
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 7,488	\$ -	\$ -	\$ 1,695	\$ 9,183
Construction in progress	17,004	1,093	(11,295)	258	7,060
Total capital assets, not being depreciated	<u>24,492</u>	<u>1,093</u>	<u>(11,295)</u>	<u>1,953</u>	<u>16,243</u>
Capital assets, being depreciated					
Buildings and improvements	83,042	11,301	-	(119)	94,224
Equipment	15,352	755	-	820	16,927
Total capital assets, being depreciated	<u>98,394</u>	<u>12,056</u>	<u>-</u>	<u>701</u>	<u>111,151</u>
Less accumulated depreciation for:					
Buildings and improvements	(49,856)	(1,861)	-	27	(51,690)
Equipment	(11,199)	(915)	-	(798)	(12,912)
Total accumulated depreciation	<u>(61,055)</u>	<u>(2,776)</u>	<u>-</u>	<u>(771)</u>	<u>(64,602)</u>
Total capital assets being depreciated, net	<u>37,339</u>	<u>9,280</u>	<u>-</u>	<u>(70)</u>	<u>46,549</u>
Business-type activities capital assets, net	<u>\$ 61,831</u>	<u>\$ 10,373</u>	<u>\$ (11,295)</u>	<u>\$ 1,883</u>	<u>\$ 62,792</u>

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Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 10,385
Public protection	1,463
Public ways and facilities	12,047
Health, sanitation, and public assistance	1,498
Education	1,002
Depreciation on capital assets held by the County's internal service fund is charged to the various functions based on their usage of the assets	<u>5,693</u>
Total depreciation expense - governmental functions	<u><u>\$ 32,088</u></u>

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

Solid waste enterprise	\$ 1,846
County service areas, other	<u>930</u>
Total depreciation expense - business-type functions	<u><u>\$ 2,776</u></u>

NOTE 8 - Leases

Operating Leases

The County conducts some of its operations from leased facilities. The total rental expense for the year ended June 30, 2015, for operating leases was \$9,226.

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2015:

Fiscal year ended June 30	Governmental Activities
2016	\$ 8,871
2017	8,305
2018	4,492
2019	3,481
2020	3,428
2021-2025	11,851
2026-2030	<u>3,049</u>
Total	<u><u>\$ 43,477</u></u>

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Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. The County has also entered into similar capital lease agreements for buildings. In addition, the County has entered into certain equipment and building lease agreements under which the assets, while not becoming property of the County when all terms of the agreement are met, still qualify as capital leases.

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2015:

Governmental Activities Fiscal year ended June 30	Total Payments	Imputed Interest	Net Present Value of Minimum Lease Payments
2016	\$ 2,304	\$ 201	\$ 2,103
2017	1,794	113	1,681
2018	1,151	50	1,101
2019	574	13	561
2020	15	-	15
Total	<u>\$ 5,838</u>	<u>\$ 377</u>	<u>\$ 5,461</u>

The following is a schedule of property under capital leases segregated by major class at June 30, 2015:

	Governmental Activities
Equipment	\$ 23,258
Accumulated depreciation	(17,797)
Net	<u>\$ 5,461</u>

NOTE 9 – Service Concession Arrangements (SCA)

GASB Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements (SCA)” defines an SCA as a type of public-private or public-public partnership. As used in Statement No. 60, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

- a. The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of a capital asset (referred to in the statement as a “facility”) in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility
- b. The operator collects and is compensated by fees from third parties
- c. The transferor determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services

The County has determined that it has no arrangements that meet the criteria set forth above.

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NOTE 10 - Long-Term Debt

Long-term obligations of the County consist of bonds, capital lease obligations, post-closure care costs of landfills, earned compensated absences, adverse judgments and a liability for self-insurance.

The following is a schedule of long-term liabilities for governmental activities for the year ended June 30, 2015:

	Balance			Balance	Amounts
	July 1, 2014	Additions	Deductions	June 30, 2015	due within
					one year
Earned compensated absences	\$ 41,297	\$ 39,673	\$ (39,435)	\$ 41,535	\$ 17,981
Capital lease obligations (Note 8)	4,521	2,956	(2,016)	5,461	2,103
Liability for self-insurance (Note 12)	87,620	11,215	(13,030)	85,805	14,557
Adverse Judgment	9,102	456	(2,783)	6,775	-
Bonds payable	730,796	19,827	(32,655)	717,968	33,830
Net pension liability	-	809,700	-	809,700	-
General long-term debt payable	<u>\$ 873,336</u>	<u>\$ 883,827</u>	<u>\$ (89,919)</u>	<u>\$ 1,667,244</u>	<u>\$ 68,471</u>

Compensated absences typically have been liquidated in the General, Other Governmental, Enterprise, and Internal Service Funds.

The following is a schedule of future bonds payable requirements for governmental activities:

Fiscal Year Ended June 30	Principal	Interest	Total Payment
2016	\$ 33,830	\$ 19,272	\$ 53,102
2017	37,205	17,437	54,642
2018	40,855	15,381	56,236
2019	43,890	13,166	57,056
2020	40,642	11,280	51,922
2021-2025	130,699	49,167	179,866
2026-2030	139,383	41,012	180,395
2031-2035	160,516	30,128	190,644
2036-2040	18,500	3,401	21,901
2041-2045	-	-	-
2046-2050	35,045	-	35,045
2051-2055	37,853	-	37,853
2056-2060	-	-	-
Sub-total	<u>718,418</u>	<u>200,244</u>	<u>918,662</u>
Less: Original issue premium	1,084	-	1,084
Original issue discount	<u>(1,534)</u>	<u>-</u>	<u>(1,534)</u>
Total	<u>\$ 717,968</u>	<u>\$ 200,244</u>	<u>\$ 918,212</u>

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Pension Obligation Bonds

In March 2002, the County issued \$117,055 in Taxable Pension Obligation Bonds, Refunding Series 2002 to advance refund a portion of the County's Taxable Pension Obligation Bonds, Series 1998. The 1998 Series bonds were originally issued in March 1998 in the amount of \$184,910. The proceeds of the refunding issue were used to purchase U.S. Government Securities and to provide cash, which was placed into an irrevocable escrow account with a trustee bank. The purpose of the escrow account is to provide resources to service a portion of the 1998 Series when the respective bonds come due between August 2002 and August 2008. As a result, the refunded bonds are considered defeased and the liability is not reported in the government activities column of the statement of net position. This advance refunding was undertaken to reduce the debt service requirements for the next six fiscal years by extending the overall payments by eleven years and resulted in a net present value loss of \$7,704.

The portion of the County's taxable Pension Obligation Bonds, Series 1998 that were not refunded have various maturity dates between 2002 and 2008. The interest rates range from 6.01% to 6.26%. The County's taxable Pension Obligation Bonds, Refunding Series 2002 include both serial and term bonds. The serial bonds have various maturity dates between 2009 and 2014 with interest rates ranging between 6.06% and 6.45%. The term bonds mature in 2018 with an interest rate of 6.67% and a mandatory sinking fund redemption commencing in 2015. The 1998 Pension obligation bonds that were refunded in 2002 have matured.

In March 2004 the County issued Series 2004 A and B Pension Obligation Bonds for \$327,898 and \$75,000, respectively. These were issued to fund a portion of the County's unfunded accrued actuarial liability in the retirement system. The Series 2004 A Pension Obligation Bonds include current interest bonds, term bonds, and capital appreciation bonds. The Series 2004 B bonds were issued as auction rate bonds. The debt matures between 2005 and 2033. In September 2006, the Series 2004 B Pension Obligation Bonds were converted from auction rate to fixed rate securities.

The Debt Service fund is utilized to pay for pension obligation bonds. Payments for pension obligation bonds for the current year are shown as transfers out in the General, Special Revenue, Enterprise and Internal Service Funds and as transfers-in in the Debt Service Fund.

Lease Revenue Bonds

In February 2004 the FCFA, which was established to provide for the acquisition, disposition and/or financing of capital improvements and/or working capital for the County, issued \$26,000 in lease revenue bonds for the Juvenile Justice Campus. These bonds were refunded from the issuance of Series 2012 A Refunding Lease Revenue Bonds.

The FCFA issued \$14,375 of lease revenue bonds October 1, 2004 to fund the County's Energy Project. The majority of the debt issued was to fund a gas energy generating plant, which will produce energy for the County Jail and other facilities. The remaining portion was used to upgrade lighting and electrical fixtures. These bonds were refunded from the issuance of Series 2012 A Refunding Lease Revenue Bonds.

On April 16, 2007, the FCFA issued \$55,350 in lease revenue bonds for the construction of a juvenile court and offices for joint occupancy and use by the County and the County of Fresno Superior Court. The Series 2007 Bonds consist of \$25,605 in serial bonds maturing between 2010 and 2021 with interest rates ranging from 4.0% to 4.125%, and \$29,745 in term bonds maturing between 2023 and 2030 with

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interest rates ranging between 4.3% and 4.75%. The County has entered into an agreement with the Administrative Office of the Courts to lease a portion of the building to the Superior Court.

In September 2012, the County issued \$22,425 in Series 2012 A Refunding Lease Revenue Bonds, maturing between 2013 and 2022. The Refunding Lease Revenue Bonds generated present value savings (net of all costs) of \$2,790 or 10.66% of the refunded bond par amount. This financing refunded, on a current basis, all outstanding maturities of the County's Series 2004 and 2004B Lease Revenue Bonds.

Tobacco Settlement Asset-Backed Bonds

In July 2002, the California County Tobacco Securitization Agency (the Agency) issued \$9,925 in Series 2002 asset-backed serial maturities and \$83,030 in Series 2002 asset-backed term bonds. These bonds mature between 2005 and 2038. The interest rates for the asset-backed serial maturities range from 3% to 5%. The interest rates for the asset-backed term bonds range from 5.63% to 6.13%.

In April of 2006, the Agency issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 in the amount of \$39,015. The Fresno County Tobacco Funding Corporation entered into a loan agreement with the Agency to borrow the bond proceeds and to secure the loan with County Tobacco Assets consisting of seventy-five percent of its rights to future tobacco settlement revenues. The 2006 Tobacco Bonds are turbo capital appreciation bonds, issued in four series and maturing in 2046 through 2055. The interest rates on the bonds range from 6.50% to 7.75%.

Capital Appreciation and Series Bonds

The County has issued two series of capital appreciation bonds. The first series is the Series 2004 A Pension Obligation Bonds for \$327,898. The second is the Series 2006 Tobacco Settlement Asset-Backed Bonds. Capital appreciation bonds are debt securities on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return. The following schedule represents the capital appreciation bonds issued by the County and the California County Tobacco Securitization Agency:

Pension Obligation Bonds

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value at 6/30/15	Accreted Value at Maturity
2004A	August 15, 2033	1.3% to 5.67%	\$ 327,898	\$ 454,004	\$ 711,250

Tobacco Securitization Tax Bonds

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value at 6/30/15	Accreted Value at Maturity
2006A	June 1, 2046	6.50%	\$ 16,606	\$ 29,792	\$ 216,420
2006B	June 1, 2046	6.65%	2,890	5,253	39,920
2006C	June 1, 2055	7.00%	9,757	18,295	286,800
2006D	June 1, 2055	7.75%	9,762	19,558	409,500
Total			\$ 39,015	\$ 72,898	\$ 952,640

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The following is a schedule of long-term liabilities for business-type activities for the year ended June 30, 2015:

	Balance			Balance	Due within
	July 1, 2014	Additions	Deductions	June 30, 2015	one year
Earned compensated absences	\$ 242	\$ 351	\$ (311)	\$ 282	\$ 172
Bonds	3,750	-	(170)	3,580	180
Loans	80	-	(5)	75	2
Closure and post-closure	41,715	2,240	(369)	43,586	250
Net pension liability	-	6,275	-	6,275	-
Totals	<u>\$ 45,787</u>	<u>\$ 8,866</u>	<u>\$ (855)</u>	<u>\$ 53,798</u>	<u>\$ 604</u>

Limited Obligation Improvement Bonds

In September of 1997, the Fresno County Financing Authority issued \$5,392 limited obligation improvement bonds reported in the CSAs fund with an average interest rate of 5.92% payable semi-annually to purchase infrastructure improvements for Quail Lakes, a planned community. The bonds are payable from assessments on the property owners within the special district and are not payable from any funds of the County.

The following is a schedule of future debt service requirements for business-type activities bonds:

Fiscal Year Ended June 30	Principal	Interest	Total Payment
2016	\$ 180	\$ 234	\$ 414
2017	195	221	416
2018	205	208	413
2019	220	194	414
2020	235	178	413
2021-2025	1,435	625	2,060
2026-2030	1,110	115	1,225
Total	<u>\$ 3,580</u>	<u>\$ 1,775</u>	<u>\$ 5,355</u>

Loans Payable

As part of funding for a Surface Water Treatment Plant, CSA No. 49 received, along with grant funding, an \$80 loan from the State. As of June 30, 2015, the special districts had repaid \$5 of the loan, leaving a balance of \$75 to be repaid to the State.

Landfill closure and post-closure costs

The County accounts for all solid waste landfill closure and post-closure costs based on the provisions of GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs". State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure care costs will be paid only near or after

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the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure costs as an operating expense and liability in each period based on landfill capacity used as of each balance sheet date.

The County owns a solid waste landfill which is currently operating, the American Avenue Disposal Site, as well as two landfills which ceased accepting waste in fiscal years 1991 and 2010, the Southeast Regional Disposal Site and the Coalinga Disposal Site, respectively. Southeast Regional completed its closure activities during fiscal year 1999 and began post-closure activities which are still ongoing as of June 30, 2015.

The \$43,586 reported as landfill closure and post-closure care liability at June 30, 2015, represents the cumulative amount reported to date based on the landfill capacity used to date. The County will recognize the remaining estimated cost of closure and post-closure care of \$41,400 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all remaining closure and post-closure care as of June 30, 2015. The total current cost of landfill closure and post-closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

The percentage of landfill capacity used to date, the estimated remaining landfill life, the liability for closure and post-closure care at the balance sheet date, and the estimated remaining local closure and post-closure costs to be recognized for the three landfills are as follows:

Landfill	Capacity used at June 30, 2015	Estimated Years Remaining	Total Estimated Liability June 30, 2015	Liability Recognized June 30, 2015	Remaining Liability to be Recognized
American Avenue	42.71%	40	\$ 72,264	\$ 30,864	\$ 41,400
Coalinga	49.30%	-	8,277	8,277	-
Southeast Regional	100.00%	-	4,445	4,445	-
Total			<u>\$ 84,986</u>	<u>\$ 43,586</u>	<u>\$ 41,400</u>

The increase from fiscal year 2013-2014 in the closure and post-closure care liability for American Avenue and the increase for Coalinga in closure and post-closure care liability is reported as an operating expense in 2014-2015. Closure and post-closure costs for Southeast Regional are reported as non-operating expenses. The County is required by state and federal laws to finance closure and post-closure care. Amounts collected from current users for these costs are reported in restricted cash and investments. Regarding the American Avenue Site, the County expects that future user fees and interest earnings over the remaining landfill lives will fund the closure and post-closure liabilities. Regarding the Southeast Regional and Coalinga Disposal Sites, the County expects any ongoing costs to be funded from interest earnings and from quarterly payments from waste haulers and cities by agreement.

Additionally, Title 22 of the California Code of Regulations (CFR) requires that counties finance certain closure and post-closure maintenance and monitoring activities for their hazardous waste disposal sites. Post-closure activities are required for a minimum of 30 years after closure. The County's Blue Hills Hazardous Waste Disposal Site closed in the fiscal year 1992-93.

The County is further required by 40 CFR 264.144 to establish a financial assurance for post-closure care in accordance with the approved post-closure plan for the facility 60 days prior to the initial receipts of

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hazardous waste or the effective date of the regulation, whichever was later. The County used the financial test under 40 CFR 264.145(f) for over twenty years to provide financial assurance before being informed in 2008 by the California Department of Toxic Substances Control that this financial test was unusable by local governments to provide financial assistance. The County changed financial assurance options in April 2012 changing to a Post-Closure letter of credit as allowed under 40 CFR 264.145(d). The Irrevocable Standby Letter of Credit was established in the amount of \$1,468 in favor of the Department of Toxic Substances Control.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds, and at June 30, 2015 incurred a \$251 liability for arbitrage related to the Tax Revenue Anticipation Note.

NOTE 11 - Pensions

Plan Description - The County provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plans (pension plans) administered by the Fresno County Employees Retirement Association (FCERA). FCERA is governed by the Board of Retirement under the 1937 County Employees Retirement Law (1937 Act). Readers should refer to the 1937 Act for more complete information. Members of the pension plans include all permanent employees working full-time or at least 50% part-time for the County and the following entities: Superior Court of California-County of Fresno, Clovis Veterans Memorial District, Fresno Mosquito and Vector Control District, and Fresno/Madera Area Agency on Aging (FMAAA). Employees become eligible for membership commencing with the pay period following the date of employment in a permanent position.

FCERA is a contributory defined benefit plan established on January 1, 1945 under the provisions of the 1937 Act and provides service retirement, disability, death, and survivor benefits for employees of the County of Fresno and participating entities. The County Board of Supervisors and governing Board of participating entities adopt resolutions, as permitted by State Government Code 31450 (1937 Act) which affect the benefits of FCERA members. FCERA is governed by the California Constitution, 1937 Act, and the bylaws, policies and procedures adopted by FCERA Board of Retirement.

FCERA issues a stand-alone financial report that can be reviewed at the FCERA website: <http://www2.co.fresno.ca.us/9200/default.htm> or FCERA's office, located at 1111 H Street, Fresno, CA, 93721.

FCERA administers nine (9) pension plans for General and Safety members. As a result of the passage of the Public Employee Pension Reform Act (PEPRA), the County established two (2) new tiers for General and Safety members – General Tier V and Safety Tier V. PEPRA changed the benefits that may be offered to employees hired on or after January 1, 2013 including increasing the minimum retirement age, increasing the percentage for member contributions, and excluding certain types of compensation as pensionable. PEPRA also created limits on the pensionable compensation tied to the Social Security taxable wage base limit. The cumulative effect of PEPRA changes will be to reduce the County's long-term retirement costs.

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Summary of Pension Plans and Eligible Participants

General Members

- Tier I General members hired on or before June 30, 2005 and General members of certain bargaining units hired after June 30, 2005.
- Tier II General Members of certain bargaining units hired after June 30, 2005 and General Tier I members hired on or before June 30, 2005 who elect to transfer to Tier II.
- Tier III General Members of certain bargaining units hired after December 17, 2007 and eligible Tier II members hired on or before December 17, 2007 who elect to transfer to Tier III.
- Tier IV General Members hired on or after June 11, 2012.
- Tier V General Members hired on or after January 1, 2013.

Safety Members

- Tier I Safety members hired on or before June 30, 2005 and Safety members of certain bargaining units hired after June 30, 2005.
- Tier II Safety members of certain bargaining units hired after June 30, 2005 and Safety Tier I members hired on or before June 30, 2005 who elect to transfer to Tier II.
- Tier III Not offered.
- Tier IV Safety members hired on or after June 11, 2012.
- Tier V Safety members hired on or after January 1, 2013.

Benefits Provided

All pension plans provide benefits in accordance with 1937 Act regulations upon retirement, disability, or death of members. Retirement benefits are based upon years of service, final average compensation, and retirement age. Employees terminating before accruing ten (10) years of service credit (except members who have attained the age of 70 or five (5) years for General Member and Safety Member Tier V) forfeit the right to receive retirement benefits unless they establish reciprocity with another eligible public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contribution plus accrued interest. Employees, who terminate service after earning five (5) or ten (10) years of retirement service credit, may leave their contributions on deposit and elect to take a deferred retirement. Difference between expected and actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are based upon final average compensation or retirement benefits (if eligible). Non-service related disability benefits are based upon (1) years of service and final average compensation or (2) retirement benefits (if eligible). Death benefits are based upon a variety of factors including whether the employee was retired or not.

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Annual cost-of-living adjustments (COLA) after retirement are provided to General Member Tiers I, II, and III and Safety Member Tiers I and II. General and Safety Member Tiers IV and V are not eligible for COLA increases. COLAs are granted to eligible retired members effective in April of each year based upon the Bureau of Labor statistics Consumer Price Index for the West Region as of the preceding January 1 and is subject to an annual maximum of three percent (3%).

