



**COUNTY OF FRESNO
STATE OF CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended
June 30, 2016**

**Oscar J. Garcia, CPA
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
Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector

December 29, 2016

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, 2016, 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, 2016 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, 2016. 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 984,541 as of January 1, 2016. There are 15 incorporated cities within the County: Fresno, Clovis, Reedley, Sanger, Selma, Coalinga, Parlier, Kerman, Kingsburg, Mendota, Orange Cove, Firebaugh, Huron, Fowler, and San Joaquin. The largest employment categories include public administration, retail trade,

transportation, accommodation & food services, education & health services, administrative 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
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Jean M. Rousseau, CPA
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	Steven E. White Director/Public Works & Planning	Paul Dictos, CPA 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		Oscar J. Garcia, CPA Auditor-Controller/ Treasurer-Tax Collector
Rick Chavez Chief Probation Officer	Dawan Utecht Director Behavioral Health Public Guardian				Paul Nerland Director Human Resources
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 6,856 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 19,101,700 persons as of June 30, 2016. The employed labor force at June 30, 2016, was 18,078,600 persons on a seasonally adjusted basis. This number demonstrates a steady improvement in the California labor market. The State-wide unemployment rate is 5.4%, or 1,023,000 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 456,900 persons as of June 30, 2016. Unemployment in the County has declined by 0.1% from the prior year, and is at a rate of 9.2% as of June 30, 2016.

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 \$63,326,932,193 in the 2015-16 fiscal year. Property tax revenues increased by 3.98% from fiscal year 2014-15 to fiscal year 2015-16, while sales tax revenues increased by 2.5% 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 \$235,000 during the month of October 2016; this represents an increase of \$11,850 or

9.3%, as compared to the median home prices in June 2015, of \$223,150. Furthermore, housing sales increased by 11.7% in October 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 4.9 months in August 2015 to 3.8 months in October 2016. 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 2015 decreased by 6.55% from 2014. This is largely due to the low level of surface water allocation. The number one crop in value was once again Almonds (\$1,205,730,000) followed by Grapes (\$896,295,000). Fruit and nut crops provide 50.65% (\$3,345,927,000) of the gross agricultural production value followed by Vegetables at 18.94% (\$1,251,412,000) and Livestock at 17.24% (\$1,631,094,000).

While agriculture currently accounts for 14.27% of wage and salary employment, other important sources of employment include: government 18.9%; trade, transportation and utilities 16.7%; education and health services 15.81%; retail trade 9.77%; leisure and hospitality services 8.27%; professional and business services 8%; manufacturing 6.73%; 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 3,507 miles of roads. The 2015-2016 Road Fund adopted budget totals \$64.3 million, which reflects an increase of 10% from the prior year adopted budget. Major projects anticipated for fiscal year 2015-16 include completion of construction on Mountain View Avenue from Bethel to the Tulare County line, two bridge replacements at the Fresno Canal on McKinley Avenue and the Houghton Canal Bridge on Chateau Fresno Avenue, and seven traffic signal projects at various locations. The 2015-2016 road maintenance programs includes \$39.35 million dedicated to pavement seals and maintenance overlays, contracted preventative maintenance, routine maintenance, traffic signs and striping, and traffic safety and operations.

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, 2016, \$4,301,998 in bond proceeds remained available for future capital expenditures. The County assigned \$5,693,000 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 2017 State budget of \$167.1 billion on June 27, 2016, an increase of 3.2% 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 \$6 billion increase in discretionary expenditures from the prior year's adopted budget, with increases primarily made to increasing Reserve Funds (\$2.6 billion), Infrastructure Spending (\$1.8 billion), along with university funding, public safety, and affordable housing programs.

The County's fiscal year 2016-17 adopted budget is \$70.4 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 Administration and Fiscal (17.9%) and Justice Services (2.6%) programs.

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.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

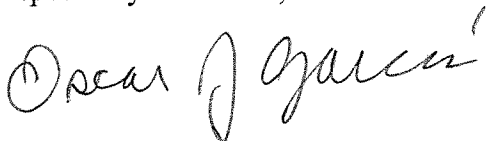
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2015. The County has received this prestigious award for over thirty years. In order to be awarded a Certificate of Achievement, the County is required to publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

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,

A handwritten signature in black ink that reads "Oscar J. Garcia". The signature is written in a cursive, flowing style.