Specific details for retirement, disability, or death benefit calculations and COLA information are available in the FCERA Comprehensive Annual Financial Report (CAFR). The FCERA CAFR is available at <http://www2.co.fresno.ca.us/9200/reports.htm#financialbm>.

Contributions

The FCERA Board of Retirement is authorized under Article 16 of the Constitution of the State to establish and amend retirement contributions for active employees and participating employers.

Contributions are made by the members and the employers at rates recommended by FCERA's independent actuary and approved by the Board of Retirement and the County Board. Employee contribution rates vary according to age and classification (safety or general), and are designed to provide funding for approximately one-fourth of the regular retirement benefits and one-half of all cost of living benefits. Members are required to contribute between 4.43% and 13.50% of their annual covered salary. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer contribution rates are determined pursuant to Section 31453 of the 1937 Act and are designed to provide funding for the remaining regular retirement and cost of living benefits, as well as all regular disability and survivor's benefits.

Employer and employee contributions and active members are as follows:

Retirement Plan	Employer Contribution Rates	Employee Contribution Rates	Active Members
General Tier I	50.80%	9.71%	4,006
General Tier II	48.09%	6.98%	177
General Tier III	47.18%	7.74%	855
General Tier IV	38.15%	6.68%	256
General Tier V	37.36%	7.02%	836
Safety Tier I	74.56%	12.52%	623
Safety Tier II	74.20%	11.06%	62
Safety Tier IV	59.37%	9.83%	58
Safety Tier V	57.87%	12.51%	95
All Categories	52.56%	9.58%	6,968

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Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported a pension liability of \$815,975 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2014 and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The County's proportion of the NPL was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan (FCERA) participants, actuarially determined.

For the year ended June 30, 2015, the County recognized a pension expense of \$68,687. Pension expense represents the change in the NPL during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions of methods, and plan benefits. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual	\$ -	\$ 107,969
Experience changes in assumptions	-	-
Net difference between projected and actual earnings on retirement plan investments	-	244,895
Changes in proportion and differences between County contributions and proportionate share of contributions	1,374	-
County contributions subsequent to the measurement date	160,968	-
	<u>\$ 162,342</u>	<u>\$ 352,864</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future period in a systematic and rational manner.

The \$160,968 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2016	\$ (88,768)
2017	(88,768)
2018	(88,768)
2019	(85,186)
Thereafter	-
	<u>\$ (351,490)</u>

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Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Inflation	3.25%
Employee Contribution Crediting Rate	3.00% compounded semi-annually
Administrative Expenses	1.10% of payroll allocated to employer and member based in components of total average contribution rate (before expenses) for employer and member
Salary increases	3.25% plus .50% “across the board” salary increase plus merit and longevity component
COLA increases	Investment rate of return 3.00% maximum for retiree COLA increase applicable to General Member Tier I, II and III and Safety Member Tier I and II
Post-Retirement mortality Healthy	For general members and all beneficiaries; RP-2000 Combined Mortality projected with Scale AA; set back one year for males and two years for females For safety members; RP-2000 Combined Mortality projected with Scale AA; set back one year
Disabled	For general members and all beneficiaries; RP-2000 Combined Mortality projected with Scale AA; set forward six years for males and set forward five years for females For safety members and all beneficiaries; RP-2000 Combined Mortality projected with Scale AA; set forward one year
Contribution Rates	For general members and all beneficiaries; RP-2000 Combined Mortality projected with Scale AA, set back one year for males and set back two years for females weighted 35% males and 65% females for members and weighted 65% male and 35% female for beneficiaries For safety members and all beneficiaries; RP-2000 Combined Mortality projected with Scale AA to 2015, set back one year weighted 80% male and 20% female

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For safety beneficiaries; RP-2000 Combined Mortality projected with Scale AA to 2015, set back one year for males and two years for females weighted 20% male and 80% female

Actuarial Cost
Method

Entry Age Cost Method; age is age at the member's hire date and actuarial accrued liability calculated on individual basis and based on costs allocated as a level percentage of compensation

Expected Remaining
Service Lives

Average expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future services at zero percent interest
- Setting remaining service life to zero for each nonactive or retired member
- Dividing the sum of the above amounts by the total number of active employees, nonactive and retired members

The actual assumptions used in the June 30 valuation were based on the results of an actuarial experience study for the period July 1, 2009 through June 30, 2012. Based upon the results of the 2012 actuarial experience study, there were no changes to the assumptions from the prior valuations.

The long-term expected rate of return on pension plan investments (7.25%) was determined using a building block method in which expected future real return (expected return, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin. The target allocation and best estimated of arithmetic real rates of returns for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equity	24%	6.10%
Small Cap U.S. Equity	5%	6.88%
Developed International Equity	19%	6.87%
Emerging International Equity	5%	8.22%
U.S. Core Fixed Income	19%	0.63%
TIPS	4%	-0.11%
Emerging Market Debt	3%	3.85%
Real Estate	6%	4.93%
Commodities	4%	3.93%
Hedge Funds	4%	3.46%
Private Equity	7%	12.68%
Total	100%	

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Discount Rate

The discount rate used to measure the total pension liability (TPL) was 7.25%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and employer contributions will be made at the rates equal to the actuarially determined contribution rates. Employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based upon these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. The long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2014.

Sensitivity of County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the NPL of FCERA as of June 30, 2014 which is allocated to all employers calculated using the discount rate of 7.25% as well as what the County's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate.

	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
County's proportionate Share of the NPL	\$ 1,447,673	\$ 815,975	\$ 298,010

Pension Fund Fiduciary Net Position

Detailed information about the pension fund's fiduciary net position is available in the separately issued FCERA CAFR.

NOTE 12 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has established a Risk Management Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. The Fund is also used to account for the unemployment benefits program and for employee medical coverage provided through contracts with various health maintenance organizations.

The Risk Management Fund provides coverage of the general liability, workers' compensation, medical malpractice, and property-other programs. Property-other consists of fire, bond, and miscellaneous insurance and damaged vehicle loss programs. General liability coverage is self-insured up to a maximum of \$750 per claim. Excess coverage up to \$25,000 per claim is provided through a risk pool agreement with the California State Association of Counties (CSAC) Excess Insurance Authority.

Crime bond coverage is self-insured up to a maximum of \$2.50 per occurrence and excess coverage of \$15,000 per occurrence is provided through a risk pool agreement with CSAC Excess Insurance Authority.

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Pollution liability coverage is self-insured for \$100 per claim and excess coverage up to a maximum of \$10,000 is provided through a risk pool agreement with CSAC Excess Insurance Authority.

Workers' compensation claims are self-insured up to a maximum of \$500 per claim. Excess coverage up to a statutory amount per claim is provided through a risk pool agreement with CSAC Excess Insurance Authority.

The County is entirely self-insured for medical malpractice claims.

Property-other is self-insured up to a deductible of \$25 per claim with a maximum of \$600,000 in excess coverage per claim. Flood and earthquake coverage each have maximums in excess insurance of \$25,000 in Towers VI. Excess insurance is provided through a risk pool agreement with CSAC.

Aircraft coverage has a maximum limit in excess insurance of \$25,000 provided through a risk pool agreement with CSAC Excess Insurance Authority.

County departmental contributions to the workers' compensation, general liability, and medical malpractice programs are based on actuarial recommendations. The reported actuarial liabilities for workers compensation and general liability assume a long-term annual rate of return of 1.21 percent. The undiscounted actuarial liability for these programs is \$85,805. Reserves for self-insurance for these programs include estimated liability amounts for claims filed against the County for their programs, as well as the estimated amount of claims incurred but not reported, as computed by the actuary. Contributions to the property damage, unemployment, and vehicle damage programs are based on actual historical claim loss experience.

The claims liability of \$85,805 reported in the Risk Management Fund at June 30, 2015 is based on the requirement that claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability includes all allocated loss adjustment expenses. While the ultimate amount of claims is dependent on future developments, management is of the opinion that the claims liability at June 30, 2015 is adequate to cover such claims. Changes in the Risk Management fund's claims liability amount during the last two fiscal years were as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Beginning of fiscal year liability	\$ 87,620	\$ 78,697
Current year claims provision and changes in estimates	11,215	21,562
Claim payments	<u>(13,030)</u>	<u>(12,639)</u>
Balance at fiscal year-end	<u><u>\$ 85,805</u></u>	<u><u>\$ 87,620</u></u>

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NOTE 13 - Fund Balance

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2015, fund balance for government funds are made up of the following:

- Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, the County’s Board. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally.
- Assigned Fund Balance – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the County’s Board or (b) a body (for example: a budget or finance committee) or official to which the County’s Board has delegated the authority to assign amounts to be used for specific purposes. Per County policy, the County’s Administrative Officer and Auditor-Controller/Treasurer-Tax Collector can establish, modify, or rescind fund balance assignments through the encumbrance process.
- Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

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

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Fund balances for all the major and non-major governmental funds as of June 30, 2015, were distributed as follows:

	General Fund	Debt Service	Road Fund	Behavioral Health - MH	Social Services	Local Health and Welfare	2011 Realignment Fund	Other Governmental Funds	Total
Nonspendable:									
Inventory	\$ 3,738	\$ -	\$ 721	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 4,474
Prepaid items/postage/impress cash	242	-	-	-	-	-	-	-	242
Low-income housing	39,112	-	-	-	-	-	-	-	39,112
Subtotal	43,092	-	721	-	-	-	-	15	43,828
Restricted for:									
General government:									
Administration	4,155	-	-	-	-	-	-	38,747	42,902
Public protection	-	-	-	-	-	-	62,646	21,072	83,718
Public ways and facilities	-	-	16,891	-	-	-	-	38,255	55,146
Health, sanitation and public assistance	830	-	-	98,151	44,096	31,323	-	27,231	201,631
Education	-	-	-	-	-	-	-	6,529	6,529
Capital projects	-	-	-	-	-	-	-	-	-
Debt service	-	58,668	-	-	-	-	-	-	58,668
Subtotal	4,985	58,668	16,891	98,151	44,096	31,323	62,646	131,834	448,594
Committed to:									
General fund reserve	18,724	-	-	-	-	-	-	-	18,724
Subtotal	18,724	-	-	-	-	-	-	-	18,724
Assigned to:									
General government									
Compensated leave & absences	3,924	-	-	-	-	-	-	-	3,924
Teeter buy out & ITSD depreciation	707	-	-	-	-	-	-	-	707
Third party payer	18,958	-	-	-	-	-	-	-	18,958
Annual budget	36,617	-	-	-	-	-	-	-	36,617
Budget mitigation	6,500	-	-	-	-	-	-	-	6,500
Personnel Services & Supplies	160	-	-	-	-	-	-	-	160
Public protection									
District Attorney Services & Supplies	1,509	-	-	-	-	-	-	-	1,509
Public Defender Services & Supplies	179	-	-	-	-	-	-	-	179
Probation Services & Supplies	1,084	-	-	-	-	-	-	-	1,084
Sheriff Services & Supplies	2,023	-	-	-	-	-	-	-	2,023
District Attorney fixed assets	1,012	-	-	-	-	-	-	-	1,012
Sheriff staffing	3,441	-	-	-	-	-	-	-	3,441
Sheriff vehicle replacement	1,300	-	-	-	-	-	-	-	1,300
Public ways and facilities									
County Service Area	79	-	-	-	-	-	-	-	79
Road projects	-	-	23,812	-	-	-	-	-	23,812
Education	-	-	-	-	-	-	-	13,197	13,197
Subtotal	77,493	-	23,812	-	-	-	-	13,197	114,502
Unassigned	46,239	-	-	-	-	-	-	-	46,239
Total	\$ 190,533	\$ 58,668	\$ 41,424	\$ 98,151	\$ 44,096	\$ 31,323	\$ 62,646	\$ 145,046	\$ 671,887

NOTE 14 – Net Position

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

- Net Investment in Capital Assets groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted Net Position reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable enabling legislation restriction is one

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June 30, 2015
(amounts expressed in thousands)

that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor.

- Unrestricted Net Position represents net position of the County that is not restricted for any project or purpose.

NOTE 15 - Contingent Liabilities and Commitments

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 aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, a liability for litigation of \$6,775, representing the County's best estimate of the ultimate loss, has been accrued in the government-wide Statement of Net Position. Refer to Note 10 for more information on these and other long-term liabilities.

A number of lawsuits and claims are pending against the County for which the financial loss to the County has been determined to be reasonably possible. The County intends to vigorously defend itself against these lawsuits. The County has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2015.

The County participates in many state and federal assisted grant programs, which are subject to program compliance audits by the grantors or their representatives. The amounts, if any, of current or previous expenditures which may be disallowed upon future audits by the grantors cannot be determined until such an audit occurs. The County expects such amounts, if any, will not be material to its financial statements. Amounts have been accrued for disallowed expenditures resulting from completed audits.

Encumbrances outstanding for the General Fund, Road Fund and non-major funds are shown below:

	<u>Encumbrances</u>
General Fund for capital assets	\$ 6,929
General Fund for other purposes	6,238
Road Fund for capital assets	2,134
Local Health and Welfare for other purposes	24,087
2011 Realignment for other purposes	15,023
Non-major funds for capital assets	15,212
Non-major funds for other purposes	1,776
	<u><u>\$ 71,399</u></u>

Note 16 – Deficit Fund Equity

The County has internal service funds with a deficit net position caused by presenting their proportionate share of net pension liability due to the implementation of GASB No. 68.

<u>Internal Service Funds</u>	<u>Deficit Net Position</u>
Information Technology Services	\$ 15,530
Graphic Communications Services	1,191
Facility Services	8,908
Security Services	3,196

County of Fresno
Notes to the Basic Financial Statements
June 30, 2015
(amounts expressed in thousands)

NOTE 17 – Prior Period Adjustments

As a result of implementing GASB Statement No. 68, a prior period adjustment was made to decrease the beginning net position in the amount of \$1,090,329 for governmental activities and \$8,450 for business type activities, for a total of \$1,098,779. This adjustment reflects the prior period costs associated with reporting the net pension liability. Related to the implementation of GASB Statement No. 68, a prior period adjustment was made to eliminate the pension asset from the governmental funds decreasing net position by \$545,271. In addition, in prior years, the Road Fund held cash pertaining to Fleet Services for replacement of equipment. A decrease in cash to the Road Fund and an increase in cash to Fleet Services was made in the amount of \$3,957 to properly account for cash pertaining to Fleet Services. Finally, various cash, unearned revenue, and CIP expenditure adjustments were made to the General Fund, District Attorney Fund, and Public Works Fund in the amount of \$4,652, and capital asset adjustments were made to governmental activities in the amount of \$(767).

The business-type activities had additional prior period adjustments increasing net position in the amount of \$1,791. These adjustments were mostly due to recognition of capital asset construction in progress and equipment. \$31 of the total was due to an adjustment in cash.

The following table outlines the change in net position affected by prior period adjustments:

	Governmental Activities	Business-type Activities	Totals
Net position, stated at 6/30/14	\$ 1,162,084	\$ 97,751	\$ 1,259,835
GASB 68 - NPL	(1,090,329)	(8,450)	(1,098,779)
Pension asset related to GASB 68	(545,271)	-	(545,271)
Road Fund - cash adjustment	(3,957)	-	(3,957)
Fleet Services - cash adjustment	3,957	-	3,957
Other governmental funds - cash, unearned revenue	4,591	-	4,591
General Fund - CIP related expenditures adjustment	61	-	61
Governmental Activities - capital related items	(767)	-	(767)
CSA and Solid Waste - CIP, equipment, cash	-	1,791	1,791
Net position, restated at 6/30/14	(469,631)	91,092	(378,539)
Change in net position	209,685	(260)	209,425
Net position at 6/30/15	\$ (259,946)	\$ 90,832	\$ (169,114)

NOTE 18 - Subsequent Events

In accordance with accounting standards generally accepted in the United States, subsequent events have been evaluated through December 30, 2015, the date in which the financial statements have been issued.

On July 27, 2015, a contractor broke a fire suppression sprinkler causing a sizable flood in the hall of records. As of November 23, 2015 according to Young and Associates, the consultant hired by McLarens for this project, the estimated total cost for the entire project is \$2,046.

On September 3, 2015, the County issued \$27,255 in Taxable Pension Obligation Refunding Bonds, 2015 Series A. The County was able to secure present value savings of \$2,018, or about 7.5% of the par amount of the refunded bonds.

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Required Supplementary Information
(Other than MD&A)

County of Fresno
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Resources (inflows):				
Taxes	\$ 225,265	\$ 225,265	\$ 242,548	\$ 17,283
Licenses and permits	10,862	11,477	8,513	(2,964)
Fines, forfeitures and penalties	7,681	8,588	5,526	(3,062)
Use of money and property	2,221	2,221	3,666	1,445
Aid from other governmental agencies:				
State	331,860	304,760	148,435	(156,325)
Federal	359,765	337,325	37,097	(300,228)
Other	3,518	3,943	2,957	(986)
Charges for current services	67,741	66,909	45,284	(21,625)
Other revenues	41,328	42,652	10,645	(32,007)
Total resources	1,050,241	1,003,140	504,671	(498,469)
Charges to appropriations (outflows):				
General government				
Salaries and benefits	32,262	32,560	28,307	4,253
Services and supplies	14,458	15,829	6,576	9,253
Other charges	7,024	1,486	1,231	255
Capital assets	6,290	10,978	896	10,082
Total general government	60,034	60,853	37,010	23,843
Public protection				
Salaries and benefits	275,166	276,104	246,191	29,913
Services and supplies	70,009	75,330	61,282	14,048
Other charges	17,510	17,575	15,625	1,950
Capital assets	327	4,594	2,835	1,759
Total public protection	363,012	373,603	325,933	47,670
Public ways and facilities				
Salaries and benefits	2,451	2,475	1,766	709
Services and supplies	321	322	198	124
Total public ways and facilities	2,772	2,797	1,964	833
Health, sanitation, and public assistance				
Salaries and benefits	297,630	300,216	265,662	34,554
Services and supplies	242,298	253,400	191,621	61,779
Other charges	343,264	347,950	337,135	10,815
Capital assets	19	1,888	1,221	667
Total health, sanitation, and public assistance	883,211	903,454	795,639	107,815
Education				
Salaries and benefits	221	224	225	(1)
Services and supplies	1	1	1	-
Total education	222	225	226	(1)
Culture and recreation				
Salaries and benefits	1,621	1,621	1,495	126
Services and supplies	1,169	1,322	1,086	236
Other charges	1	1	1	-
Capital assets	-	14	14	-
Total culture and recreation	2,791	2,958	2,596	362
Total charges to appropriations	1,312,042	1,343,890	1,163,368	180,522
Excess (deficiency) of resources over (under) appropriations	(261,801)	(340,750)	(658,697)	(317,947)
Other financing sources (uses)				
Transfers in	305,512	396,909	809,896	412,987
Transfers out	(58,439)	(83,064)	(110,142)	(27,078)
Total other financing sources (uses)	247,073	313,845	699,754	385,909
Net change in fund balances	(14,728)	(26,905)	41,057	67,962
Fund balances - beginning	-	-	149,415	149,415
Prior period adjustment	-	-	61	61
Fund balances - ending	\$ (14,728)	\$ (26,905)	\$ 190,533	\$ 217,438

County of Fresno
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 8,626	\$ 8,626	\$ 10,064	\$ 1,438
Licenses and permits	450	450	138	(312)
Use of money and property	350	350	432	82
Intergovernmental revenues	36,690	36,690	35,847	(843)
Charges for current services	7,105	7,105	5,047	(2,058)
Other revenues	102	102	121	19
Total revenues	<u>53,323</u>	<u>53,323</u>	<u>51,649</u>	<u>(1,674)</u>
Expenditures				
Public ways and facilities:				
Salaries and benefits	20,397	20,397	17,958	2,439
Services and supplies	38,094	40,783	31,605	9,178
Other charges	550	550	105	445
Capital assets	252	264	63	201
Total expenditures	<u>59,293</u>	<u>61,994</u>	<u>49,731</u>	<u>12,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,970)</u>	<u>(8,671)</u>	<u>1,918</u>	<u>10,589</u>
Other Financing Sources (Uses)				
Transfers in	-	-	329	329
Transfers out	-	-	(1,102)	(1,102)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(773)</u>	<u>(773)</u>
Net change in fund balance	(5,970)	(8,671)	1,145	9,816
Fund balances - beginning	44,236	44,236	44,236	-
Prior Period adjustment	-	-	(3,957)	3,957
Fund balances - ending	<u>\$ 38,266</u>	<u>\$ 35,565</u>	<u>\$ 41,424</u>	<u>\$ 13,773</u>