Oscar J. Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector



Government Finance Officers Association

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

Presented to

**County of Fresno
California**

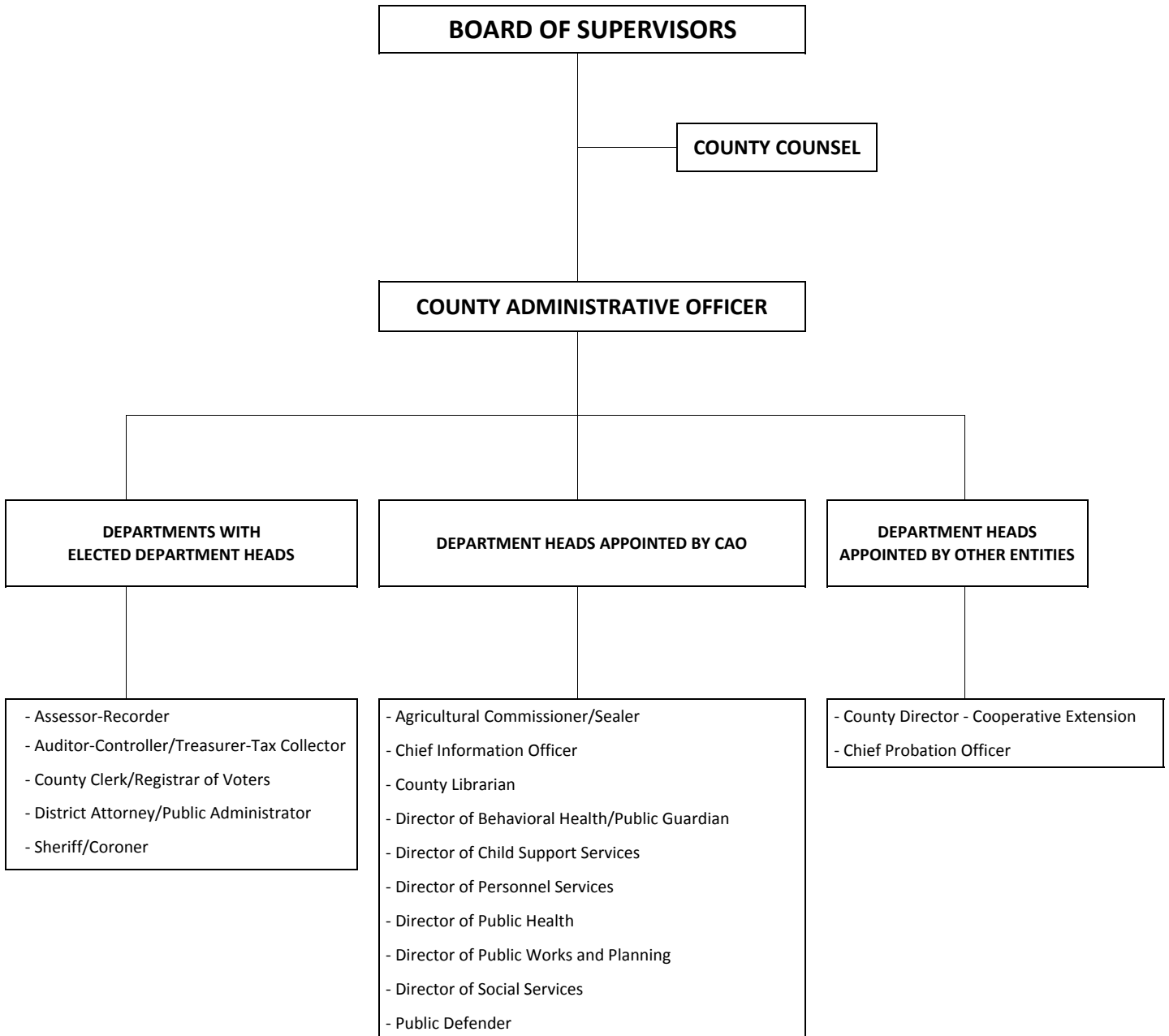
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style with a prominent 'J' and 'E'.

Executive Director/CEO

COUNTY OF FRESNO ORGANIZATIONAL CHART



**County of Fresno
List of Principal Officials
June 30, 2016**

ELECTED OFFICIALS

Board of Supervisors:

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

APPOINTED OFFICIALS

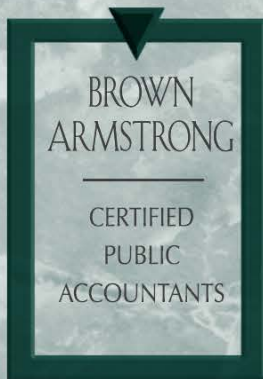
County Administrative Officer Jean M. Rousseau, CPA
County Counsel..... Daniel C. Cederborg

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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 the County of Fresno, California (the County), as of and for the year ended June 30, 2016, and, 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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FAX 661.324.4997
EMAIL info@bacpas.com

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7673 N. INGRAM AVENUE
SUITE 101
FRESNO, CA 93711
TEL 559.476.3592
FAX 559.476.3593