County of Fresno
Budgetary Comparison Schedule
Behavioral Health - MH
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Use of money and property	\$ -	\$ -	\$ 1,081	\$ 1,081
Intergovernmental revenues	<u>-</u>	<u>-</u>	<u>46,582</u>	<u>46,582</u>
Total revenues	<u>-</u>	<u>-</u>	<u>47,663</u>	<u>47,663</u>
Expenditures				
Health, sanitation and public assistance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	47,663	47,663
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>(27,864)</u>	<u>(27,864)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(27,864)</u>	<u>(27,864)</u>
Net change in fund balances	-	-	19,799	19,799
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>78,352</u>	<u>78,352</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 98,151</u></u>	<u><u>\$ 98,151</u></u>

County of Fresno
Budgetary Comparison Schedule
Social Services
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Licenses and Permits	\$ -	\$ -	\$ 287	\$ 287
Use of money and property	-	-	196	196
Intergovernmental revenues	-	-	331,204	331,204
Other revenues	-	-	30	30
Total revenues	<u>-</u>	<u>-</u>	<u>331,717</u>	<u>331,717</u>
Expenditures				
Health, sanitation, and public assistance	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>156</u>	<u>156</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	331,561	331,561
Other Financing Sources (Uses)				
Transfers in	-	-	7	7
Transfers out	<u>-</u>	<u>-</u>	<u>(345,152)</u>	<u>(345,152)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(345,145)</u>	<u>(345,145)</u>
Net change in fund balances	-	-	(13,584)	(13,584)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>57,680</u>	<u>57,680</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 44,096</u></u>	<u><u>\$ 44,096</u></u>

County of Fresno
Budgetary Comparison Schedule
Local Health and Welfare Fund
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Use of money and property	\$ -	\$ -	\$ 82	\$ 82
Intergovernmental revenues	<u>117,294</u>	<u>182,974</u>	<u>173,680</u>	<u>(9,294)</u>
Total revenues	<u>117,294</u>	<u>182,974</u>	<u>173,762</u>	<u>(9,212)</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>117,294</u>	 <u>182,974</u>	 <u>173,762</u>	 <u>(9,212)</u>
Other Financing Sources (Uses)				
Transfers in	47,846	66,253	63,466	(2,787)
Transfers out	<u>(165,140)</u>	<u>(249,227)</u>	<u>(222,225)</u>	<u>27,002</u>
Total other financing sources (uses)	<u>(117,294)</u>	<u>(182,974)</u>	<u>(158,759)</u>	<u>24,215</u>
 Net change in fund balances	 -	 -	 15,003	 15,003
 Fund balances - beginning	 <u>4,202</u>	 <u>1,826</u>	 <u>16,320</u>	 <u>14,494</u>
Fund balances - ending	<u>\$ 4,202</u>	<u>\$ 1,826</u>	<u>\$ 31,323</u>	<u>\$ 29,497</u>

County of Fresno
Budgetary Comparison Schedule
2011 Realignment
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	143,306	146,798	\$ 143,296	\$ (3,502)
Use of money and property	-	-	443	443
Total resources	<u>143,306</u>	<u>146,798</u>	<u>143,739</u>	<u>(3,059)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>143,306</u>	<u>146,798</u>	<u>143,739</u>	<u>(3,059)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(143,259)</u>	<u>(159,002)</u>	<u>(116,849)</u>	<u>42,153</u>
Total other financing sources (uses)	<u>(143,259)</u>	<u>(159,002)</u>	<u>(116,849)</u>	<u>42,153</u>
Net change in fund balances	47	(12,204)	26,890	39,094
Fund balances - beginning	<u>34,466</u>	<u>34,466</u>	<u>35,756</u>	<u>1,290</u>
Fund balances - ending	<u>\$ 34,513</u>	<u>\$ 22,262</u>	<u>\$ 62,646</u>	<u>\$ 40,384</u>

County of Fresno
Note to the Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2014
(amounts in thousands)

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 through 29144 and Section 30200 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County is required to prepare a balanced budget for each fiscal year on or before October 2. Budgeted expenditures are enacted into law through the passage of a resolution of adoption. The resolution of adoption specifies the maximum authorized expenditures for each budget unit for that fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County Board of Supervisors (Board).

In May of each year, the County Administrative Officer prepares and submits the recommended budget document to the County Board. In June, public hearings are held to provide the general public with an opportunity to speak on any budget items before the County Board. The recommended budget, once adopted, is uploaded to the County's financial system in early July so that budget monitoring for the new fiscal year can begin. After fiscal year-end closing activities are completed and the State Budget is approved, the County Administrative Officer presents quarterly budget updates to the County Board for adjustments to the recommended budget, as necessary, as a result of State Budget adjustments or other unforeseen changes.

An operating budget is adopted each fiscal year for all governmental and proprietary funds. Governmental funds that are budgeted include the General Fund, special revenue funds, and the debt service fund, but do not include the capital projects fund. Proprietary funds include enterprise funds and internal service funds. Expenditures are controlled at the object level within each budget unit of the County except for capital assets, which are controlled at the sub-object level. The object level (sub-object level for capital assets) within a budget unit is the legal level of budgetary control at which the County's management may not reallocate resources without special approval. Any amendments or transfers of appropriations between object levels (sub-object level for capital assets) within the same budget unit, or between budget units or funds, must be authorized by the County Administrative Officer and approved by the County Board of Supervisors. Supplemental appropriations, normally financed by unanticipated revenues during the year, require the County Board's approval as well. Pursuant to Government Code Section 29092, the County Administrative Officer is authorized to approve transfers of appropriations within a single budget unit as deemed necessary and appropriate as long as the transfers are not between object levels or sub-object levels for capital assets. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year.

The County uses an encumbrance system as an extension of normal budgetary accounting for all governmental funds and proprietary funds to control expenditures. Under the encumbrance system, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered in order to reserve that portion of applicable appropriations. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end; encumbered appropriations at year-end are carried forward in the ensuing new fiscal year's budget but are kept separate from the new fiscal year's budget. The encumbrances are reported as prior budget year appropriations on all financial reports but are available for expenditure in the new fiscal year.

The budget approved by the Board for the General Fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other governmental funds. In the accompanying budgetary comparison schedules, actual reimbursements for these items have been eliminated from the resources and related expenditures have been eliminated from the charges to appropriations to provide a meaningful comparison of actual and budgeted results of operations.

County of Fresno
Note to the Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2014
(amounts in thousands)

The budgets for governmental funds may include an account known as “Intrafund Revenue”. This account is used by the County to show reimbursements between operations within the same fund (an example would be charges by one budget unit to another budget unit within the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Annual budgets are prepared using the modified accrual basis of accounting except that current year encumbrances are budgeted as expenditures; reimbursements for amounts disbursed on behalf of other governmental funds are reported as resources and related expenditures as charges to the appropriation; certain transactions are accounted for in different periods between budgetary and GAAP reporting basis; and securities lending activities and transactions from sub-funds reclassified from County Agency funds are reported in GAAP reporting basis.

County of Fresno
Required Supplementary Information
For the Fiscal Year Ended June 30, 2015
(amounts in thousands)

Fresno County Employees' Retirement Association – Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	FY 2014	FY 2013
County's portion of the net pension liability (asset)	92.930%	92.708%
County's proportionate share of the net pension liability (asset)	\$ 815,975	\$ 1,252,321
County's covered-employee payroll	\$ 365,731	\$ 372,506
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	223.107%	336.188%
Plan fiduciary net position as a percentage of the total pension liability	82.18%	72.15%

*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available

Fresno County Employee's Retirement System – Schedule of County Contributions

Last 10 Fiscal Years*

	FY 2014
Actuarially determined contribution	\$ 153,542
Contributions in relation to the actuarially determined contribution	153,542
Contribution deficiency (excess)	\$ -
County's covered-employee payroll	\$ 365,731
Contributions as a percentage of covered-employee payroll	41.98%

*Amounts presented above were determined as of 6/30. Additional years will be presented as they become available

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**Combining and Individual
Fund Financial Statements and Schedules**

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition and construction of major facilities other than those financed by Proprietary and certain Trust Funds. Budgets are adopted in the General Fund at the beginning of projects and are periodically modified by the Board of Supervisors during the course of construction as circumstances require. Transfers are made from the General Fund to the Capital Projects Fund to finance capital expenditures. There are no combining statements because the County uses one Capital Projects Fund which is reported on the nonmajor combining financial statements.

Special Revenue Funds

Special Revenue Funds are established to finance particular governmental activities and are funded by receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for certain activities of a continuing nature.

Indian Gaming

The Indian Gaming fund, established pursuant to Government Code 12710-12718, is used to account for funding and administrative costs for Indian Gaming activities for the Sheriff and District Attorney.

County Administrative Office

The County Administrative Office fund, established pursuant to Government Code 12710-12718, is used to account for funding and administrative costs for Indian Gaming activities.

Auditor Controller Treasurer Tax Collector

The Auditor Controller Treasurer Tax Collector fund was established to account for the collection and retention of fees used specifically for the preparation of delinquent tax records and giving notice of delinquency.

Assessor Recorder

California Revenue and Taxation Code 95.35 allowed for the establishment of the Assessor Recorder fund to account for resources that support, maintain, improve, and/or provide for the full operation of modernized computer systems.

Behavioral Health

The Behavioral Health fund accounts for revenues generated by various code section fines and fees, to be used in specified mental health and substance abuse categories.

County Clerk Elections

Pursuant to Health and Safety Code 103625(i)(f), the County Clerk Elections fund was established to provide enhanced services to the public through improvements of the record systems.

Child Support Services

The Child Support Services fund was established to account for mandated accountability pursuant to FSD Letter 00-03 in order to receive deposits from the State for administering child support programs and related costs.

District Attorney

The District Attorney fund was established to account for revenues and assets seized as authorized by the Health and Safety Code. Funds are later transferred to other divisions to cover costs in District Attorney operations.

Probation

The Probation fund receives its funds from the State Victim Compensation Program and uses it specifically for the purpose of emergency needs of crime victims in Fresno County.

Public Health

The Public Health fund was established to account for revenues received from fees and grants. Monies received provide for such activities as health preparedness, emergency medical system administrative costs, and other various health programs for the County.

Public Works

The Public Works fund was established to account for a variety of specified fines and fees, which are subsequently utilized for an assortment of public way and facility projects.

Community Facilities Districts

The Community Facilities Districts fund was created to segregate amounts to be utilized in improvements to the various Community Facilities Districts within the County.

Public Facilities Fees

Traffic mitigation fees are collected by Board action from property owners, developers, and builders to be used for road infrastructure improvements.

Public Works CDBG

The Public Works CDBG fund was established to house revenues related to the Community Development Block Grant (CDBG) program.

Sheriff Coroner

The Sheriff Coroner Fund was established to account for state-authorized fees as well as asset forfeiture. These funds are subsequently used in the Sheriff's Civil Division for specific projects.

Inmate Welfare

California Penal Code requires the Sheriff's Office to maintain an Inmate Welfare Fund. These funds are solely for the benefit of inmates, and cannot be used to supplant required levels of service by the Sheriff's Office.

County Free Library

The Fresno County Free Library is a Special District, under the governance of the Board of Supervisors, which provides informational, cultural, and recreational services to the public through 35 library outlets.

Fish and Game

This fund was established to receive the County's share of fines levied for violations of fish and game laws within its boundaries. Expenditures are made from time to time for purposes of improving the habitat for wildlife propagation and for incidental administrative matters.

Off-Highway License

The Off-Highway Vehicle Law of 1971 requires users of trail bikes, dune buggies, and similar vehicles designed for off-highway use to purchase an identification certificate. This fund can only be used to account for acquisition and development of off-road recreation areas. Allowable expenditures include feasibility studies, planning studies, environmental impact reports and other expenses necessary to implement acquisition or development.

Emergency Medical Services (EMS)

The EMS fund was established in 1989-90 to receive deposits associated with Senate Bill (SB) 12 and Proposition 99 monies. Disbursements from this fund must be in accordance with Health & Safety Code Section 1797.98a and Assembly Bill (AB) 75. The monies in this fund are used to reimburse physicians and hospitals for emergency treatment performed on individuals who are unable to pay.

Community Corrections Performance Incentive

This fund was established as a result of California SB 678. These funds are utilized to reduce recidivism of felony probationers by improving probation services.

County Service Areas, Other

These special districts, governed by the Fresno County Board of Supervisors, include County Service Areas, and Lighting and Maintenance Districts. These districts were established to provide services such as road, park, and lighting maintenance to specific areas in the County. They are financed by ad valorem property taxes in the area benefited, or by special assessments levied on specific properties.

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County of Fresno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Fund	Total
ASSETS			
Cash and investments	\$ 127,125	\$ 16,520	\$ 143,645
Receivables, net:			
Accounts	1,423	-	1,423
Taxes	2,643	-	2,643
Interest	405	17	422
Due from other funds	43	-	43
Due from other governmental units	43	-	43
Inventory of supplies	20	-	20
Total assets	<u>\$ 131,702</u>	<u>\$ 16,537</u>	<u>\$ 148,239</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,035	\$ 596	\$ 1,631
Salaries and benefits payable	1,068	-	1,068
Due to other funds	307	4	311
Due to other governmental units	118	-	118
Unearned revenue	65	-	65
Total liabilities	<u>2,593</u>	<u>600</u>	<u>3,193</u>
Fund balances:			
Nonspendable	15	-	15
Restricted	115,897	15,937	131,834
Assigned	13,197	-	13,197
Total fund balances	<u>129,109</u>	<u>15,937</u>	<u>145,046</u>
Total liabilities and fund balances	<u>\$ 131,702</u>	<u>\$ 16,537</u>	<u>\$ 148,239</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Fund	Total
Revenues:			
Taxes	\$ 26,121	\$ -	\$ 26,121
Licenses and permits	8,334	-	8,334
Fines, forfeitures and penalties	8,340	-	8,340
Use of money and property	1,434	41	1,475
Aid from other governmental agencies:			
State	14,398	1,028	15,426
Federal	59,703	-	59,703
Charges for current services	5,210	-	5,210
Other revenues	3,827	975	4,802
Total revenues	<u>127,367</u>	<u>2,044</u>	<u>129,411</u>
Expenditures:			
Public ways and facilities	1,729	-	1,729
Health, sanitation, and public assistance	2,931	-	2,931
Public protection	570	-	570
General government	-	4	4
Education	24,926	-	24,926
Capital outlay	30	1,993	2,023
Total expenditures	<u>30,186</u>	<u>1,997</u>	<u>32,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,181</u>	<u>47</u>	<u>97,228</u>
Other financing sources (uses):			
Transfers in	909	-	909
Transfers out	(94,725)	(30)	(94,755)
Total other financing sources (uses)	<u>(93,816)</u>	<u>(30)</u>	<u>(93,846)</u>
Net change in fund balances	<u>3,365</u>	<u>17</u>	<u>3,382</u>
Fund balances - beginning	121,153	15,920	137,073
Prior period adjustment	4,591	-	4,591
Fund balances - ending	<u>\$ 129,109</u>	<u>\$ 15,937</u>	<u>\$ 145,046</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	Indian Gaming	County Administrative Office	Auditor Controller Treasurer Tax Collector	Assessor Recorder	Behavioral Health	County Clerk Elections
ASSETS						
Cash and investments	\$ 250	\$ 82	\$ 8,973	\$ 28,705	\$ 20,181	\$ 64
Receivables, net:						
Accounts	1	379	14	173	93	-
Taxes	-	-	-	-	-	-
Interest	-	2	5	100	93	-
Due from other funds	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Inventory of supplies	-	-	-	-	-	-
Total assets	<u>\$ 251</u>	<u>\$ 463</u>	<u>\$ 8,992</u>	<u>\$ 28,978</u>	<u>\$ 20,367</u>	<u>\$ 64</u>
LIABILITIES & FUND BALANCES						
Liabilities						
Accounts payable		\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable		-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Unearned revenue		-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	251	463	8,992	28,978	20,367	64
Assigned	-	-	-	-	-	-
Total fund balances	<u>251</u>	<u>463</u>	<u>8,992</u>	<u>28,978</u>	<u>20,367</u>	<u>64</u>
Total liabilities and fund balances	<u>\$ 251</u>	<u>\$ 463</u>	<u>\$ 8,992</u>	<u>\$ 28,978</u>	<u>\$ 20,367</u>	<u>\$ 64</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

Dept of Child Support Services	District Attorney	Probation	Public Health	Public Works	Community Facilities Districts
1,042	5,030	\$ 634	\$ 4,289	\$ 2,505	\$ 6,750
-	401	-	12	33	6
-	-	-	-	-	-
4	16	1	3	2	23
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,046</u>	<u>\$ 5,447</u>	<u>\$ 635</u>	<u>\$ 4,304</u>	<u>\$ 2,540</u>	<u>\$ 6,779</u>
\$ -	\$ -	\$ 3	\$ 334	\$ 43	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	116	-	-	-	-
1	-	-	12	-	-
<u>1</u>	<u>116</u>	<u>3</u>	<u>346</u>	<u>43</u>	<u>-</u>
-	-	-	-	-	-
1,045	5,331	632	3,958	2,497	6,779
-	-	-	-	-	-
<u>1,045</u>	<u>5,331</u>	<u>632</u>	<u>3,958</u>	<u>2,497</u>	<u>6,779</u>
<u>\$ 1,046</u>	<u>\$ 5,447</u>	<u>\$ 635</u>	<u>\$ 4,304</u>	<u>\$ 2,540</u>	<u>\$ 6,779</u>

ASSETS

Cash and investments
Receivables, net:
 Accounts
 Taxes
 Interest
Due from other funds
Due from other governmental units
Inventory of supplies
Total assets

LIABILITIES & FUND BALANCES

Liabilities

Accounts payable
Salaries and benefits payable
Due to other funds
Due to other governmental units
Unearned revenue
Total liabilities

Fund balances

Nonspendable
Restricted
Assigned
Total fund balances
Total liabilities and fund balances

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

	Public Facilities Fees	Public Works CDBG	Sheriff Coroner	Inmate Welfare	County Free Library	Fish and Game
ASSETS						
Cash and investments	\$ 4,053	\$ 2,069	\$ 6,878	\$ 5,218	\$ 18,808	\$ 20
Receivables, net:						
Accounts	-	-	80	-	39	1
Taxes	-	-	-	-	2,643	-
Interest	14	6	26	18	56	-
Due from other funds	-	-	43	-	-	-
Due from other governmental units	-	-	43	-	-	-
Inventory of supplies	-	-	-	-	20	-
Total assets	<u>\$ 4,067</u>	<u>\$ 2,075</u>	<u>\$ 7,070</u>	<u>\$ 5,236</u>	<u>\$ 21,566</u>	<u>\$ 21</u>
LIABILITIES & FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 466	\$ 2
Salaries and benefits payable	-	-	-	-	1,068	-
Due to other funds	-	-	-	-	283	-
Due to other governmental units	-	-	-	-	-	-
Unearned revenue	-	-	44	-	8	-
Total liabilities	<u>-</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>1,825</u>	<u>2</u>
Fund balances						
Nonspendable	-	-	-	-	15	-
Restricted	4,067	2,075	7,026	5,236	6,529	19
Assigned	-	-	-	-	13,197	-
Total fund balances	<u>4,067</u>	<u>2,075</u>	<u>7,026</u>	<u>5,236</u>	<u>19,741</u>	<u>19</u>
Total liabilities and fund balances	<u>\$ 4,067</u>	<u>\$ 2,075</u>	<u>\$ 7,070</u>	<u>\$ 5,236</u>	<u>\$ 21,566</u>	<u>\$ 21</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015
(amounts expressed in thousands)