PASADENA OFFICE

260 S. LOS ROBLES AVENUE
SUITE 310
PASADENA, CA 91101
TEL 626.204.6542

STOCKTON OFFICE

5250 CLAREMONT AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 76, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, during fiscal year June 30, 2016. 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, Behavioral Health – MH, Social Services, Local Health and Welfare Fund, and 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 29, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 29, 2016

County of Fresno
Management's Discussion and Analysis
June 30, 2016
(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, 2016. 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 2015-2016 fiscal year, the liabilities and deferred inflows of resources of the County exceeded assets and deferred outflows of resources by \$165,523. The residual of this difference is referred to as "net position." The County has an unrestricted net position of \$(762,778). 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 \$595,667 representing the County's net investment in capital assets.
- The County's long-term debt increased by \$189,635. Long-term debt totals \$1,910,677 at June 30, 2016.
- The primary government's total net position increased to \$(165,523). The governmental activities net position is \$(255,997) and business-type activities net position is \$90,474.
- As of June 30, 2016, the County's governmental funds reported combined ending fund balances of \$766,737, which is an increase of \$94,850 in comparison to the prior year. Approximately 94.85% of combined fund balances, or \$727,217, is either non-spendable or restricted for specific uses; 5.15%, or \$39,520, 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 \$200,171. Approximately \$160,651 is either non-spendable or restricted for specific uses. The remaining \$39,520, which approximates to 3.2% 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 31 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.

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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, 2016, the County has no discretely presented component units.

The government-wide financial statements can be found on pages 15-16 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 31, 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, 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 Revenues, Expenditures

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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 85-117 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, 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 17-20 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 121-128 of this report.

The proprietary funds financial statements can be found on pages 21-24 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 132 of this report.

The fiduciary fund financial statements can be found on pages 25-26 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 28-68 of this report.

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Required Supplementary Information includes the Budgetary Comparison Schedules for the General 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 71-78 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 85-132 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 \$165,523 at June 30, 2016.

Summary of Net Position
June 30, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Assets:						
Current and other assets	\$ 1,041,441	\$ 998,712	\$ 88,095	\$ 84,864	\$ 1,129,536	\$ 1,083,576
Capital assets	734,033	731,272	59,945	62,792	793,978	794,064
Total assets	<u>1,775,474</u>	<u>1,729,984</u>	<u>148,040</u>	<u>147,656</u>	<u>1,923,514</u>	<u>1,877,640</u>
Deferred Outflows of Resources						
Deferred pensions	220,693	161,093	1,710	1,249	222,403	162,342
Total deferred outflows of resources	<u>220,693</u>	<u>161,093</u>	<u>1,710</u>	<u>1,249</u>	<u>222,403</u>	<u>162,342</u>
Liabilities:						
Other liabilities	170,854	133,629	2,636	1,561	173,490	135,190
Long-term liabilities	1,789,814	1,667,244	54,383	53,798	1,844,197	1,721,042
Total liabilities	<u>1,960,668</u>	<u>1,800,873</u>	<u>57,019</u>	<u>55,359</u>	<u>2,017,687</u>	<u>1,856,232</u>
Deferred Inflows of Resources						
Deferred pensions	291,496	350,150	2,257	2,714	293,753	352,864
Total deferred inflows of resources	<u>291,496</u>	<u>350,150</u>	<u>2,257</u>	<u>2,714</u>	<u>293,753</u>	<u>352,864</u>
Net Position:						
Net investment in capital assets	539,314	533,674	56,353	58,661	595,667	592,335
Restricted	-	0	1,588	1,588	1,588	1,588
Unrestricted	(795,311)	(793,620)	32,533	30,583	(762,778)	(763,037)
Total net position	<u>\$ (255,997)</u>	<u>\$ (259,946)</u>	<u>\$ 90,474</u>	<u>\$ 90,832</u>	<u>\$ (165,523)</u>	<u>\$ (169,114)</u>

The largest portion of the County's net position, \$595,667, 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 external restrictions on how they may be used. The remaining balance for unrestricted net position, \$(762,778), may be used to meet the County's ongoing obligation to citizens and creditors.

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Current and other assets increased from \$1,083,576 to \$1,129,536 or 4.2%. This increase is primarily due to an increase in accounts and loans receivable to the County along with an increase to cash and investments.

Capital assets decreased by \$86 from \$794,064 to \$793,978, or 0.01% from the prior year. The decrease was primarily due to the decrease in depreciable assets, with a corresponding increase in non-depreciable assets (construction in progress). The corresponding depreciation to those previously non-depreciable assets slightly increased the net book value of the assets.

Long-term liabilities increased by \$123,155, from \$1,721,042 to \$1,844,197, or 7.1% from the prior year. This is primarily due to an increase of Net Pension Liability in the amount of \$1,002,241.

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, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenues:						
Program revenues:						
Charges for services	\$ 81,065	\$ 74,780	\$ 19,317	\$ 20,380	\$ 100,382	\$ 95,160
Operating grants and contributions	622,116	812,333	304	494	622,420	812,827
Capital grants and contributions	-	-	509	-	509	-
General Revenues						
Property taxes	233,408	232,374	744	711	234,152	233,085
Sales taxes	216,434	186,747	-	-	216,434	186,747
Motor vehicle in lieu taxes	230,264	58,964	-	-	230,264	58,964
Franchise taxes	17,946	22,736	-	-	17,946	22,736
Investment earnings	14,407	9,344	1,837	638	16,244	9,982
Miscellaneous	23,531	13,970	1,891	1,870	25,422	15,840
Total revenues	1,439,171	1,411,248	24,602	24,093	1,463,773	1,435,341
Expenses:						
General government	72,302	34,673	-	-	72,302	34,673
Public protection	343,711	291,148	-	-	343,711	291,148
Public ways and facilities	78,926	45,635	-	-	78,926	45,635
Health, sanitation & public assistance	869,387	760,840	-	-	869,387	760,840
Education	26,510	23,918	-	-	26,510	23,918
Culture and recreation	2,868	2,380	-	-	2,868	2,380
Interest on long-term debt	41,782	40,219	-	-	41,782	40,219
County Service Areas, other	-	-	6,572	5,652	6,572	5,652
Landfill	-	-	17,402	21,451	17,402	21,451
Total expenses	1,435,486	1,198,813	23,974	27,103	1,459,460	1,225,916
Increase (decrease) in net position before transfers	3,685	212,435	628	(3,010)	4,313	209,425
Transfers	297	(2,750)	(297)	2,750	-	-
Increase (decrease) in net position	3,982	209,685	331	(260)	4,313	209,425
Net position beginning of year	(259,946)	1,162,084	90,832	97,751	(169,114)	1,259,835
Prior period adjustment	(33)	(1,631,715)	(689)	(6,659)	(722)	(1,638,374)
Net position end of year	\$ (255,997)	\$ (259,946)	\$ 90,474	\$ 90,832	\$ (165,523)	\$ (169,114)

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Governmental activities. Governmental activities increased the County's net position by \$3,982, which accounts for the majority of the total increase in net position of the County, which is a \$3,591 increase in net position from fiscal year 2014-2015. Revenue related to charges for services increased by \$6,285 due to an increase in service levels. Operating grant revenue decreased by \$190,217 primarily due to recognizing remaining motor vehicle in-lieu taxes as general revenues into the special revenue funds vs the general fund. Property taxes increased by \$1,034. 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 \$29,687 as consumer confidence continues its upward trend.

Expenses for general government increased by \$37,629; health, sanitation, and public assistance increased by \$108,547; and public protection increased by \$52,563 primarily due to increased costs for salaries and benefits along with filling previously vacant positions. Expenses for public ways and facilities increased by \$33,291, 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 20, 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 increased the County's net position by \$331. The increase in net position from business-type activities is attributable an increase in grants revenues as well as increased tax and use of money and property revenues.

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, 2016, the County's governmental funds reported combined ending fund balances of \$766,737, an increase of \$94,850 in comparison with the prior fiscal year. Approximately 5.15% of this total amount, or \$39,520, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance, totaling \$727,217, is restricted; this includes \$48,024 "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 \$679,193 restricted for programs at various levels.

General Fund. The General Fund is the chief operating fund of the County. At June 30, 2016, unrestricted fund balance of the General Fund was \$39,520, while total fund balance was \$200,171. 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 3.2% of total fund expenditures less transfers, while total fund balance represents 16.35% of that same amount.

The fund balance of the County's General Fund increased \$9,638 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 \$476,141, which represents a 5.7% increase from fiscal year 2014-2015. Tax revenue increased by \$6,156, along with aid from other governmental agencies by \$34,014.

Expenditures without transfers for the General Fund totaled \$1,224,096 in fiscal year 2015-2016, which represents an increase of 5.2% from fiscal year 2014-2015. 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 increased by \$3,467 from \$58,668 to \$62,135 or 5.9%. This increase is due to transactions related to a bond refunding that occurred within fiscal year 2015-16.

Behavioral Health-MH Fund. The Behavioral Health-MH Fund was established during fiscal year 2014-2015, as this fund was previously reported in the General Fund. This fund was created pursuant to the Mental Health Services Act. This fund received \$36,093 in revenues and distributed \$36,460 to the General Fund. The fund balance decreased \$367 or .3% from fiscal year 2014-2015. The fund balance decrease was primarily attributable to an increase of in transfers over decreased revenue.