Off- Highway License	Emergency Medical Services	Community Corrections Performance Incentive	County Service Areas, Other	Total
\$ 49	1,762	\$ 2,833	\$ 6,930	\$ 127,125
6	185	-	-	1,423
-	-	-	-	2,643
1	2	14	19	405
-	-	-	-	43
-	-	-	-	43
-	-	-	-	20
<u>\$ 56</u>	<u>\$ 1,949</u>	<u>\$ 2,847</u>	<u>\$ 6,949</u>	<u>\$ 131,702</u>
\$ -	\$ 89	\$ -	\$ 98	\$ 1,035
-	-	-	-	1,068
-	-	-	24	307
-	-	-	2	118
-	-	-	-	65
<u>-</u>	<u>89</u>	<u>-</u>	<u>124</u>	<u>2,593</u>
-	-	-	-	15
56	1,860	2,847	6,825	115,897
-	-	-	-	13,197
<u>56</u>	<u>1,860</u>	<u>2,847</u>	<u>6,825</u>	<u>129,109</u>
<u>\$ 56</u>	<u>\$ 1,949</u>	<u>\$ 2,847</u>	<u>\$ 6,949</u>	<u>\$ 131,702</u>

ASSETS

Cash and investments
Receivables, net:
 Accounts
 Taxes
 Interest
Due from other funds
Due from other governmental units
Inventory of supplies
Total assets

LIABILITIES & FUND BALANCES

Liabilities

Accounts payable
Salaries and benefits payable
Due to other funds
Due to other governmental units
Unearned revenue
Total liabilities

Fund balances

Nonspendable
Restricted
Assigned
Total fund balances
Total liabilities and fund balances

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Indian Gaming	County Administrative Office	Auditor Controller Treasurer Tax Collector	Assessor Recorder	Behavioral Health	County Clerk Elections
Revenues:						
Taxes	\$ -	\$ -	\$ 304	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-	50
Fines, forfeitures and penalties		2,068	-	-	669	
Use of money and property	2	6	99	314	309	0
Aid from other governmental agencies:						
State	444	-	-	-	-	-
Federal		-	-	-	43,127	-
Charges for current services		-	-	1,855	-	-
Other revenues		-	-	-	-	-
Total revenues	<u>446</u>	<u>2,074</u>	<u>403</u>	<u>2,169</u>	<u>44,105</u>	<u>50</u>
Expenditures:						
Public ways and facilities		-	-	-	-	-
Health, sanitation, and public assistance		-	-	-	-	-
Public protection		-	-	-	-	-
General government	-	-	-	-	-	-
Education		-	-	-	-	-
Capital Outlay		-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>446</u>	<u>2,074</u>	<u>403</u>	<u>2,169</u>	<u>44,105</u>	<u>50</u>
Other financing sources (uses):						
Transfers in	359	-	-	-	-	-
Transfers out	(554)	(2,226)	-	(1,661)	(45,040)	(42)
Total other financing sources (uses)	<u>(195)</u>	<u>(2,226)</u>	<u>-</u>	<u>(1,661)</u>	<u>(45,040)</u>	<u>(42)</u>
Net change in fund balances	251	(152)	403	508	(935)	8
Fund balances - beginning	-	615	8,589	28,470	21,302	56
Prior period adjustment	-	-	-	-	-	-
Fund balances - ending	<u>\$ 251</u>	<u>\$ 463</u>	<u>\$ 8,992</u>	<u>\$ 28,978</u>	<u>\$ 20,367</u>	<u>\$ 64</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Dept of Child Support Services	District Attorney	Probation	Public Health	Public Works	Community Facilities Districts	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Revenues:
-	-	-	213	7,939	130	Taxes
-	2,822	126	1,027	56	-	Licenses and permits
1	57	6	39	21	73	Fines, forfeitures and penalties
						Use of money and property
7,452	1,888	472	235	-	-	Aid from other governmental agencies:
14,467	-	-	1,621	-	-	State
-	-	-	-	-	-	Federal
-	-	1	-	-	7	Charges for current services
21,920	4,767	605	3,135	8,016	210	Other revenues
						Total revenues
-	-	-	-	559		Expenditures:
-	-	-	1,472	-	-	Public ways and facilities
-	333	89	-	-	-	Health, sanitation, and public assistance
-	-	-	-	-	-	Public protection
-	-	-	-	-	-	General government
-	-	-	-	-	-	Education
-	-	-	-	-	-	Capital Outlay
-	333	89	1,472	559	-	Total expenditures
21,920	4,434	516	1,663	7,457	210	Excess (deficiency) of revenues over (under) expenditures
-	-	-	-	-	-	Other financing sources (uses):
(21,917)	(4,981)	(27)	(2,412)	(8,043)	-	Transfers in
(21,917)	(4,981)	(27)	(2,412)	(8,043)	-	Transfers out
						Total other financing sources (uses)
3	(547)	489	(749)	(586)	210	Net change in fund balances
1,042	3,599	143	4,707	742	6,569	Fund balances - beginning
-	2,279	-	-	2,341	-	Prior period adjustment
\$ 1,045	\$ 5,331	\$ 632	\$ 3,958	\$ 2,497	\$ 6,779	Fund balances - ending

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	Public Facilities Fees	Public Works CDBG	Sheriff Coroner	Inmate Welfare	County Free Library	Fish and Game
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 25,770	\$ -
Licenses and permits	-	-	2	-	-	-
Fines, forfeitures and penalties	-	-	500	-	-	3
Use of money and property	44	17	74	61	180	-
Aid from other governmental agencies:						
State	-	-	235	-	151	-
Federal	-	-	431	-	57	-
Charges for current services	-	-	190	-	1,626	-
Other revenues	-	715	16	2,674	402	-
Total revenues	<u>44</u>	<u>732</u>	<u>1,448</u>	<u>2,735</u>	<u>28,186</u>	<u>3</u>
Expenditures:						
Public ways and facilities	-	199	-	-	-	4
Health, sanitation, and public assistance	-	-	-	-	-	-
Public protection	-	-	95	53	-	-
General government	-	-	-	-	-	-
Education	-	-	-	-	24,926	-
Capital Outlay	-	-	-	-	30	-
Total expenditures	<u>-</u>	<u>199</u>	<u>95</u>	<u>53</u>	<u>24,956</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	<u>44</u>	<u>533</u>	<u>1,353</u>	<u>2,682</u>	<u>3,230</u>	<u>(1)</u>
Other financing sources (uses):						
Transfers in	351	91	3	-	105	-
Transfers out	(7)	(734)	(2,137)	(1,713)	(971)	-
Total other financing sources (uses)	<u>344</u>	<u>(643)</u>	<u>(2,134)</u>	<u>(1,713)</u>	<u>(866)</u>	<u>-</u>
Net change in fund balances	388	(110)	(781)	969	2,364	(1)
Fund balances - beginning	3,679	2,185	7,836	4,267	17,377	20
Prior period adjustment	-	-	(29)	-	-	-
Fund balances - ending	<u>\$ 4,067</u>	<u>\$ 2,075</u>	<u>\$ 7,026</u>	<u>\$ 5,236</u>	<u>\$ 19,741</u>	<u>\$ 19</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Off-Highway License	Emergency Medical Services	Community Corrections Performance Incentive	County Service Areas, Other	Total	
\$ -	\$ -	\$ -	\$ 47	\$ 26,121	Revenues:
-	-	-	-	8,334	Taxes
-	1,069	-	-	8,340	Licenses and permits
1	14	45	71	1,434	Fines, forfeitures and penalties
					Use of money and property
					Aid from other governmental agencies:
10	-	3,510	1	14,398	State
-	-	-	-	59,703	Federal
-	-	-	1,539	5,210	Charges for current services
-	-	-	12	3,827	Other revenues
11	1,083	3,555	1,670	127,367	Total revenues
					Expenditures:
4	-	-	963	1,729	Public ways and facilities
-	1,459	-	-	2,931	Health, sanitation, and public assistance
-	-	-	-	570	Public protection
-	-	-	-	-	General government
-	-	-	-	24,926	Education
-	-	-	-	30	Capital Outlay
4	1,459	-	963	30,186	Total expenditures
					Excess (deficiency) of revenues over (under) expenditures
7	(376)	3,555	707	97,181	
					Other financing sources (uses):
-	-	-	-	909	Transfers in
-	-	(2,260)	-	(94,725)	Transfers out
-	-	(2,260)	-	(93,816)	Total other financing sources (uses)
7	(376)	1,295	707	3,365	Net change in fund balances
49	2,236	1,552	6,118	121,153	Fund balances - beginning
-	-	-	-	4,591	Prior period adjustment
\$ 56	\$ 1,860	\$ 2,847	\$ 6,825	\$ 129,109	Fund balances - ending

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Internal Service Funds

Internal Service Funds (ISF) are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County and to other governmental units on a cost reimbursement basis.

Fleet Services

Fleet Services is responsible for management of the County's vehicle and heavy equipment fleet, including fleet planning, acquisition, maintenance, operation and sale of surplus equipment. Fleet Services also maintains radio communications for law enforcement and other departments with field operations.

Information Technology Services

Information Technology Services provides a wide range of data processing services to County departments and other agencies. The scope of department activities includes computer programming, systems and programming support, on-line teleprocessing services via remote terminal devices, and data entry.

Graphic Communications Services

Graphic Communications Services provides printing, duplicating, and mailing services to facilitate the needs of the County's various departments.

Risk Management

Risk Management provides the mechanism to finance all County insurance and self-insurance programs. Financing for the health and dental plans covering County employees and retirees is also maintained by Risk Management, including the cost of administering these benefits. Other activities include coordination of the County safety program, and the recovery of damages to County employees and property from responsible third parties.

Communications

Communications finances the administration, design, installation, and maintenance of the County's telephone system. Other services provided include County telephone operators and the toll free County number. Communications also provides consultant services to ensure cost-effective utilization of telecommunication systems by user departments as needs are identified.

PeopleSoft Operations

PeopleSoft Operations provides services and support for the financial accounting system software used by the County. The components financed through this internal service fund include the financial accounting system and the payroll system. Charges for this internal service fund support both the purchasing of software and the provision of technical support for the software.

Facility Services

Facility Services provides mechanical, electrical, structural and janitorial services to County departments. This includes routine and preventive maintenance, remodeling and modifications, computer cabling and furniture moves.

Security Services

Security Services is responsible for the physical security of most County facilities and employees. Security Services also administers the County parking program, which includes enforcement of parking regulations in all County parking areas.

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County of Fresno
Combining Statement of Net Position
Internal Service Funds
June 30, 2015
(amounts expressed in thousands)

	Fleet Services	Information Technology Services	Graphic Communications Services	Facility Services
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 11,751	\$ 5,722	\$ 357	\$ 1,176
Accounts receivable (net of allowance)	41	148	16	41
Interest receivable	25	23	1	-
Due from other funds	1,158	1,631	179	3,274
Due from other governmental units	-	-	-	-
Inventory of supplies	680	1	7	302
Total current assets	13,655	7,525	560	4,793
Noncurrent assets:				
Accounts receivable	-	-	-	-
Nondepreciable:				
Construction in progress	-	-	-	1,617
Depreciable:				
Buildings and improvements	569	2,537	257	662
Equipment	42,722	11,945	220	23
Less accumulated depreciation	(26,972)	(8,805)	(176)	(100)
Intangible	110	10,877	-	-
Less accumulated amortization	(110)	(10,631)	-	-
Total noncurrent assets	16,319	5,923	301	2,202
Total assets	29,974	13,448	861	6,995
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	682	3,490	247	1,696
Total deferred outflows of resources	682	3,490	247	1,696
LIABILITIES				
Current liabilities:				
Accounts payable	831	731	262	3,771
Salaries and benefits payable	148	811	61	428
Due to other funds	78	147	29	155
Due to other governmental units	-	-	-	61
Liability for self-insurance	-	-	-	-
Unearned revenue	-	-	-	585
Deposits and other liabilities	-	-	-	-
Compensated leave and absences	99	555	40	204
Capital lease obligations	27	1,720	12	-
Total current liabilities	1,183	3,964	404	5,204
Noncurrent liabilities:				
Compensated leave and absences	74	500	15	181
Capital lease obligations	-	2,876	102	-
Net pension liability	3,427	17,542	1,241	8,527
Total noncurrent liabilities	3,501	20,918	1,358	8,708
Total liabilities	4,684	24,882	1,762	13,912
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	1,482	7,586	537	3,687
Total deferred inflows of resources	1,482	7,586	537	3,687
NET POSITION				
Net investment in capital assets	16,292	1,327	187	2,202
Unrestricted	8,198	(16,857)	(1,378)	(11,110)
Total net position	\$ 24,490	\$ (15,530)	\$ (1,191)	\$ (8,908)

County of Fresno
Combining Statement of Net Position
Internal Service Funds
June 30, 2015
(amounts expressed in thousands)

Security Services	Risk Management	Communications	PeopleSoft Operations	Total	
					ASSETS
					Current assets:
\$ 2,105	\$ 97,111	\$ 3,164	\$ 1,205	\$ 122,591	Cash and cash equivalents
24	432	43	5	750	Accounts receivable (net of allowance)
7	327	10	3	396	Interest receivable
271	4	98	197	6,812	Due from other funds
20	4,965	-	-	4,985	Due from other governmental units
-	4	-	-	994	Inventory of supplies
2,427	102,843	3,315	1,410	136,528	Total current assets
					Noncurrent assets:
-	671	-	-	671	Accounts receivables
					Nondepreciable:
-	-	-	-	1,617	Construction in progress
					Depreciable
-	-	-	-	4,025	Buildings and improvements
130	11	8,613	-	63,664	Equipment
(22)	(7)	(5,324)	-	(41,406)	Less accumulated depreciation
-	-	-	9,576	20,563	Intangible
-	-	-	(9,576)	(20,317)	Less accumulated amortization
108	675	3,289	-	28,817	Total noncurrent assets
2,535	103,518	6,604	1,410	165,345	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
823	730	181	46	7,895	Deferred pensions
823	730	181	46	7,895	Total deferred outflows of resources
					LIABILITIES
					Current liabilities:
65	3,324	90	256	9,330	Accounts payable
230	169	52	13	1,912	Salaries and benefits payable
57	271	32	122	891	Due to other funds
-	8,529	-	-	8,590	Due to other governmental units
-	85,805	-	-	85,805	Liability for self-insurance
-	-	-	-	585	Unearned revenue
-	357	-	-	357	Deposits and other liabilities
87	88	19	5	1,097	Compensated leave and absences
-	2	297	-	2,058	Capital lease obligations
439	98,545	490	396	110,625	Total current liabilities
					Noncurrent liabilities:
190	121	21	20	1,122	Compensated leave and absences
-	2	378	-	3,358	Capital lease obligations
4,136	3,668	911	230	39,682	Net pension liability
4,326	3,791	1,310	250	44,162	Total noncurrent liabilities
4,765	102,336	1,800	646	154,787	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
1,789	1,586	394	99	17,160	Deferred pensions
1,789	1,586	394	99	17,160	Total deferred inflows of resources
					NET POSITION
108	-	2,614	-	22,730	Net investment in capital assets
(3,304)	326	1,977	711	(21,437)	Unrestricted
\$ (3,196)	\$ 326	\$ 4,591	\$ 711	\$ 1,293	Total net position

County of Fresno
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	<u>Fleet Services</u>	<u>Information Technology Services</u>	<u>Graphic Communications Services</u>	<u>Facility Services</u>
Operating revenues:				
Charges for services	\$ 13,253	\$ 23,584	\$ 2,558	\$ 28,356
Other operating revenues	341	143	793	264
Total operating revenues	<u>13,594</u>	<u>23,727</u>	<u>3,351</u>	<u>28,620</u>
Operating expenses:				
Salaries and benefits	2,061	9,986	896	5,771
Insurance	12	40	29	491
Professional services	128	979	445	2,688
Special departmental	3,981	4,006	-	107
General and administrative	815	1,214	247	1,127
Repairs and maintenance	941	568	100	2,868
Rents and leases	50	2,936	56	3
Parts and supplies	448	65	1,358	18
Utilities	76	409	32	12,302
Depreciation	3,067	1,798	20	14
Total operating expenses	<u>11,579</u>	<u>22,001</u>	<u>3,183</u>	<u>25,389</u>
Operating income (loss)	<u>2,015</u>	<u>1,726</u>	<u>168</u>	<u>3,231</u>
Non-operating revenues (expenses):				
Gain (loss) on sale of equipment	(42)	-	-	-
Donation	10	(2,430)	-	-
Use of money and property	111	71	4	(16)
Total non-operating revenues (expenses)	<u>79</u>	<u>(2,359)</u>	<u>4</u>	<u>(16)</u>
Net income (loss) before transfers	<u>2,094</u>	<u>(633)</u>	<u>172</u>	<u>3,215</u>
Transfers in (out):				
Transfers in	1,326	-	-	1,647
Transfers out	(153)	(741)	(63)	(1,720)
Total transfers in (out)	<u>1,173</u>	<u>(741)</u>	<u>(63)</u>	<u>(73)</u>
Change in net position	<u>3,267</u>	<u>(1,374)</u>	<u>109</u>	<u>3,142</u>
Net position - beginning	21,881	9,466	371	(568)
Prior year adjustment	(658)	(23,622)	(1,671)	(11,482)
Net position - ending	<u>\$ 24,490</u>	<u>\$ (15,530)</u>	<u>\$ (1,191)</u>	<u>\$ (8,908)</u>

County of Fresno
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Security Services	Risk Management	Communications	PeopleSoft Operations	Total	
\$ 4,571	\$ 93,224	\$ 4,293	\$ 2,701	\$ 172,540	Operating revenues:
245	5	11	146	1,948	Charges for services
4,816	93,229	4,304	2,847	174,488	Other operating revenues
					Total operating revenues
					Operating expenses:
2,910	2,141	661	138	24,564	Salaries and benefits
20	82,354	6	2	82,954	Insurance
346	1,993	150	1,620	8,349	Professional services
13	61	143	937	9,248	Special departmental
470	483	1,360	64	5,780	General and administrative
387	143	246	-	5,253	Repairs and maintenance
273	-	1,598	-	4,916	Rents and leases
44	-	42	-	1,975	Parts and supplies
21	49	36	-	12,925	Utilities
18	1	640	135	5,693	Depreciation
4,502	87,225	4,882	2,896	161,657	Total operating expenses
314	6,004	(578)	(49)	12,831	Operating income (loss)
					Non-operating revenues (expenses):
-	-	(5)	-	(47)	Gain (loss) on sale of equipment
-	-	-	-	(2,420)	Donation
21	1,077	39	15	1,322	Use of money and property
21	1,077	34	15	(1,145)	Total non-operating revenues (expenses)
335	7,081	(544)	(34)	11,686	Net income (loss) before transfers
					Transfers in (out):
119	-	-	239	3,331	Transfers in
(207)	(156)	(47)	(10)	(3,097)	Transfers out
(88)	(156)	(47)	229	234	Total transfers in (out)
					Change in net position
2,127	(1,660)	6,409	825	38,851	Net position - beginning
(5,570)	(4,939)	(1,227)	(309)	(49,478)	Prior year adjustment
\$ (3,196)	\$ 326	\$ 4,591	\$ 711	\$ 1,293	Net position - ending

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Page 1 of 4

	Fleet Services	Information Technology Services	Graphic Communications Services	Facility Services
Cash flows from operating activities:				
Cash received from users	\$ 9,741	\$ 21,294	\$ 3,445	\$ 28,472
Cash paid to suppliers	(2,269)	(9,662)	(2,268)	(18,911)
Cash paid to employees	(2,493)	(12,003)	(1,020)	(6,679)
Cash paid for claims	-	-	-	-
Net cash provided by (used in) operating activities	4,979	(371)	157	2,882
Cash flows from non-capital financing activities:				
Transfers from other funds	1,326	-	-	1,647
Transfers to other funds	(153)	(741)	(63)	(1,720)
Net cash provided by (used in) non-capital financing activities	1,173	(741)	(63)	(73)
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(4,280)	(1,601)	-	(1,617)
Net cash used in capital and related financing activities	(4,280)	(1,601)	-	(1,617)
Cash flows from investing activities:				
Use of money and property received	103	53	3	(16)
Net cash provided by (used in) investing activities	103	53	3	(16)
Net increase (decrease) in cash and cash equivalents	1,975	(2,660)	97	1,176
Cash and cash equivalents, beginning of year	5,817	8,382	260	-
Prior period adjustment	3,959	-	-	-
Cash and cash equivalents, end of year	<u>\$ 11,751</u>	<u>\$ 5,722</u>	<u>\$ 357</u>	<u>\$ 1,176</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	\$ 11,751	\$ 5,722	\$ 357	\$ 1,176
Total	<u>\$ 11,751</u>	<u>\$ 5,722</u>	<u>\$ 357</u>	<u>\$ 1,176</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Page 2 of 4