Social Services Fund. The Social Services Fund was established during fiscal year 2014-2015, 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 \$363,218 in revenues and distributed \$342,864 to the General Fund. The fund balance increased \$20,354 or 46.1% from fiscal year 2014-2015. The fund balance increase was attributable to a significant increase in State and interest 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 \$230,501 in revenues and distributed \$210,137 to the General Fund which, when combined with the \$38,547 in restricted fund balance from the prior year, resulted in \$69,870 in restricted fund balance for fiscal year 2015-2016.

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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 \$166,012 in revenues and distributed \$137,710 to the General Fund which, when combined with the \$62,646 in restricted fund balance from the prior year, resulted in \$90,948 in restricted fund balance for fiscal year 2015-2016.

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 \$67,060 in net position at June 30, 2016, and the CSAs have \$23,414. The Landfills' and CSAs' unrestricted net positions are \$29,914 and \$2,619, respectively; this comprises 44.6% and 11.2%, respectively, of their total net positions. Overall, net position decreased \$358 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 \$48,984. 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 \$9,948 primarily due to purchasing several large pieces of equipment during the course of the fiscal year along with an increase in the departmental supplies, which were offset by in part by salary savings.
- The Sheriff Department's Revenues increased by \$2,389 as a result of increased funding received primarily from State and Federal grants.
- The Assessor-Recorder Department's Services and Supplies appropriations increased by \$5,097 primarily due to an increase in professional and specialized services.
- The Department of Social Services' appropriations increased by \$9,435, which is primarily due to increased staffing and services and supplies associated with the continued workload increase related to the Affordable Care Act.

The actual General Fund revenue balance of \$476,141 was 100,963 or 17.4% lower than what was expected. The primary reason for the revenue shortfalls is decreased revenues received from other governmental agencies and other revenues.

Actual General Fund expenditures fell below the total budget estimates by \$198,132, or 13.9%. The savings were achieved by an array of continuous efforts to effectively manage the County's budget.

- \$62,765 decrease in salaries and benefits primarily due to the elimination of vacant positions across all functions.
- \$86,502 decrease in services and supplies and \$34,709 decrease in other charges primarily due to a reduction in contract and miscellaneous expenditures and savings from prudent spending.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

As of June 30, 2016, the County's investment in capital assets for its governmental and business-type activities was \$793,978. 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 decrease in the County's investment in capital assets for the current period was \$86.

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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Assets:						
Infrastructure	\$ 306,562	\$ 279,172	\$ -	\$ -	\$ 306,562	\$ 279,172
Infrastructure in progress	14,150	40,868	-	-	14,150	40,868
Land	16,569	16,569	9,183	9,183	25,752	25,752
Land easements	41,752	40,570	-	-	41,752	40,570
Buildings and Improvements	315,155	319,446	44,639	42,534	359,794	361,980
Equipment	30,547	27,725	3,031	4,015	33,578	31,740
Construction in progress	8,442	4,458	3,092	7,060	11,534	11,518
Intangible assets	856	2,464	-	-	856	2,464
	<u>\$ 734,033</u>	<u>\$ 731,272</u>	<u>\$ 59,945</u>	<u>\$ 62,792</u>	<u>\$ 793,978</u>	<u>\$ 794,064</u>

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

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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 2015-2016, the County added infrastructure totaling \$21,212. Accumulated depreciation for infrastructure increased to \$13,073.

Long-term debt

At June 30, 2016, the County had total long-term debt outstanding of \$1,855,665, compared to \$1,667,244 for the prior fiscal year. This amount was comprised of \$42,778 in compensated absences; \$3,926 in capital leases; \$80,236 in liability for self-insurance; \$523,491 in bonds payable; \$180,993 from accreted interest, \$22,000 from an adverse judgment; \$1,002,241 in net pension liability from governmental activities. This combined with \$43,474 in closure and post-closure care; \$3,400 in bonds payable; \$73 in loans payable; \$298 in compensated absences; and \$7,767 in net pension liability from business activities. Please refer to Note 10 on page 50 through 55 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 2015-2016. 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.

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County of Fresno
Statement of Net Position
June 30, 2016
(amounts expressed in thousands)