Security Services	Risk Management	Communications	PeopleSoft Operations	Total
\$ 4,927	\$ 92,149	\$ 4,547	\$ 2,897	\$ 167,472
(1,570)	(69,233)	(3,779)	(2,562)	(110,254)
(3,359)	(2,519)	(757)	(159)	(28,989)
-	(12,301)	10	-	(12,291)
(2)	8,096	21	176	15,938
119	-	-	239	3,331
(207)	(156)	(47)	(10)	(3,097)
(88)	(156)	(47)	229	234
(60)	(1)	(320)	-	(7,879)
(60)	(1)	(320)	-	(7,879)
21	1,035	31	12	1,242
21	1,035	31	12	1,242
(129)	8,974	(315)	417	9,535
2,234	88,137	3,479	788	109,097
-	-	-	-	3,959
\$ 2,105	\$ 97,111	\$ 3,164	\$ 1,205	\$ 122,591
\$ 2,105	\$ 97,111	\$ 3,164	\$ 1,205	\$ 122,591

Cash flows from operating activities:

Cash received from users
Cash paid to suppliers
Cash paid to employees
Cash paid for claims
Net cash provided by (used in)
operating activities

**Cash flows from non-capital
financing activities:**

Transfers from other funds
Transfers to other funds
Net cash provided by (used in) non-capital
financing activities

**Cash flows from capital and related
financing activities:**

Acquisition of capital assets
Net cash used in capital and related
financing activities

Cash flows from investing activities:

Use of money and property received
Net cash provided by (used in)
investing activities

**Net increase (decrease) in cash
and cash equivalents**

Cash and cash equivalents, beginning of year

Prior period adjustment

Cash and cash equivalents, end of year

**Reconciliation of cash and cash equivalents
to the statement of net position:**

Cash and cash equivalents

Total

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Page 3 of 4

	<u>Fleet Services</u>	<u>Information Technology Services</u>	<u>Graphic Communications Services</u>	<u>Facility Services</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 2,015	\$ 1,726	\$ 168	\$ 3,231
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Pension expense	261	1,338	95	650
Current year deferred retirement contributions	(649)	(3,322)	(235)	(1,614)
Depreciation expense	3,067	1,798	20	14
Decrease (increase) in accounts receivable	39	(124)	(4)	(30)
Decrease (increase) in due from other funds	65	121	97	(118)
Decrease (increase) in due from other governmental units	-	-	-	-
Decrease (increase) in inventory of supplies	64	1	45	(89)
Decrease (increase) in deposits and other assets	-	(2,430)	-	-
(Decrease) increase in accounts payable	311	722	(52)	2,309
(Decrease) increase in salaries and benefits payable	(43)	(34)	17	56
(Decrease) increase in unearned revenue	-	-	-	217
(Decrease) increase in due to other funds	(151)	(167)	6	(1,744)
(Decrease) increase in due to other governmental units	-	-	-	-
(Decrease) increase in liability for self-insurance	-	-	-	-
Total adjustments	<u>2,964</u>	<u>(2,097)</u>	<u>(11)</u>	<u>(349)</u>
Net cash provided by (used in) operating activities	<u>\$ 4,979</u>	<u>\$ (371)</u>	<u>\$ 157</u>	<u>\$ 2,882</u>
Noncash investing, capital, and financing activities:				
Borrowing under capital lease	<u>\$ -</u>	<u>\$ 2,516</u>	<u>\$ -</u>	<u>\$ -</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

Page 4 of 4

<u>Security Services</u>	<u>Risk Management</u>	<u>Communications</u>	<u>PeopleSoft Operations</u>	<u>Total</u>	
					Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:
\$ 314	\$ 6,004	\$ (578)	\$ (49)	\$ 12,831	Operating income (loss)
					Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:
315	280	70	18	3,027	Pension expense
(783)	(695)	(172)	(44)	(7,514)	Current year deferred retirement contributions
18	1	640	135	5,693	Depreciation expense
3	(313)	(27)	5	(451)	Decrease (increase) in accounts receivable
108	486	281	45	1,085	Decrease (increase) in due from other funds
-	(1,252)	-	-	(1,252)	Decrease (increase) in due from other governmental units
-	-	-	-	21	Decrease (increase) in inventory of supplies
-	-	-	-	(2,430)	Decrease (increase) in deposits and other assets
17	2,841	(204)	32	5,976	(Decrease) increase in accounts payable
19	37	6	4	62	(Decrease) increase in salaries and benefits payable
-	-	-	-	217	(Decrease) increase in unearned revenue
(13)	13	5	30	(2,021)	(Decrease) increase in due to other funds
-	2,496	-	-	2,496	(Decrease) increase in due to other governmental units
-	(1,802)	-	-	(1,802)	(Decrease) increase in liability for self-insurance
(316)	2,092	599	225	3,107	Total adjustments
<u>\$ (2)</u>	<u>\$ 8,096</u>	<u>\$ 21</u>	<u>\$ 176</u>	<u>\$ 15,938</u>	Net cash provided by (used in) operating activities
					Noncash investing, capital, and financing activities:
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,516</u>	Borrowing under capital lease

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Fiduciary Funds

The County maintains an Investment Trust Fund that is used to account for the investments made by the County. The County, in a fiduciary capacity, also maintains various Agency Funds that are used to account for assets held for others by the County. These funds include County funds which are segregated from other County funds for purposes of control, property taxes collected on behalf of other governmental units and monies held by the Public Administrator-Guardian. It should be noted that the Investment Trust fund is discretely presented in the basic financial statements.

Trust Funds:

Investment – This fund is used to account for the investments made by the County of Fresno on behalf of Non-County entities.

Agency Funds:

Property Tax Collection - This fund is used by the County in its role as Tax Collector to record property tax receipts awaiting apportionment to other governmental units and recipient County funds and their periodic distribution.

Public Administrator-Guardian - This fund is used for the accounting and recording of all Public Administrator-Guardian monies held by the County in a fiduciary capacity.

San Joaquin Valley Insurance Authority – The San Joaquin Valley Insurance Authority was established as a multi-entity authority with the express goal of negotiating, purchasing, or otherwise providing funding for health, vision, dental and life insurance for the employees of the various entities in the authority (including the County of Fresno). This fund is used for the accounting and recording of all San Joaquin Valley Insurance Authority monies held by the County in a fiduciary capacity.

Other Agency Funds - These funds are under the control of various County officials and agencies and are used to accumulate resources for specific purposes.

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County of Fresno
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015
(amounts expressed in thousands)

	July 01, 2014	Additions	Deductions	Adjustments	June 30, 2015
Property Tax Collection					
Assets:					
Cash	\$ 73,805	\$ 929,968	\$ 937,206	\$ -	\$ 66,567
Taxes receivable	1,935	-	1,935	-	-
Interest Receivable	-	536	-	-	536
Due from other governmental agencies	1,584	-	1,584	-	-
Total assets	<u>\$ 77,324</u>	<u>\$ 930,504</u>	<u>\$ 940,725</u>	<u>\$ -</u>	<u>\$ 67,103</u>
Liabilities:					
Due to other taxing units	\$ 77,324	\$ 930,504	\$ 940,725	\$ -	\$ 67,103
Total liabilities	<u>\$ 77,324</u>	<u>\$ 930,504</u>	<u>\$ 940,725</u>	<u>\$ -</u>	<u>\$ 67,103</u>
Public Administrator-Guardian					
Assets:					
Cash	\$ 14,651	\$ 16,960	\$ 13,011	\$ (5,474)	\$ 13,126
Property held for others	5,937	-	2,894	5,474	8,517
Total assets	<u>\$ 20,588</u>	<u>\$ 16,960</u>	<u>\$ 15,905</u>	<u>\$ -</u>	<u>\$ 21,643</u>
Liabilities:					
Fiduciary liability	\$ 20,588	\$ 16,960	\$ 15,905	\$ -	\$ 21,643
Total liabilities	<u>\$ 20,588</u>	<u>\$ 16,960</u>	<u>\$ 15,905</u>	<u>\$ -</u>	<u>\$ 21,643</u>
San Joaquin Valley Insurance Authority					
Assets:					
Cash and investments	6,684	115,359	117,307	-	4,736
Accounts receivable	1,824	238	459	-	1,603
Total assets	<u>\$ 8,508</u>	<u>\$ 115,597</u>	<u>\$ 117,766</u>	<u>\$ -</u>	<u>\$ 6,339</u>
Liabilities:					
Due to other governmental units	\$ 8,508	\$ 115,597	\$ 117,766	\$ -	\$ 6,339
Total liabilities	<u>\$ 8,508</u>	<u>\$ 115,597</u>	<u>\$ 117,766</u>	<u>\$ -</u>	<u>\$ 6,339</u>
Other Agency Funds					
Assets:					
Cash	\$ 25,742	\$ 1,450,707	\$ 1,454,983	\$ -	\$ 21,466
Accounts receivable	36,358	25,517	-	-	61,875
Due from other funds	-	-	-	-	-
Due from other governmental units	1,955	790	-	-	2,745
Total assets	<u>\$ 64,055</u>	<u>\$ 1,477,014</u>	<u>\$ 1,454,983</u>	<u>\$ -</u>	<u>\$ 86,086</u>
Liabilities:					
Accounts payable	\$ 5,619	\$ 22,026	\$ -	\$ -	\$ 27,645
Due to other governmental units	20,400	19,838	-	-	40,238
Fiduciary liability	38,036	1,435,150	1,454,983	-	18,203
Total liabilities	<u>\$ 64,055</u>	<u>\$ 1,477,014</u>	<u>\$ 1,454,983</u>	<u>\$ -</u>	<u>\$ 86,086</u>
Total - All Agency Funds					
Assets:					
Cash and investments	\$ 120,882	\$ 2,512,994	\$ 2,522,507	\$ (5,474)	\$ 105,895
Accounts receivable	38,182	25,755	459	-	63,478
Interest receivable	-	536	-	-	536
Taxes receivable	1,935	-	1,935	-	-
Due from other governmental agencies	3,539	790	1,584	-	2,745
Property held for others	5,937	-	2,894	5,474	8,517
Total assets	<u>\$ 170,475</u>	<u>\$ 2,540,075</u>	<u>\$ 2,529,379</u>	<u>\$ -</u>	<u>\$ 181,171</u>
Liabilities:					
Accounts payable	\$ 5,619	\$ 22,026	\$ -	\$ -	\$ 27,645
Due to other taxing units	77,324	930,504	940,725	-	67,103
Due to other governmental units	28,908	135,435	117,766	-	46,577
Fiduciary liability	58,624	1,452,110	1,470,888	-	39,846
Total liabilities	<u>\$ 170,475</u>	<u>\$ 2,540,075</u>	<u>\$ 2,529,379</u>	<u>\$ -</u>	<u>\$ 181,171</u>

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STATISTICAL SECTION

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Statistical Section

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and help the reader assess the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

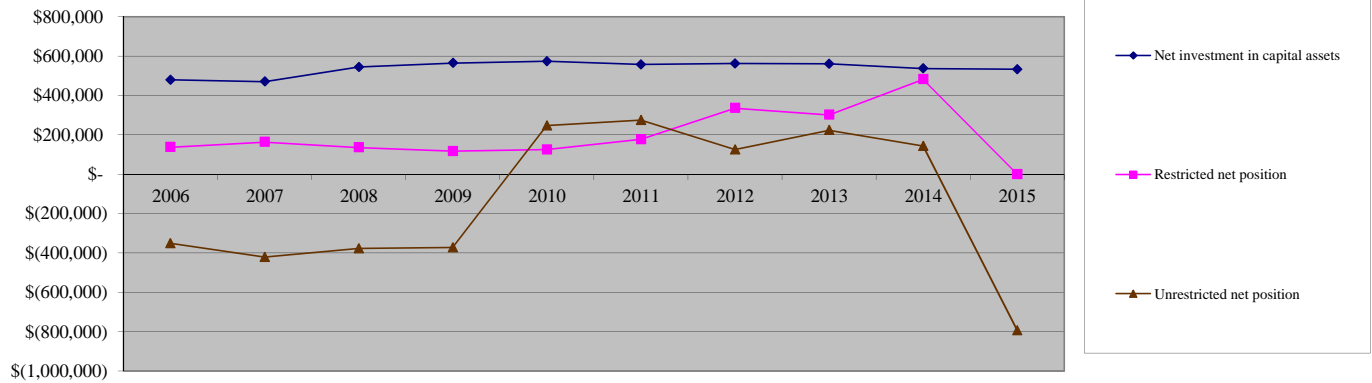
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County of Fresno
Net Position by Component
Last Ten Fiscal Years
(amounts expressed in thousands)

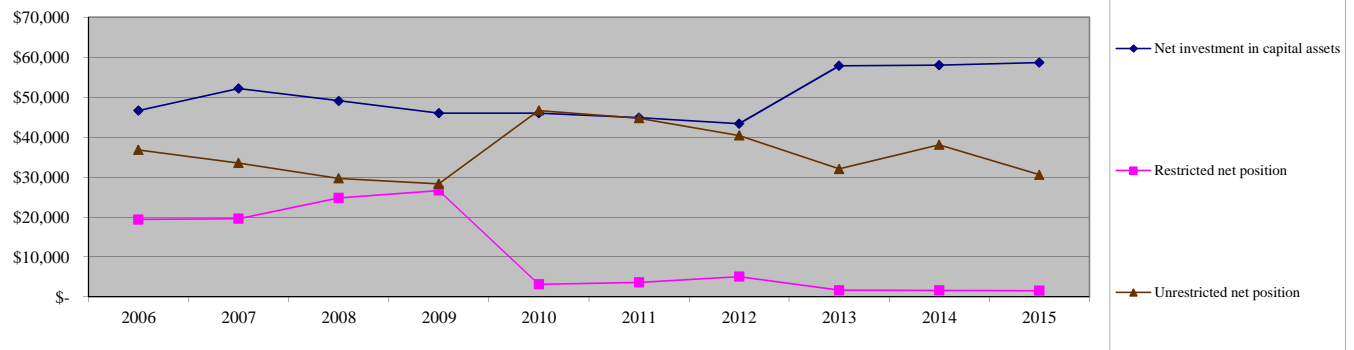
	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 479,254	\$ 470,668	\$ 544,635	\$ 565,196	\$ 573,855	\$ 557,748	\$ 562,279	\$ 560,544	\$ 537,359	\$ 533,674
Restricted net position	137,451	163,426	135,904	117,491	124,661	177,153	335,573	301,425	482,088	-
Unrestricted net position	(350,589)	(420,615)	(376,525)	(371,904)	247,181	275,332	124,904	223,627	142,637	(793,620)
Total governmental activities net position	266,116	213,479	304,014	310,783	945,697	1,010,233	1,022,756	1,085,596	1,162,084	(259,946)
Business-type activities										
Net investment in capital assets	46,630	52,174	49,087	45,982	46,012	44,875	43,336	57,836	58,001	58,661
Restricted net position	19,373	19,564	24,762	26,634	3,189	3,654	5,090	1,690	1,646	1,588
Unrestricted net position	36,769	33,500	29,643	28,297	46,659	44,735	40,392	32,032	38,104	30,583
Total business-type activities net position	102,772	105,238	103,492	100,913	95,860	93,264	88,818	91,558	97,751	90,832
Primary government										
Net investment in capital assets	525,884	522,842	593,722	611,178	619,867	602,623	605,615	618,380	595,360	592,335
Restricted net position	156,824	182,990	160,666	144,125	127,850	180,807	340,663	303,115	483,734	1,588
Unrestricted net position	(313,820)	(387,115)	(346,882)	(343,607)	293,840	320,067	165,296	255,659	180,741	(763,037)
Total primary government net position	\$ 368,888	\$ 318,717	\$ 407,506	\$ 411,696	\$ 1,041,557	\$ 1,103,497	\$ 1,111,574	\$ 1,177,154	\$ 1,259,835	\$ (169,114)

Note 1: Accrual basis of accounting

Governmental Activities



Business-type Activities



County of Fresno
Changes in Net Position
Last Ten Fiscal Years
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 30,156	\$ 37,867	\$ 35,320	\$ 23,634	\$ 24,092	\$ 21,579	\$ 22,628	\$ 18,258	\$ 15,712	\$ 22,475
Public protection	63,932	86,430	86,146	70,834	62,780	65,412	40,711	38,244	31,486	26,476
Public ways and facilities	4,779	5,812	8,392	15,662	11,928	14,216	12,822	10,782	8,121	2,227
Health, sanitation and public assistance	39,869	68,672	59,210	47,055	27,269	28,350	33,090	16,032	22,045	20,771
Education	2,033	2,003	2,549	3,311	3,369	3,318	3,388	3,378	2,574	1,808
Culture and recreation	737	984	978	1,094	1,281	1,421	1,496	1,353	899	1,023
Operating grants and contributions	595,209	507,032	573,377	566,158	1,085,032	786,733	715,246	690,028	770,108	812,333
Capital grants and contributions	8,618	7,412	14,485	4,560	13,536	10,353	3,069	187	-	-
Subtotal Governmental activities program revenues	745,333	716,212	780,457	732,308	1,229,287	931,382	832,450	778,262	850,945	887,113
Business-type activities:										
Charges for services										
Water and sewer	2,071	2,092	2,792	2,506	2,483	3,033	2,695	3,456	3,478	4,001
Landfill	13,700	11,701	11,371	8,230	8,592	10,097	9,054	9,861	13,814	16,379
Operating grants and contributions	-	-	-	-	-	-	-	-	625	494
Subtotal Business-type activities program revenues	15,771	13,793	14,163	10,736	11,075	13,130	11,749	13,317	17,917	20,874
Total primary government program revenues	761,104	730,005	794,620	743,044	1,240,362	944,512	844,199	791,579	868,862	907,987
General Revenues										
Governmental activities:										
Taxes										
Property taxes	180,656	199,715	220,356	213,721	187,682	203,317	196,145	209,419	216,038	232,374
Sales taxes	180,671	187,397	177,384	158,943	96,956	103,174	140,232	154,998	161,119	186,747
Franchise taxes	4,572	4,786	4,880	5,157	4,266	4,735	4,849	4,784	14,070	22,736
Motor vehicle in-lieu taxes	62,677	45,666	45,891	41,195	40,879	36,063	35,491	34,077	37,713	58,964
Road use tax	18,285	19,727	23,839	20,683	-	-	-	-	-	-
Tobacco settlement proceeds	12,759	27,567	23,575	13,054	10,205	12,089	8,352	13,213	6,657	-
Other	3,619	1,682	3,891	2,914	857	4,816	4,708	4,832	18,110	13,970
Gain/(loss) on bond refunding and sale of capital assets	-	-	-	-	-	-	-	338	-	-
Unrestricted investment earnings	11,947	13,263	12,495	8,441	6,666	5,450	5,945	14,159	14,776	9,344
Miscellaneous	-	180	-	-	-	1,072	-	-	-	-
Subtotal governmental activities general revenues	475,186	499,983	512,311	464,108	347,511	370,716	395,722	435,820	468,483	524,135
Business-type activities:										
Property tax	-	-	-	-	4,175,236	-	-	-	671	711
Other	1,549	2,354	2,476	5,192	3,167	2,421	2,355	2,326	1,446	1,870
Gain/(loss) on sale of capital assets	-	-	-	-	-	-	-	(19)	-	-
Unrestricted investment earnings	1,058	3,519	3,808	2,398	1,707	1,507	1,257	974	1,732	638
Subtotal business-type activities general revenues	2,607	5,873	6,284	7,590	4,180,110	3,928	3,612	3,281	3,849	3,219
Total primary government revenues	\$ 1,238,897	\$ 1,235,861	\$ 1,313,215	\$ 1,214,742	\$ 5,767,983	\$ 1,319,156	\$ 1,243,533	\$ 1,230,680	\$ 1,341,194	\$ 1,435,341

Note 1: Accrual basis of accounting

County of Fresno
Changes in Net Position
Last Ten Fiscal Years
(amounts expressed in thousands)

Page 2 of 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 104,079	\$ 52,001	\$ 70,697	\$ 28,685	\$ 38,727	\$ 41,685	\$ 51,348	\$ 52,919	\$ 45,280	\$ 34,673
Public protection	227,521	332,088	264,592	307,301	304,096	298,354	293,106	304,365	319,197	291,148
Public ways and facilities	110,613	54,286	117,737	58,062	43,782	54,711	48,529	41,895	43,145	45,635
Health, sanitation, and public assistance	679,435	725,012	718,201	724,604	1,088,733	770,169	751,998	686,767	787,234	760,840
Education	23,250	25,971	10,691	22,606	25,322	26,013	24,897	24,191	25,073	23,918
Culture and recreation	2,307	3,476	2,491	3,475	2,832	2,419	2,331	2,712	2,933	2,380
Interest on long-term debt	33,761	43,136	47,909	45,794	44,854	44,243	44,232	42,519	40,030	40,219
Subtotal governmental activities expenses	<u>1,180,966</u>	<u>1,235,970</u>	<u>1,232,318</u>	<u>1,190,527</u>	<u>1,548,346</u>	<u>1,237,594</u>	<u>1,216,441</u>	<u>1,155,368</u>	<u>1,262,892</u>	<u>1,198,813</u>
Business-type activities:										
Solid waste enterprise	12,735	13,181	16,533	15,063	15,718	14,068	14,024	14,063	6,162	5,652
County service areas, other	4,161	4,325	5,347	5,626	5,621	5,554	5,607	6,139	17,783	21,451
Subtotal business-type activities expenses	<u>16,896</u>	<u>17,506</u>	<u>21,880</u>	<u>20,689</u>	<u>21,339</u>	<u>19,622</u>	<u>19,631</u>	<u>20,202</u>	<u>23,945</u>	<u>27,103</u>
Total primary government expenses	<u>1,197,862</u>	<u>1,253,476</u>	<u>1,254,198</u>	<u>1,211,216</u>	<u>1,569,685</u>	<u>1,257,216</u>	<u>1,236,072</u>	<u>1,175,570</u>	<u>1,286,837</u>	<u>1,225,916</u>
Extraordinary item - RDA dissolution transaction	-	-	-	-	-	-	(274)	-	-	-
Excess (deficiency) before transfers										
- governmental activities	39,553	(19,775)	60,450	5,889	28,452	64,504	11,731	58,714	56,536	212,435
Transfers	90	15	35	203	96	32	271	302	(2,724)	(2,750)
Excess (deficiency) before transfers										
- business-type activities	1,482	2,160	(1,433)	(2,363)	4,169,846	(2,564)	(4,270)	(2,969)	(2,179)	(3,010)
Transfers	(90)	(15)	(35)	(203)	(96)	(32)	(271)	(302)	2,724	2,750
Special Items	-	-	(289)	-	-	-	-	-	-	-
Change in net position										
Governmental activities	39,643	(19,760)	60,485	6,092	28,548	64,536	11,728	59,016	53,812	209,685
Business-type activities	1,392	2,145	(1,757)	(2,566)	4,169,750	(2,596)	(4,541)	(3,271)	545	(260)
Total primary government	<u>\$ 41,035</u>	<u>\$ (17,615)</u>	<u>\$ 58,728</u>	<u>\$ 3,526</u>	<u>\$ 4,198,298</u>	<u>\$ 61,940</u>	<u>\$ 7,187</u>	<u>\$ 55,745</u>	<u>\$ 54,357</u>	<u>\$ 209,425</u>

Note 1: Accrual basis of accounting

County of Fresno
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved for:					
Encumbrances	\$ 26,730	\$ 30,164	\$ 12,998	\$ 9,534	\$ 5,558
Imprest and postage funds	198	157	203	178	207
Inventory	2,760	3,734	3,440	3,288	3,663
Loans	32,370	34,534	35,331	37,284	41,605
Unreserved	152,361	145,580	136,892	151,243	179,090
Total General Fund	<u>\$ 214,419</u>	<u>\$ 214,169</u>	<u>\$ 188,864</u>	<u>\$ 201,527</u>	<u>\$ 230,123</u>
Other Governmental Funds					
Reserved for:					
Encumbrances	\$ 32,684	\$ 97,942	\$ 61,706	\$ 48,692	\$ 76,876
Imprest and postage funds	9	4	5	8	10
Inventory	1,657	1,741	1,064	716	1,314
Debt service	76,370	93,419	72,689	49,450	49,125
Unreserved, reported in:					
Special revenue funds	30,629	18,523	15,461	15,805	14,169
Capital projects fund	(336)	(50,203)	(15,028)	2,820	(16,833)
Total other governmental funds	<u>\$ 141,013</u>	<u>\$ 161,426</u>	<u>\$ 135,897</u>	<u>\$ 117,491</u>	<u>\$ 124,661</u>

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 3,200	\$ 3,585	\$ 3,939	\$ 4,110	\$ 43,092
Restricted	83,356	195,072	199,306	49,932	4,985
Committed	-	-	-	-	\$ 18,724
Assigned	39,138	33,896	57,176	23,035	77,493
Unassigned	133,154	66,022	47,117	72,338	46,239
Total General Fund	<u>\$ 258,848</u>	<u>\$ 298,575</u>	<u>\$ 307,538</u>	<u>\$ 149,415</u>	<u>\$ 190,533</u>
All Other Governmental Funds					
Nonspendable	\$ 1,889	\$ 854	\$ 683	\$ 775	\$ 736
Restricted	93,797	97,561	123,153	391,338	443,609
Assigned	24,407	29,357	33,597	37,391	37,009
Total other governmental funds	<u>\$ 120,093</u>	<u>\$ 127,772</u>	<u>\$ 157,433</u>	<u>\$ 429,504</u>	<u>\$ 481,354</u>

Note 1: Modified accrual basis of accounting

Note 2: The County implemented GASB Statement No. 54 in 2011, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.

County of Fresno
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 171,485	\$ 223,356	\$ 238,127	\$ 254,452	\$ 222,538	\$ 230,422	\$ 334,763	\$ 380,541	\$ 394,370	\$ 422,029
Licenses and permits	9,696	9,919	9,267	9,319	7,543	7,987	8,600	8,872	14,070	17,272
Fines, forfeitures and penalties	10,376	10,340	11,946	13,181	12,045	10,268	9,577	9,529	14,657	13,866
Use of money and property	14,767	16,110	15,359	10,453	8,900	5,745	6,278	14,315	12,562	8,022
Aid from other governmental agencies	823,101	763,753	811,527	783,553	1,212,496	880,190	788,758	714,785	811,917	850,931
Charges for current services	99,423	114,196	106,456	134,064	92,648	98,139	83,947	66,491	68,274	55,541
Other revenues	32,112	76,560	76,277	17,149	22,137	39,383	25,724	24,358	29,554	26,690
Total revenues	<u>1,160,960</u>	<u>1,214,234</u>	<u>1,268,959</u>	<u>1,222,171</u>	<u>1,578,307</u>	<u>1,272,134</u>	<u>1,257,647</u>	<u>1,218,891</u>	<u>1,345,404</u>	<u>1,394,351</u>
Expenditures										
General government	52,165	55,840	87,131	33,400	36,903	40,359	35,648	32,976	38,715	37,014
Public ways and facilities	85,306	54,890	61,429	58,998	48,087	63,448	55,691	32,807	31,106	36,880
Public protection	257,927	287,883	321,020	312,496	295,553	293,043	289,991	298,179	312,604	324,104
Health, sanitation, and public assistance	670,268	716,377	739,835	724,372	1,085,639	769,639	750,154	682,001	779,890	798,019
Education	23,071	25,667	30,567	29,285	25,864	26,275	23,898	23,891	23,708	25,152
Culture and recreation	2,873	3,374	3,551	3,403	2,494	2,191	2,342	2,684	2,900	2,596
Capital outlay	23,164	8,258	31,864	16,866	968	7,577	2,783	16,594	18,378	21,714
Debt service:										
Transfers from trust bank	41,096	-	-	-	-	-	-	-	-	-
Principal	4,755	11,345	16,020	20,870	19,790	25,042	24,080	30,785	30,295	32,655
Bond issuance costs	1,151	-	-	-	-	-	-	-	-	-
Interest	24,203	29,640	31,933	31,037	29,093	24,515	27,465	25,509	22,677	20,960
Total expenditures	<u>1,185,979</u>	<u>1,193,274</u>	<u>1,323,350</u>	<u>1,230,727</u>	<u>1,544,391</u>	<u>1,252,089</u>	<u>1,212,052</u>	<u>1,145,426</u>	<u>1,260,273</u>	<u>1,299,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,019)</u>	<u>20,960</u>	<u>(54,391)</u>	<u>(8,556)</u>	<u>33,916</u>	<u>20,045</u>	<u>45,595</u>	<u>73,465</u>	<u>85,131</u>	<u>95,257</u>
Other financing sources (uses):										
Bond proceed transfers	-	(317)	-	-	-	-	-	-	-	-
Bond proceeds	39,015	55,060	-	-	-	-	-	23,587	-	-
Payment to refund debt	-	-	-	-	-	-	-	(26,160)	-	-
Proceeds from sale of capital assets	-	-	-	-	-	1,072	-	-	-	-
Transfers in	266,409	233,976	322,208	268,539	209,458	230,110	316,612	353,820	848,216	917,133
Transfers out	(265,214)	(233,111)	(321,743)	(265,726)	(207,548)	(227,070)	(314,520)	(350,907)	(849,296)	(920,117)
Refunding bond issue proceeds	-	(475)	-	-	-	-	-	(820)	-	-
Total other financing sources (uses)	<u>40,210</u>	<u>55,133</u>	<u>465</u>	<u>2,813</u>	<u>1,910</u>	<u>4,112</u>	<u>2,092</u>	<u>(480)</u>	<u>(1,080)</u>	<u>(2,984)</u>
Net change in fund balances before extraordinary items	15,191	76,093	(53,926)	(5,743)	35,826	24,157	47,687	72,985	84,051	92,273
Extraordinary item										
Redevelopment Agency dissolution transaction	-	-	-	-	-	-	(274)	-	-	-
Net change in fund balances	<u>\$ 15,191</u>	<u>\$ 76,093</u>	<u>\$ (53,926)</u>	<u>\$ (5,743)</u>	<u>\$ 35,826</u>	<u>\$ 24,157</u>	<u>\$ 47,413</u>	<u>\$ 72,985</u>	<u>\$ 84,051</u>	<u>\$ 92,273</u>
Debt service as a percentage of non capital expenditures	2.49%	3.46%	3.71%	4.28%	3.17%	3.98%	4.26%	4.99%	4.27%	4.20%

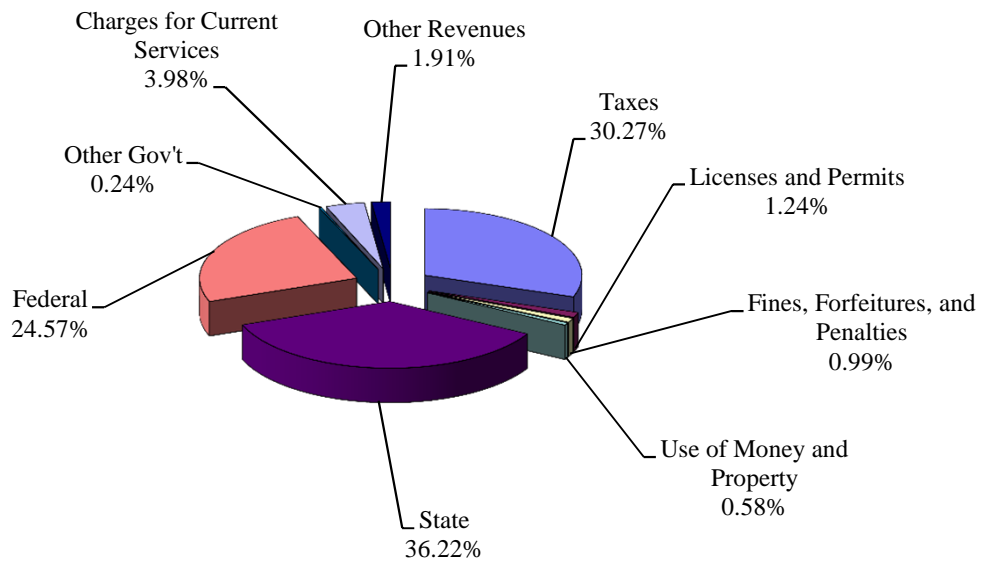
Note 1: Modified accrual basis of accounting

County of Fresno
Governmental Funds Revenues By Source
Last Ten Fiscal Years
(amount expressed in thousands)

Page 1 of 2

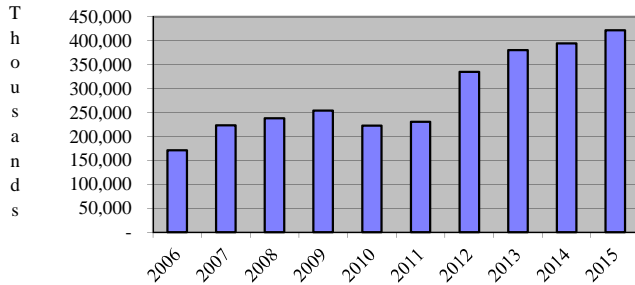
Fiscal Year	Total Revenues	Taxes	Licenses and Permits	Fines, Forfeitures, and Penalties	Use of Money and Property	Aid From Other Governmental Agencies			Charges for Current Services	Other Revenues
						State	Federal	Other Gov't		
2006	\$ 1,160,960	\$ 171,485	\$ 9,696	\$ 10,376	\$ 14,767	\$ 580,131	\$ 239,464	\$ 3,506	\$ 99,423	\$ 32,112
2007	1,214,234	223,356	9,919	10,340	16,110	506,506	253,756	3,491	114,196	76,560
2008	1,268,959	238,127	9,267	11,946	15,359	517,137	291,760	2,630	106,456	76,277
2009	1,222,171	254,452	9,319	13,181	10,453	504,632	278,074	847	134,064	17,149
2010	1,578,307	222,538	7,543	12,045	8,900	531,645	677,923	2,928	92,648	22,137
2011	1,272,134	230,422	7,987	10,268	5,745	544,195	333,427	2,568	98,139	39,383
2012	1,257,647	334,763	8,600	9,577	6,278	465,232	322,815	711	83,947	25,724
2013	1,218,891	380,541	8,872	9,529	14,315	388,767	322,745	3,273	66,491	24,358
2014	1,345,404	394,370	14,070	14,657	12,562	489,408	320,457	2,052	68,274	29,554
2015	1,394,351	422,029	17,272	13,866	8,022	505,053	342,554	3,324	55,541	26,690

For Fiscal Year 2015

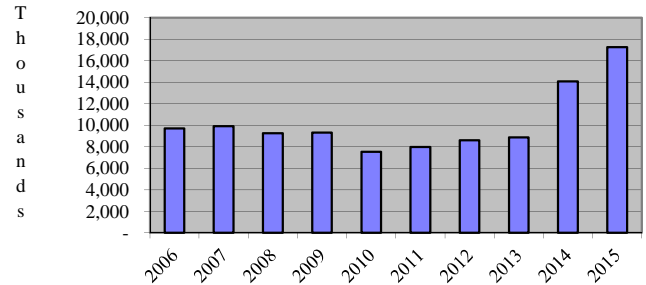


County of Fresno
Governmental Funds Revenues By Source
Last Ten Fiscal Years
(amount expressed in thousands)

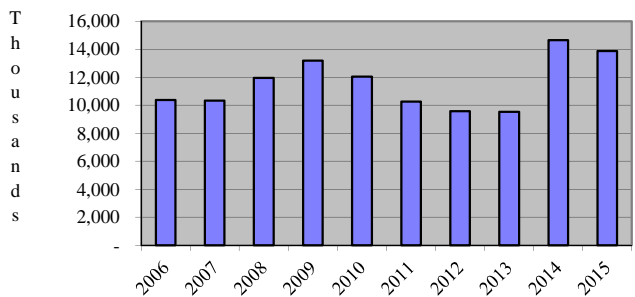
Taxes



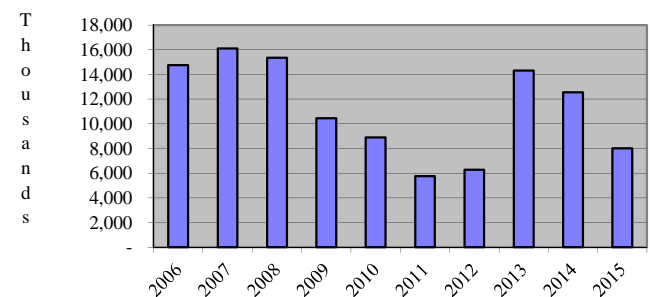
Licenses and Permits



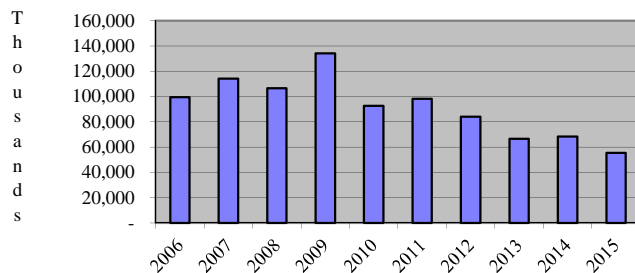
Fines, Forfeitures, and Penalties



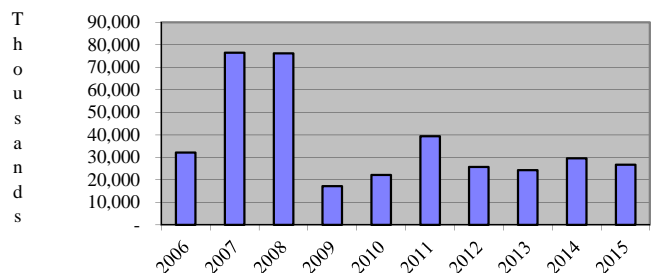
Use of Money and Property



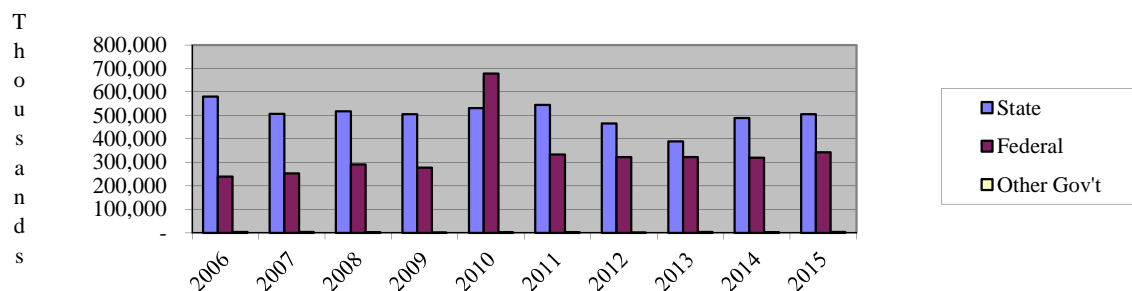
Charges for Current Services



Other Revenues

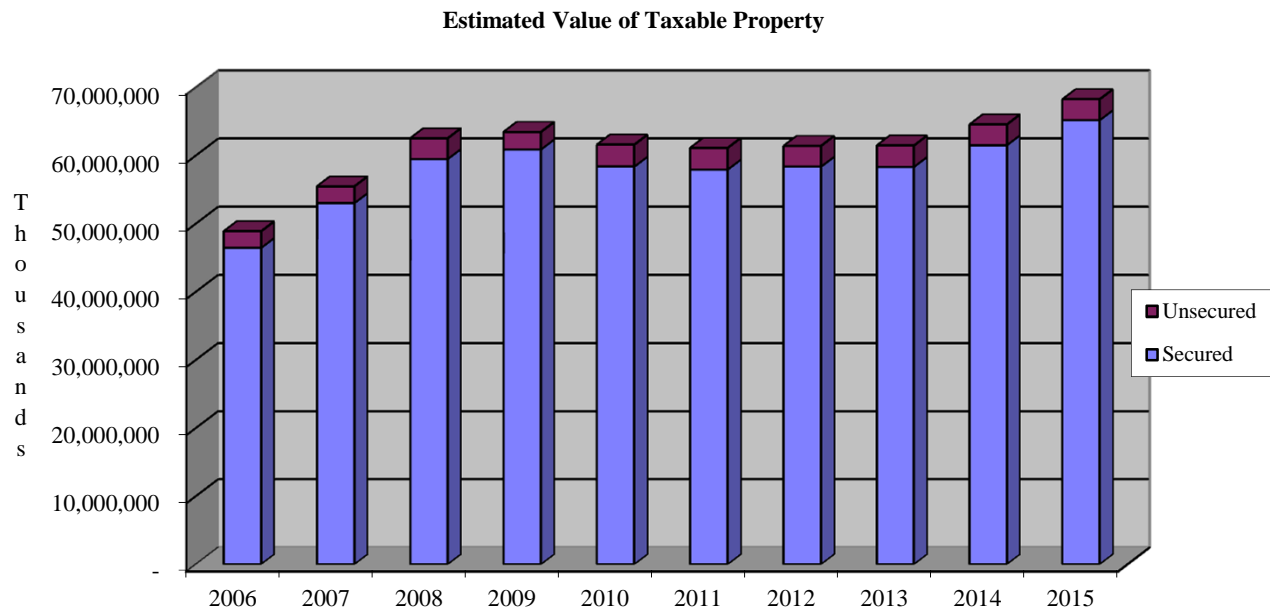


Aid From Other Governmental Agencies



County of Fresno
Gross Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>		
Fiscal Year	Estimated Actual	Estimated Actual	Estimated Actual	Ratio of Assessed to Estimated Actual	Total Direct Tax Rate
2006	\$ 46,449,263	\$ 2,415,695	\$ 48,864,958	100	1.00%
2007	53,028,982	2,442,692	55,471,674	100	1.00%
2008	59,498,590	3,037,430	62,536,020	100	1.00%
2009	60,909,391	2,555,829	63,465,220	100	1.00%
2010	58,391,376	3,209,653	61,601,029	100	1.00%
2011	57,958,443	3,171,629	61,130,072	100	1.00%
2012	58,378,659	3,040,714	61,419,373	100	1.00%
2013	58,343,171	3,124,705	61,467,876	100	1.00%
2014	61,518,986	3,032,881	64,551,867	100	1.00%
2015	65,196,174	3,054,484	68,250,658	100	1.00%