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and investments	\$ 781,523	\$ 51,632	\$ 833,155
Restricted cash and investments	13,508	33,958	47,466
Receivables			
Accounts (net of allowances for uncollectibles)	160,773	2,769	163,542
Taxes	29,805	-	29,805
Interest	2,463	260	2,723
Loans	43,974	-	43,974
Internal balances	526	(526)	-
Due from other governmental units	4,207	-	4,207
Inventories of supplies	4,662	2	4,664
Capital assets (net of accumulated depreciation):			
Land	16,569	9,183	25,752
Land easements	41,752	-	41,752
Buildings and improvements	315,155	44,639	359,794
Equipment	30,547	3,031	33,578
Construction in progress	8,442	3,092	11,534
Infrastructure	306,562	-	306,562
Infrastructure in progress	14,150	-	14,150
Intangible	856	-	856
Total assets	<u>1,775,474</u>	<u>148,040</u>	<u>1,923,514</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred refunded bonds	55	-	55
Deferred pensions	220,638	1,710	222,348
Total deferred outflows of resources	<u>220,693</u>	<u>1,710</u>	<u>222,403</u>
LIABILITIES			
Accounts payable	59,529	1,105	60,634
Salaries and benefits payable	22,239	124	22,363
Interest payable	5,203	80	5,283
Due to other governmental units	7,323	687	8,010
Deposits and other liabilities	484	11	495
Unearned revenue	10,225	-	10,225
Noncurrent liabilities:			
Due within one year	65,851	629	66,480
Due beyond one year	1,789,814	54,383	1,844,197
Total liabilities	<u>1,960,668</u>	<u>57,019</u>	<u>2,017,687</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred refunded bonds	223	-	223
Deferred pensions	291,273	2,257	293,530
Total deferred inflows of resources	<u>291,496</u>	<u>2,257</u>	<u>293,753</u>
NET POSITION			
Net investment in capital assets	539,314	56,353	595,667
Restricted for:			
Debt service	-	1,588	1,588
Unrestricted	(795,311)	32,533	(762,778)
Total net position	<u>\$ (255,997)</u>	<u>\$ 90,474</u>	<u>\$ (165,523)</u>

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

County of Fresno
Statement of Activities
For the Fiscal Year Ended June 30, 2016
(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	\$ 72,302	\$ 31,721	\$ 22,519	\$ -	\$ (18,062)	\$ -	\$ (18,062)
Public protection	343,711	23,462	87,681	-	(232,568)	-	(232,568)
Public ways and facilities	78,926	6,903	27,082	-	(44,941)	-	(44,941)
Health, sanitation and public assistance	869,387	16,329	484,624	-	(368,434)	-	(368,434)
Education	26,510	1,879	210	-	(24,421)	-	(24,421)
Culture and recreation	2,868	771	-	-	(2,097)	-	(2,097)
Interest and fiscal charges	41,782	-	-	-	(41,782)	-	(41,782)
Total governmental activities	<u>1,435,486</u>	<u>81,065</u>	<u>622,116</u>	<u>-</u>	<u>(732,305)</u>	<u>-</u>	<u>(732,305)</u>
Business activities							
Water and sewer	6,572	3,980	-	509	-	(2,083)	(2,083)
Landfill	17,402	15,337	304	-	-	(1,761)	(1,761)
Total business-type activities	<u>23,974</u>	<u>19,317</u>	<u>304</u>	<u>509</u>	<u>-</u>	<u>(3,844)</u>	<u>(3,844)</u>
Total primary government	<u>\$ 1,459,460</u>	<u>\$ 100,382</u>	<u>\$ 622,420</u>	<u>\$ 509</u>	<u>(732,305)</u>	<u>(3,844)</u>	<u>(736,149)</u>
General revenues:							
Property tax					233,408	744	234,152
Sales tax					216,434	-	216,434
Franchise tax					17,946	-	17,946
Unrestricted motor vehicle in-lieu taxes					230,264	-	230,264
Other					23,531	1,891	25,422
Unrestricted investment earnings					14,407	1,837	16,244
Transfers in (out)					297	(297)	-
Total general revenues and transfers					<u>736,287</u>	<u>4,175</u>	<u>740,462</u>
Change in net position					3,982	331	4,313
Net position - beginning					(259,946)	90,832	(169,114)
Prior period adjustment					(33)	(689)	(722)
Net position - ending					<u>\$ (255,997)</u>	<u>\$ 90,474</u>	<u>\$ (165,523)</u>

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

County of Fresno
Balance Sheet
Governmental Funds
June 30, 2016
(amounts expressed in thousands)

	General Fund	Debt Service	Behavioral Health -MH	Social Services	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and investments	198,173	\$ 48,487	\$ 92,740	\$ 40,534	\$ 35,119	\$ 62,121	\$ 177,282	\$ 654,456
Restricted cash and investments	-	13,508	-	-	-	-	-	13,508
Receivables, net:								
Accounts	46,243	-	4,730	33,649	34,609	28,618	11,985	159,834
Taxes	28,577	-	-	-	-	-	1,228	29,805
Interest	542	140	314	112	142	209	579	2,038
Loans	43,974	-	-	-	-	-	-	43,974
Due from other funds	360	-	-	-	-	-	213	573
Due from other governmental units	-	-	-	-	-	-	690	690
Advances to other funds	118	-	-	-	-	-	-	118
Inventory of supplies	2,894	-	-	-	-	-	798	3,692
Total assets	<u>\$ 320,881</u>	<u>\$ 62,135</u>	<u>\$ 97,784</u>	<u>\$ 74,295</u>	<u>\$ 69,870</u>	<u>\$ 90,948</u>	<u>\$ 192,775</u>	<u>\$ 908,688</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES								
Liabilities:								
Accounts payable	\$ 44,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,417	\$ 49,716
Salaries and benefits payable	19,916	-	-	-	-	-	1,228	21,144
Due to other governmental units	623	-	-	-	-	-	3,743	4,366
Due to other funds	5,848	-	-	-	-	-	887	6,735
Deposits and other liabilities	43	-	-	-	-	-	-	43
Unearned revenue	256	-	-	9,845	-	-	120	10,221
Total liabilities	<u>70,985</u>	<u>-</u>	<u>-</u>	<u>9,845</u>	<u>-</u>	<u>-</u>	<u>11,395</u>	<u>92,225</u>
Deferred inflows of resources:								
Unavailable property taxes	28,287	-	-	-	-	-	-	28,287
Other unavailable	21,438	-	-	-	-	-	1	21,439
Total deferred inflows of resources	<u>49,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>49,726</u>
Fund balances:								
Nonspendable	47,208	-	-	-	-	-	816	48,024
Restricted	9,398	62,135	97,784	64,450	69,870	90,948	144,003	538,588
Committed	21,024	-	-	-	-	-	-	21,024
Assigned	83,021	-	-	-	-	-	36,560	119,581
Unassigned	39,520	-	-	-	-	-	-	39,520
Total fund balances	<u>200,171</u>	<u>62,135</u>	<u>97,784</u>	<u>64,450</u>	<u>69,870</u>	<u>90,948</u>	<u>181,379</u>	<u>766,737</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 320,881</u>	<u>\$ 62,135</u>	<u>\$ 97,784</u>	<u>\$ 74,295</u>	<u>\$ 69,870</u>	<u>\$ 90,948</u>	<u>\$ 192,775</u>	<u>\$ 908,688</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, 2016
(amounts expressed in thousands)

Fund balances - total governmental funds	\$ 766,737
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.	701,717
Deferred outflows of resources not recorded in governmental fund types but recorded in government-wide statements	209,825
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.	(1,720,316)
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.	(5,203)
Deferred inflows of resources not recorded in governmental fund types but recorded in government-wide statements	(276,998)
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.	49,726
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.	18,515
Net position of governmental activities	<u><u>\$ (255,997)</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, 2016
(amounts expressed in thousands)

	General Fund	Debt Service	Behavioral Health -MH	Social Services	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	248,704	\$ -	\$ -	\$ -	\$ -	\$ 164,833	\$ 36,305	\$ 449,842
Licenses and permits	8,158	-	-	-	-	-	9,788	17,946
Fines, forfeitures and penalties	5,901	-	-	1	-	-	7,113	13,015
Use of money and property	3,142	1,089	1,806	717	863	1,179	3,291	12,087
Aid from other governmental agencies:								
State	91,038	-	34,287	130,020	229,638	-	35,154	520,137
Federal	60,674	-	-	231,970	-	-	30,333	322,977
Other	2,763	-	-	225	-	-	12	3,000
Charges for current services	44,002	-	-	285	-	-	12,018	56,305
Other revenues	11,759	11,494	-	-	-	-	2,133	25,386
Total revenues	476,141	12,583	36,093	363,218	230,501	166,012	136,147	1,420,695
Expenditures								
General government	40,860	-	-	-	-	-	-	40,860
Public protection	340,582	-	-	-	-	-	220	340,802
Public ways and facilities	1,464	49	-	-	-	-	32,368	33,881
Health, sanitation, and public assistance	831,826	-	-	-	-	-	841	832,667
Education	201	-	-	-	-	-	25,149	25,350
Culture and recreation	2,688	-	-	-	-	-	-	2,688
Capital outlay	6,475	-	-	-	-	-	23,642	30,117
Debt service:								
Principal	-	36,585	-	-	-	-	-	36,585
Interest and fiscal charges	-	19,221	-	-	-	-	-	19,221
Total expenditures	1,224,096	55,855	-	-	-	-	82,220	1,362,171
Excess (deficiency) of revenues over (under) expenditures	(747,955)	(43,272)	36,093	363,218	230,501	166,012	53,927	58,524
Other Financing Sources (Uses)								
Proceeds from sale of capital assets	16	-	-	-	-	-	-	16
Bond proceeds	-	64,525	-	-	-	-	-	64,525
Bond premiums	-	6,360	-	-	-	-	-	6,360
Refunded bond principal	-	(26,765)	-	-	-	-	-	(26,765)
Payment to escrow agent	-	(43,630)	-	-	-	-	-	(43,630)
Transfers in	784,822	48,254	-	-	18,183	-	947	852,206
Transfers out	(66,357)	(2,005)	(36,460)	(342,864)	(210,137)	(137,710)	(60,281)	(855,814)
Total other financing sources (uses)	718,481	46,739	(36,460)	(342,864)	(191,954)	(137,710)	(59,334)	(3,102)
Net change in fund balances	(29,474)	3,467	(367)	20,354	38,547	28,302	(5,407)	55,422
Fund balances - beginning	190,533	58,668	98,151	44,096	31,323	62,646	186,470	671,887
Prior period adjustment	39,112	-	-	-	-	-	316	39,428
Fund balances - ending	\$ 200,171	\$ 62,135	\$ 97,784	\$ 64,450	\$ 69,870	\$ 90,948	\$ 181,379	\$ 766,737