Source: Auditor-Controller/Treasurer-Tax Collector, County of Fresno

Note: The estimated actual value of taxable property is the same as the gross assessed value.

County of Fresno
Property Tax Rates - Direct and Overlapping Governments
(% Per \$100 of Assessed Value)
Last Ten Fiscal Years

	<u>County Direct Rates</u>	<u>Overlapping Rates</u>		<u>Total Rates</u>
<u>Fiscal Year</u>	<u>Fresno County General</u>	<u>City of Fresno</u>	<u>School Districts</u>	
2005 - 2006	1.00000	0.032438	0.145454	1.177892
2006 - 2007	1.00000	0.032438	0.186664	1.219102
2007 - 2008	1.00000	0.032438	0.176204	1.208642
2008 - 2009	1.00000	0.032438	0.105860	1.138298
2009 - 2010	1.00000	0.032438	0.199188	1.231626
2010 - 2011	1.00000	0.032438	0.198914	1.231352
2011 - 2012	1.00000	0.032438	0.195870	1.228308
2012 - 2013	1.00000	0.032438	0.198218	1.230656
2013 - 2014	1.00000	0.032438	0.198436	1.230874
2014 - 2015	1.00000	0.032438	0.198168	1.230606

Notes:

(1) The above tax rates are for Tax Rate Area 005-001, which applies to most property within the City of Fresno.

(2) California voters, on June 6, 1978, approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any agencies may not

levy any

indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978.

Source:

Auditor-Controller/Treasurer-Tax Collector-Tax Collector Division, County of Fresno

**County of Fresno
Principal Taxpayers
June 30, 2015
and June 30, 2006
(amounts expressed in thousands)**

Taxpayer	2015			2006		
	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank	% of Total County Assessed Value
Pacific Gas & Electric Co.	\$ 2,260,336	1	3.312	\$ 1,226,308	1	2.510
Southern California Edison Co.	561,473	2	0.823	370,630	2	0.758
Chevron USA Inc.	400,779	3	0.587	165,036	4	0.338
Panoche Energy Center, LLC	296,059	4	0.434			
AERA Energy, LLC	180,746	5	0.265	79,153	9	0.162
Pacific Bell Telephone Co.	179,225	6	0.263			
Gallo E & J Winery	136,687	7	0.200	81,697	8	0.167
Macerich Fresno Limited Partnership	142,747	8	0.209	98,502	6	0.202
Donahue Schriber Realty Group LP	122,326	9	0.179			
Gap Inc.	110,293	10	0.162			
SBC California				176,299	3	0.361
Trans Electric NTD Path 15 LLC				115,247	5	0.236
Fresno Farming				97,657	7	0.200
McGarry Patrick Henry				43,834	10	0.090
Total	<u>\$ 4,390,671</u>		<u>6.434</u>	<u>\$ 2,454,363</u>		<u>5.024</u>

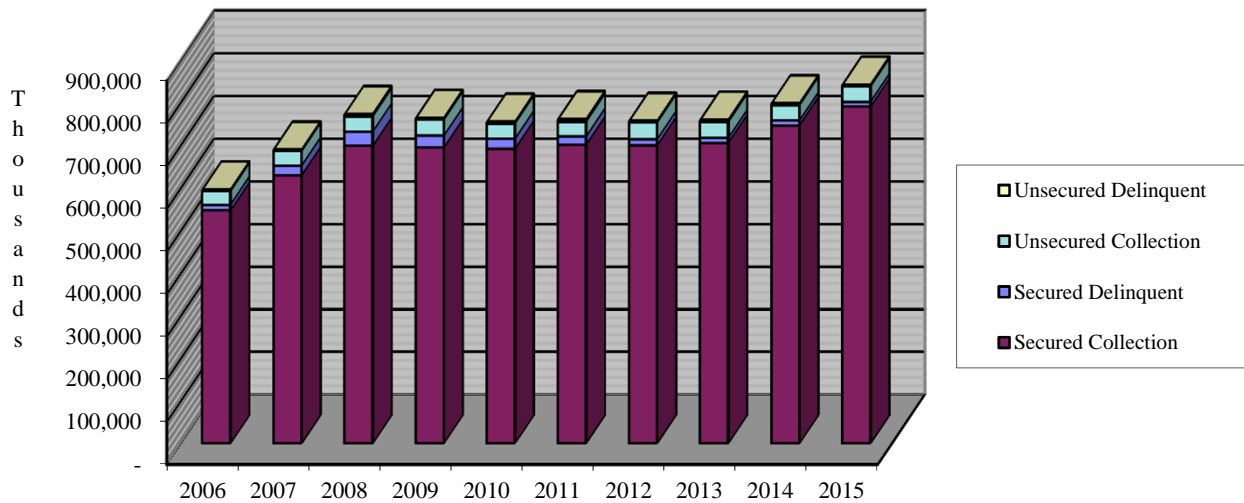
Source: Auditor-Controller/Treasurer-Tax Collector, County of Fresno

Note: Percentages based on estimated property values of \$68,250,658 in 2015 and \$48,864,958 in 2006.

County of Fresno
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Secured					Unsecured				
	Tax Levies	Delinquency		Collections		Tax Levies	Delinquency		Collections	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
2006	\$ 560,471	\$ 13,415	2.394	\$ 547,056	97.606	\$ 34,365	\$ 2,520	7.333	\$ 31,845	92.667
2007	652,147	22,853	3.504	629,294	96.496	36,082	2,155	5.973	33,927	94.027
2008	731,524	33,429	4.570	698,095	95.430	40,052	4,583	11.443	35,469	88.557
2009	722,290	28,076	3.887	694,214	96.113	39,986	2,481	6.205	37,505	93.795
2010	714,619	23,072	3.229	691,547	96.771	39,039	3,083	7.897	35,956	92.103
2011	720,195	19,157	2.660	701,038	97.340	39,345	4,990	12.683	34,355	87.317
2012	714,008	14,405	2.017	699,603	97.983	41,579	2,551	6.135	39,028	93.865
2013	717,057	11,701	1.632	705,356	98.368	41,027	3,545	8.641	37,482	91.359
2014	757,605	11,314	1.493	746,292	98.507	38,947	3,003	7.710	35,944	92.290
2015	801,553	11,550	1.441	789,983	98.557	38,950	2,687	6.899	36,263	93.101

Property Tax Levies



Note: The above represents total collections made by the County of Fresno for all appropriate taxing units.

Source: County of Fresno Tax Rate Book

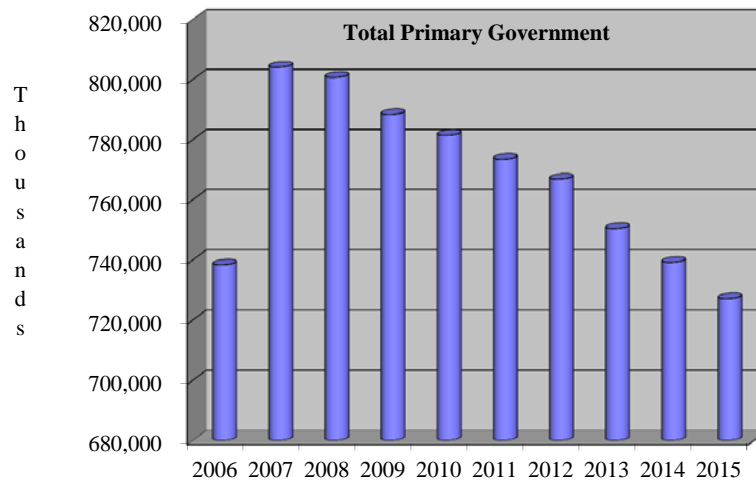
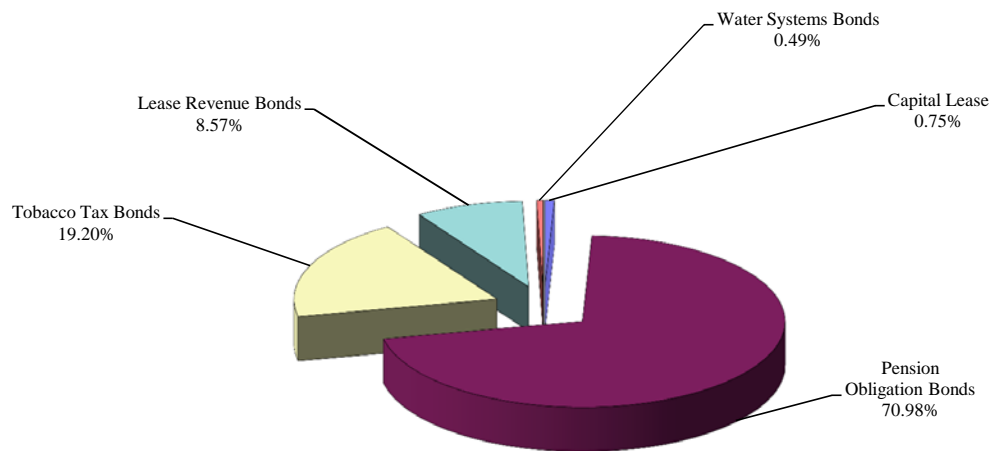
County of Fresno
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Capital Lease	Pension Obligation Bonds	Tobacco Tax Bonds	Lease Revenue Bonds	Water Systems Bonds	Outstanding Loan	Capital Leases			
2006	\$ 4,837	\$ 561,523	\$ 126,583	\$ 40,396	\$ 4,955	\$ -	-	\$ 738,294	2.87%	\$ 841
2007	13,803	563,232	128,069	94,196	4,800	-	-	804,100	2.96%	904
2008	13,209	561,477	129,120	92,238	4,640	-	-	800,684	2.85%	887
2009	6,026	556,015	131,601	90,238	4,460	-	-	788,340	2.81%	861
2010	5,830	553,132	131,601	86,516	4,335	-	-	781,414	2.71%	837
2011	3,817	548,951	133,789	82,667	4,200	-	-	773,424	2.60%	820
2012	4,601	543,387	136,041	78,704	4,060	-	-	766,793	2.34%	809
2013	4,066	536,085	134,397	71,924	3,910	-	-	750,382	2.20%	786
2014	4,521	527,007	136,575	67,214	3,750	80	-	739,147	2.14%	765
2015	5,461	516,073	139,591	62,304	3,580	75	-	727,084	NA	NA

Note 1: Accrual basis of accounting

^a See Demographic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income for the prior year.

Outstanding Debt by Type for Fiscal Year 2015



County of Fresno
Estimated Direct and Overlapping Bonded Debt
June 30, 2015
(amounts expressed in thousands)

2014-15 Assessed Valuation: \$ 68,250,659 (includes unitary utility valuation)

Overlapping Tax and Assessment Debt:	% Applicable (1)	Debt 6/30/15
Merced Community College District School Facilities Improvement District No. 2	2.747%	\$ 260
State Center Community College District	83.047%	79,077
West Hills Community College District and School Facilities Improvement Districts	24.916-99.679%	37,156
Central Unified School District	100%	94,093
Clovis Unified School District	100%	329,623
Fresno Unified School District	100%	449,651
Kings Canyon Joint Unified School District	91.111%	58,014
Sanger Unified School District	100%	70,650
Other Unified School Districts	Various	145,679
High School and School Districts	Various	23,593
Hospital Districts	100%	24,879
Other Special Districts	100%	121
Community Facilities Districts	100%	8,095
1915 Act Bonds (Estimated)	100%	11,563
Total Overlapping Tax and Assessment Debt		<u>1,332,454</u>

Overlapping Tax Increment Debt:		
Successor Agencies	100%	78,289

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Community College District General Fund Obligations	Various	45,196
Central Unified School District Certificates of Participation	100%	25,065
Clovis Unified School District General Fund Obligations	100%	14,245
Fresno Unified School District General Fund Obligations	100%	17,965
Sanger Unified School District Certificates of Participation	100%	21,059
Other School District General Fund Obligations	Various	49,191
City of Clovis General Fund Obligations	100%	12,727
City of Fresno General Fund and Judgment Obligations	100%	239,808
City of Fresno Pension Obligations	100%	145,675
Other City General Fund Obligations	100%	12,213
Coalinga Regional Medical Center General Fund Obligations	100%	4,795
Total Gross Overlapping General Fund Obligation Debt		<u>587,939</u>
Less: City of Kingsburg's Self-Supporting Obligations		<u>2,685</u>
Total Net Overlapping General Fund Obligation Debt		<u>585,254</u>
Total Net Overlapping Tax and Assessment and General Fund Obligation Debt		<u>1,995,997</u>
Total Gross Overlapping Tax and Assessment and General Fund Obligation Debt		<u>1,993,312</u>

Direct General Fund Obligation Debt:		
Fresno County General Fund Obligations	100%	61,220
Fresno County Pension Obligations	100%	390,652
Total Direct General Fund Obligation Debt		<u>451,872</u>
Total Net Combined Overlapping and Direct Debt		<u>\$ 2,447,869</u>
Total Gross Combined Overlapping and Direct Debt		<u>\$ 2,447,869</u> ⁽²⁾

Ratios to 2014-15 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	1.95%
Total Direct Debt (\$451,872)	0.66%
Gross Combined Total Debt	3.59%
Net Combined Total Debt	3.59%

Ratios to Redevelopment Incremental Valuation (\$4,433,067)	
Total Overlapping Tax Increment Debt	1.77%

- (1) The percentage of overlapping debt applicable to the county is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the county divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on the principal amount due at maturity.

Source: California Municipal Statistics, Inc.

County of Fresno
Computation of Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Amount of Debt Applicable to Limit			Legal Debt Margin
				General Obligation Bond	Less Resources Restricted to Paying Principal	Total Net Debt Applicable to Limit	
2006	\$ 48,864,958	1.25%	\$ 610,812	-	-	-	\$ 610,812
2007	55,471,674	1.25%	693,396	-	-	-	693,396
2008	62,536,020	1.25%	781,700	-	-	-	781,700
2009	63,465,220	1.25%	793,315	-	-	-	793,315
2010	61,601,029	1.25%	770,013	-	-	-	770,013
2011	61,130,072	1.25%	764,126	-	-	-	764,126
2012	61,419,373	1.25%	767,742	-	-	-	767,742
2013	61,467,876	1.25%	768,348	-	-	-	768,348
2014	64,551,867	1.25%	806,898	-	-	-	806,898
2015	68,250,658	1.25%	853,133	-	-	-	853,133

Note: California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25 percent of total assessed value.

County of Fresno
General Bonded Debt Ratios
Last Ten Fiscal Years

Fiscal Year	Net General Bonded Debt per Capita ~	Net General Bonded Debt to Assessed Value	General Debt Service to General Expenditures
2006	\$ 684.68	1.23%	2.14%
2007	736.13	1.19%	2.53%
2008	721.13	1.05%	2.72%
2009	703.55	1.02%	3.37%
2010	687.97	1.04%	2.61%
2011	674.74	1.03%	3.31%
2012	657.80	1.01%	3.53%
2013	638.55	0.99%	4.15%
2014	624.12	0.92%	3.61%
2015	594.86	0.85%	3.61%

~ Updated amounts based on the revised population estimates for 2014 from Department of Finance as released on May 1, 2015.

County of Fresno
Pledged Revenue Coverage
For the Last Nine Fiscal Years

CSA 47 Water/Sewer Revenue Bonds

Fiscal Year	Revenues	Less: Operating	Net Available	Debt Service		Coverage
		Expenses	Revenue	Principal	Interest	
2007	\$ 920,612	\$ 683,973	\$ 236,639	\$ 105,000	\$ 314,676	56%
2008	969,569	712,128	257,441	110,000	307,958	62%
2009	1,004,754	717,278	287,476	120,000	300,770	68%
2010	946,516	748,795	197,721	125,000	293,114	47%
2011	1,160,367	678,852	481,515	135,000	284,989	115%
2012	1,211,528	796,012	415,516	140,000	276,395	100%
2013	1,235,362	816,663	418,699	150,000	266,995	100%
2014	1,285,578	866,263	419,315	160,000	256,610	101%
2015	1,326,035	823,055	502,980	170,000	245,555	121%

WW 41 Water Revenue Bonds

Fiscal Year	Charges	Less: Operating	Net Available	Debt Service		Coverage
		Expenses	Revenue	Principal	Interest	
2007	\$ 163,725	\$ 464,618	\$ (300,893)	\$ 25,000	\$ 6,240	-963%
2008	182,142	589,706	(407,564)	25,000	4,290	-1391%
2009	197,120	644,511	(447,391)	30,000	2,340	-1383%
2010	184,459	603,143	(418,684)	-	-	n/a
2011	-	-	-	-	-	n/a
2012	-	-	-	-	-	n/a
2013	-	-	-	-	-	n/a
2014	-	-	-	-	-	n/a
2015	-	-	-	-	-	n/a

WW 41 Sewer Revenue Bonds

Fiscal Year	Charges	Less: Operating	Net Available	Debt Service		Coverage
		Expenses	Revenue	Principal	Interest	
2007	\$ 111,783	\$ 247,151	\$ (135,368)	\$ 25,000	\$ 6,480	-430%
2008	132,108	317,753	(185,645)	25,000	4,455	-630%
2009	131,989	267,890	(135,901)	30,000	2,430	-419%
2010	130,847	371,305	(240,458)	-	-	n/a
2011	-	-	-	-	-	n/a
2012	-	-	-	-	-	n/a
2013	-	-	-	-	-	n/a
2014	-	-	-	-	-	n/a
2015	-	-	-	-	-	n/a

County of Fresno
Demographic and Economic Statistics
For the Last Ten Calendar Years

Year	Population~	Personal Income*	Per Capita Personal Income	Median Family Income	Unemployment Rate
2006	879,128	\$ 25,730	\$ 29,304	\$ 47,000	8.03%
2007	893,088	27,173	30,536	48,900	8.15%
2008	906,521	28,097	31,111	49,900	9.91%
2009	918,560	28,050	30,646	53,100	14.98%
2010	929,758	28,839	30,905	52,200	15.95%
2011	936,089	29,741	31,542	54,700	16.77%
2012	943,493	32,729	34,539	55,500	15.27%
2013	952,166	34,041	35,635	54,600	14.87%
2014	964,040	34,567	35,785	57,900	10.40%
2015	972,297	N/A	N/A	N/A	9.30%

Sources: *Population data provided by the California Department of Finance. Personal and Per Capita Personal Income data provided by the Bureau of Economic Analysis. Unemployment data provided by the California Employment Development Department. Median Family Income data provided by Housing and Urban Development.*

* *Amounts in millions*

~ *The Department of Finance population estimates for January 1, 2015*

**County of Fresno
Principal Employers
Comparison of 2006 and 2015**

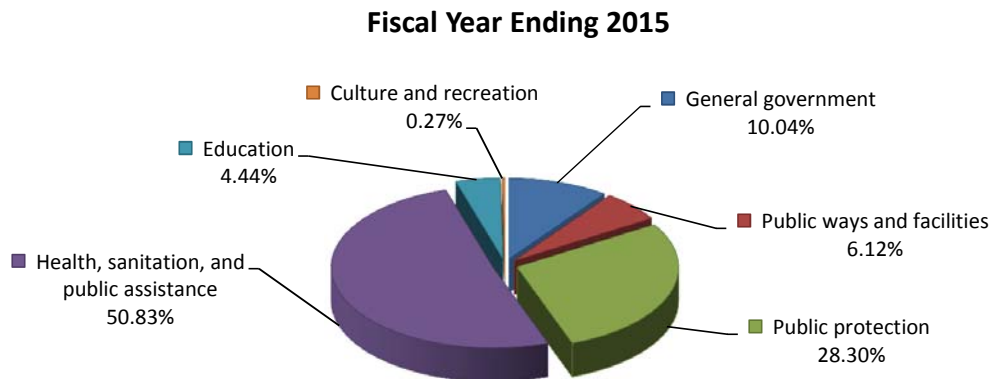
Employer	2015			2006		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Fresno Unified School District	11,162	1	2.48%	7,418	1	1.82%
Community Medical Centers	7,800	2	1.73%	4,630	3	1.14%
County of Fresno	7,120	3	1.58%	7,050	2	1.73%
Clovis Unified School District	3,892	4	0.87%	3,221	5	0.79%
City of Fresno	3,262	5	0.73%	3,610	4	0.89%
Saint Agnes Medical	2,500	6	0.56%	2,383	7	0.58%
State Center Community College	2,300	7	0.51%			0.00%
Kaiser Permanente Medical	2,300	8	0.51%	2,000	8	0.49%
California State University Fresno	2,191	9	0.49%	1,933	9	0.47%
Pelco by Schneider Electric	1,200	10	0.27%	1,900	10	0.47%
Foster Farms				2,500	6	0.61%
Total	43,727		9.72%	36,645		8.98%

Source: The 2015 employee counts are obtained from various entity websites. The 2006 employee count was obtained from the 2006 County of Fresno Comprehensive Annual Financial Report.

Note: Percentages based on labor force of 449,900 in 2015 and 407,400 in 2006.

County of Fresno
Employees by Function/Program
Last Ten Fiscal Years
Employees as of June 30

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Administration	65	71	66	59	56	54	52	53	56	57
County Counsel	40	39	35	37	29	26	25	28	31	32
Finance	297	300	288	272	256	227	235	212	218	225
Internal Service	458	460	446	419	411	381	344	346	340	374
Other	54	40	40	38	35	23	23	24	25	27
Total	914	910	875	825	787	711	679	663	670	715
Public ways and facilities										
Planning	156	169	170	137	122	106	105	105	110	120
Roads	226	226	226	224	224	222	198	198	196	196
Community Development	23	22	19	19	19	19	14	14	13	11
Solid Waste	24	24	24	24	24	22	21	21	21	21
Other	98	97	97	86	81	81	83	82	83	88
Total	527	538	536	490	470	450	421	420	423	436
Public protection										
Sheriff	1,141	1,202	1,203	1,126	1,004	982	998	1,024	1,053	1,057
Probation	588	624	629	550	535	514	544	546	572	585
District Attorney	267	259	300	247	243	228	222	238	256	254
Public Defender	111	135	137	127	95	82	79	84	88	105
Coroner	40	40	40	35	16	14	13	14	14	14
Total	2,147	2,260	2,309	2,085	1,893	1,820	1,856	1,906	1,983	2,015
Health, sanitation, and public assistance										
Administration	90	90	85	70	3	3	3	2	0	-
Child & Family Services	1,066	1,073	978	923	274	232	232	231	239	239
Adult Services	469	465	452	337	511	484	514	514	542	542
Social Services	1,422	1,504	1,542	1,544	2,060	2,160	2,182	2,320	2,452	2,457
Community Health	714	701	658	457	432	438	467	481	368	368
In-Home Supportive Services	18	18	16	14	7	7	7	7	7	7
Veterans Services	4	4	4	4	5	5	5	5	5	6
Total	3,783	3,855	3,735	3,349	3,292	3,329	3,410	3,560	3,613	3,619
Education										
Library	321	331	338	330	330	291	293	292	314	316
Culture and recreation										
Parks and grounds	35	36	36	31	26	20	16	17	19	19
Grand Total	7,727	7,930	7,829	7,110	6,798	6,621	6,675	6,858	7,022	7,120



Source: 2014-2015 Proposed Budget

County of Fresno
Operating Indicators by Function/Program
For the Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Function/Program</u>										
Public protection										
<i>Child Support Services</i>										
Number of child support cases opened	70,292	69,155	69,538	70,343	65,032	62,175	60,115	58,444	56,755	57,388
Child support collected (in thousands)	\$ 82,328	\$ 82,043	\$ 83,450	\$ 86,387	\$ 83,562	\$ 82,918	\$ 83,681	\$ 82,529	\$ 82,525	\$ 85,345
<i>Sheriff</i>										
Zone offices	4	4	4	4	4	4	4	4	4	4
Patrol units	216	232	267	225	233	186	249	240	242	237
Dispatched calls	326,123	344,315	347,778	211,990	200,553	204,542	199,408	215,403	188,672	115,649
Physical arrests	6,219	5,930	7,675	5,523	7,943	7,789	9,299	7,954	7,171	4,658
Traffic citations	1,605	1,493	1,361	1,761	1,316	1,315	1,077	737	917	959
Stolen vehicles	1,090	1,020	952	933	763	1,020	899	997	770	644
Jail bookings	44,232	43,428	44,028	44,398	40,621	40,794	40,025	41,696	44,321	34,245
Avg. daily jail population	3,168	3,259	3,029	3,067	1,877	1,661	1,810	2,867	2,978	2,725
Public ways and facilities										
Street miles maintained	3,563	3,555	3,539	3,531	3,527	3,524	3,519	3,517	3,516	3,508
Health, sanitation, and public assistance										
<i>Emergency Medical Services (EMS)</i>										
Number of 9-1-1 medical calls	58,636	96,020	64,700	81,994	92,960	96,030	107,235	107,039	101,982	111,501
<i>Department of Social Services</i>										
Number of client months served	3,596,256	5,656,281	5,495,310	6,021,653	6,529,503	6,854,629	6,966,161	7,032,774	7,336,435	8,147,153
Education										
<i>Library</i>										
Number of branches	35	35	35	35	35	35	35	35	35	39
Number of volumes	3,668,488	3,837,345	3,865,700	3,970,156	4,013,193	3,104,381	3,698,458	3,656,593	2,188,608	2,357,614
Volumes borrowed	2,992,108	3,038,170	3,222,473	3,572,943	3,667,648	3,874,259	3,989,774	3,844,412	4,216,039	4,175,236
Culture and recreation										
<i>Parks & Grounds</i>										
Acreage	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,000	1,089
Park passes issued	125	209	163	166	162	112	166	193	106	18

Sources: Various county departments

Note 1: The Fresno County Resource Division had revised the total acreage data during 2011 based on re-mapping of the parks for all periods presented above.

Note 2: The Fresno County Department of Social Services had corrected their service description to client months served during 2013 for all periods presented above.

Glossary

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County of Fresno

Glossary for the Comprehensive Annual Financial Report

ACCOUNTS PAYABLE. A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government (but not including amounts due to other funds or other governments).

ACCOUNTS RECEIVABLE. An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS OF ACCOUNTING. The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ACCUMULATED DEPRECIATION. A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

ACTIVE EMPLOYEES. Individuals employed at the end of the reporting or measurement period, as applicable.

ACTUARIAL VALUATION. The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

ACTUARIAL VALUATION DATE. The date as of which an actuarial valuation is performed.

ACTUARIALLY DETERMINED CONTRIBUTION. A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

ADVANCE FROM OTHER FUNDS. A liability account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See DUE TO OTHER FUNDS and INTERFUND RECEIVABLE/PAYABLE.

ADVANCE TO OTHER FUNDS. An asset account used to record noncurrent portions of a long-term loan from one fund to

another fund within the same reporting entity. See DUE FROM OTHER FUNDS and INTERFUND RECEIVABLE/PAYABLE.

AGENCY FUND. A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

AGENT MULTIPLE-EMPLOYER PLAN. Group of single-employer plans with pooled administrative and investment functions but separate actuarial valuations and contribution rates.

AMORTIZATION. The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL OPEB COST. An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.

ANNUAL REQUIRED CONTRIBUTIONS (ARC). Term used in connection with other postemployment benefit plans to describe the amount an employer must contribute in a given year.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSIGNED FUND BALANCE. Amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds..

AUDITOR'S REPORT. In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

County of Fresno

Glossary for the Comprehensive Annual Financial Report

BALANCE SHEET. The financial statement disclosing the assets, liabilities and equity of an entity at a specified date in conformity with GAAP.

BASIC FINANCIAL STATEMENTS (BFS). The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

BASIS OF ACCOUNTING. A term used to refer to *when* revenues, expenditures, expenses, and transfers - and the related assets and liabilities - are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual basis.

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

BUDGETARY CONTROL. The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

BUSINESS-TYPE ACTIVITIES. One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. These activities are usually reported in enterprise funds.

CAPITAL ASSETS. Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets include buildings, equipment, and improvements other than buildings, land, intangible assets, and infrastructure. In the private sector, these assets are referred to most often as property, plant and equipment, and intangible assets.

CAPITAL EXPENDITURES. Expenditures resulting in the acquisition of or addition to the government's general capital assets.

CAPITALIZATION POLICY. The criteria used by a government to determine which outlays should be reported as capital assets.

CAPITAL LEASE. An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See **LEASE-PURCHASE AGREEMENTS**.

CAPITAL PROJECTS FUND. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CASH BASIS OF ACCOUNTING. A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH WITH FISCAL AGENT. An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM. A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFR's and to provide technical assistance and peer recognition to the finance officers preparing them.

CHANGE IN THE FAIR VALUE OF INVESTMENTS. The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

CLOSED AMORTIZATION PERIOD. Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

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COLLECTIVE DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS. Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective net pension liability.

COLLECTIVE NET PENSION LIABILITY. The net pension liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.

COLLECTIVE PENSION EXPENSE. Pension expense arising from certain changes in the collective net pension liability.

COMMITTED FUND BALANCE. Amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

COMPENSATED ABSENCES. Absences, such as vacations, illness and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation or other long-term fringe benefits, such as group insurance, and long-term disability pay.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR). A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

CONTINGENT LIABILITY. Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a

reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

CONTRIBUTION DEFICIENCIES. The difference between the annual required contributions (ARC) of the employer(s), and the employer's actual contributions in relation to the ARC.

CONTRIBUTIONS. Additions to a pension plan's fiduciary net position for amounts from employers, nonemployer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.

COST-OF-LIVING ADJUSTMENTS. Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

COST-SHARING MULTIPLE-EMPLOYER PLAN. A single plan with pooling (cost-sharing) arrangements for the participating employers. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the employers. A single actuarial valuation covers all plan members and the same contribution rate(s) applies for each employer.

COVERED PAYROLL. Term used in connection with defined benefit pension and other postemployment benefit plans to describe all elements of annual compensation paid to active employees on which contributions to a plan are based.

CREDIT RISK. The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

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DEBT SERVICE FUND. A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFERRED CHARGES. Expenditures that are not chargeable to the fiscal period in which they were made that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g., bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

DEFERRED INFLOWS OF RESOURCES. An acquisition of net position by the government that is applicable to a future reporting period.

DEFERED OUTFLOWS OF RESOURCES. A consumption of net position by the government that is applicable to a future reporting period.

DEFERRED REVENUE. Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

DEFICIT. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

DEFINED BENEFIT OPEB PLAN. Plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

DEFINED BENEFIT PENSION PLAN. A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

DEPRECIATION. (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear,

deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DISCOUNT RATE. The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

DUE FROM OTHER FUNDS. An asset account used to indicate amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

DUE TO OTHER FUNDS. A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. These amounts include only short-term obligations on open account, not interfund loans.

ECONOMIC RESOURCES MEASUREMENT FOCUS. Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. It is also used by business enterprises in the private sector.

EMPLOYER'S CONTRIBUTIONS. Term used in the context of pension and other postemployment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer. (Only amounts paid to trustees and outside parties qualify.)

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ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND. Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

ENTRY AGE ACTUARIAL COST METHOD. A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.

EXCHANGE-LIKE TRANSACTION. Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of current net position, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

EXPENDITURE-DRIVEN GRANTS. Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

EXPENSES. Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

EXTERNAL AUDITORS. Independent auditors typically engaged to conduct an audit of a government's financial statements.

EXTERNAL INVESTMENT POOL. An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsors reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

FAIR VALUE. The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FIDUCIARY FUNDS. The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

FINANCIAL RESOURCES. Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables, investments). Financial resources may also include inventories and pre-pays (because they obviate the need to expend current available resources).

FISCAL AGENT. A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FUND. A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE. Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

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FUND FINANCIAL STATEMENTS. Basic financial statements presented on the basis of funds. Term used in contrast with *government-wide financial statements*.

FUND TYPE. Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

GENERAL FUND. The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

GENERAL REVENUES. All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax - for example, property tax, sales tax, transient occupancy tax. All other nontax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). The convention, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for the state and local governments are set forth by SAS No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"* in the Independent Auditor's Report.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA). An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

GOVERNMENTAL ACCOUNTING. The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

GOVERNMENTAL ACTIVITIES. Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

GOVERNMENTAL FUNDS. Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

IMPROVEMENT. An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

INACTIVE EMPLOYEES. Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

INDIRECT EXPENSES. Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

INFRASTRUCTURE. Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

INTERFUND RECEIVABLE/PAYABLE. Short-term loans made by one fund to another fund or the current portion of an advance to or from another fund.

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INTERFUND TRANSFERS. Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERNAL SERVICE FUND. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

JOINT VENTURE. A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

LAPSE. As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

LEASE-PURCHASE AGREEMENTS. Contractual agreements that are termed leases, but that in substance are purchase contracts.

LEGAL LEVEL OF BUDGETARY CONTROL. The level at which spending in excess of budgeted amounts would be a violation of law.

LEVEL OF BUDGETARY CONTROL. The level at which a government's management may not reallocate resources without special approval from the legislative body.

LEVEL PERCENTAGE OF PROJECTED PAYROLL AMORTIZATION METHOD. Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

LIABILITIES. Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

LOANS RECEIVABLE. An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

MAJOR FUND. A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are those whose revenues/expenditures, assets or liabilities, are at least 10 percent of corresponding totals for all government or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same items. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A). A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

MEASUREMENT FOCUS. A way of presenting an entity's financial performance and position by considering which *resources* are measured (financial or economic) and *when* the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

MEASUREMENT PERIOD. The period between the prior and the current measurement dates.

MODIFIED ACCRUAL BASIS OF ACCOUNTING. The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

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NET INVESTMENT IN CAPITAL ASSETS. One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt should also be included. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included.

NET OPEB OBLIGATION. In the context of defined benefit pension and other postemployment benefit plans, the cumulative difference between annual pension cost and the employer's contributions to the plan, including the pension/OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to pension-related/OPEB-related debt.

NET PENSION LIABILITY. The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

NET POSITION. The residual of all other elements presented in a statement of financial position. It is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources.

NONSPENDABLE FUND BALANCE. The portion of fund balance of a governmental fund that cannot be spent either because the underlying resources are not in spendable form or because the government is legally or contractually required to maintain the resources intact.

OPERATING LEASE. A lease does not transfer ownership rights, risks, and rewards from the lessor to the lessee; the lease is called an operational lease and is similar to a rental.

OTHER FINANCING SOURCES. An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items classified by GAAP.

OTHER FINANCING USES. A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP.

OTHER POSTEMPLOYMENT BENEFITS (OPEB). Medical, dental, vision, and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

OVERLAPPING DEBT. The proportionate share property within which each government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments, which will be used wholly or in part for this purpose.

PAY-AS-YOU-GO. A method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

PAYROLL GROWTH RATE. An actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

PENSION BENEFITS. Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except healthcare benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan.

PENSION PLANS. Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

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PLAN MEMBERS. Individuals that are covered under the terms of a pension plan. Plan members generally include (a) employees in active service (active plan members) and (b) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

POSTEMPLOYMENT. Period following termination of employment, including the time between termination and retirement postemployment healthcare benefits.

PROGRAM REVENUES. Term used in connection with the government-wide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

PROJECTED BENEFIT PAYMENTS. All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

PROPRIETARY FUNDS. Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial positions, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

REAL RATE OF RETURN. The rate of return on an investment after adjustment to eliminate inflation.

REBATABLE ARBITRAGE. A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

REPORTING ENTITY. The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

REQUIRED SUPPLEMENTARY INFORMATION. Consists of statements, schedules, statistical data, or other information which, according to the GASB, is necessary to supplement, although not required to be a part of the basic financial statements.

RESTRICTED ASSETS. Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED FUND BALANCE. Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED NET POSITION. One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow of resources relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability/deferred inflow of resources or if the liability will be liquidated with the restricted assets reported.

RETAINED EARNINGS. An equity account reflecting the accumulated earnings of an enterprise fund or internal service fund.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

RISK MANAGEMENT. All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

SELF-INSURANCE. A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring the risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

SERVICE LIFE. The average remaining years of service of all members of the plan (both current employees and retirees).

SINGLE AUDIT. An audit performed in accordance with the Single Audit Act of 1997 and the Office of Management and

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Budget's (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to the meet the needs of all federal agencies.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, transit authorities, port authorities, and electric power authorities.

SPECIAL REVENUE FUND. A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

STATEMENT OF NET POSITION. A financial statement reporting all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This statement reports the residual amount of all assets, deferred outflows of resources, liabilities, deferred inflows of resources as net position.

SUBSTANTIVE PLAN. Terms of an OPEB plan as understood by the employer(s) and plan members.

TAX AND REVENUE ANTICIPATION NOTES (TRANS). Notes issued in anticipation of the collection of taxes and revenues, usually retired only from tax collections, and frequently only from the proceeds of the tax and revenues levy whose collection they anticipate.

TERMINATION BENEFITS. Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

TOTAL PENSION LIABILITY. The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

TRUST FUNDS. Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

UNASSIGNED FUND BALANCE. The residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

UNMODIFIED OPINION. An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

UNRESTRICTED NET POSITION. One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It is the difference between net position and its two other components (net investment in capital assets and restricted net position).

VARIABLE-RATE INVESTMENT. An investment with terms that provide for the adjustment of its interest rate (such as the last day of the month or a calendar quarter) and that, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a fair value that will be unaffected by interest rate charges.