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, 2016
(amounts expressed in thousands)

Net change in fund balances - total governmental funds		55,422
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	30,097	
Less - current year depreciation expense	<u>(30,601)</u>	(504)
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.		333
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.		(3,090)
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.		(70,485)
Certain revenues are deferred because they are not available within the County's 180 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.		5,640
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.		16,666
Change in net position of governmental activities		<u><u>3,982</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, 2016
(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	\$ 46,347	\$ 5,285	\$ 51,632	\$ 127,067
Restricted cash and cash equivalents	32,370	1,588	33,958	-
Accounts receivable (net of allowance)	2,257	512	2,769	590
Interest receivable	236	24	260	425
Due from other funds	149	465	614	7,535
Due from other governmental units	-	-	-	3,517
Inventory of supplies	2	-	2	970
Total current assets	<u>81,361</u>	<u>7,874</u>	<u>89,235</u>	<u>140,104</u>
Noncurrent assets:				
Accounts receivable	-	-	-	349
Nondepreciable:				
Land	7,956	1,227	9,183	-
Construction in progress	124	2,968	3,092	1,583
Depreciable:				
Buildings and improvements	57,249	38,661	95,910	9,030
Equipment	15,186	783	15,969	65,937
Less accumulated depreciation	(43,369)	(20,840)	(64,209)	(44,411)
Intangible	-	-	-	20,563
Less accumulated amortization	-	-	-	(20,386)
Total noncurrent assets	<u>37,146</u>	<u>22,799</u>	<u>59,945</u>	<u>32,665</u>
Total assets	<u>118,507</u>	<u>30,673</u>	<u>149,180</u>	<u>172,769</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	1,199	511	1,710	10,813
Total deferred outflows of resources	<u>1,199</u>	<u>511</u>	<u>1,710</u>	<u>10,813</u>
LIABILITIES				
Current liabilities:				
Accounts payable	797	308	1,105	9,813
Salaries and benefits payable	104	20	124	1,095
Due to other funds	364	658	1,022	965
Due to other governmental units	687	-	687	2,957
Advances from other funds	-	118	118	-
Liability for self-insurance	-	-	-	8,556
Interest payable	-	80	80	-
Unearned revenue	-	-	-	4
Deposits and other liabilities	-	11	11	441
Loans payable	-	3	3	-
General obligation bonds payable	-	195	195	-
Compensated leave and absences	86	45	131	935
Accrued closure/post-closure liability	300	-	300	-
Capital lease obligations	-	-	-	1,830
Total current liabilities	<u>2,338</u>	<u>1,438</u>	<u>3,776</u>	<u>26,596</u>
Noncurrent liabilities				
Liability for self-insurance	-	-	-	71,680
Compensated leave and absences	108	59	167	1,326
General obligation bonds payable	-	3,205	3,205	-
Loans payable	-	70	70	-
Accrued closure/post-closure liability	43,174	-	43,174	-
Capital lease obligations	-	-	-	2,071
Net pension liability	5,444	2,323	7,767	49,119
Total noncurrent liabilities	<u>48,726</u>	<u>5,657</u>	<u>54,383</u>	<u>124,196</u>
Total liabilities	<u>51,064</u>	<u>7,095</u>	<u>58,159</u>	<u>150,792</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	1,582	675	2,257	14,275
Total deferred inflows of resources	<u>1,582</u>	<u>675</u>	<u>2,257</u>	<u>14,275</u>
NET POSITION				
Net investment in capital assets	37,146	19,207	56,353	28,415
Restricted				
Debt service	-	1,588	1,588	-
Unrestricted	29,914	2,619	32,533	(9,900)
Total net position	<u>\$ 67,060</u>	<u>\$ 23,414</u>	<u>\$ 90,474</u>	<u>\$ 18,515</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, 2016
(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	\$ 15,337	\$ 3,980	\$ 19,317	\$ 178,708
Other operating revenues	557	1,334	1,891	2,901
Total operating revenues	15,894	5,314	21,208	181,609
Operating expenses:				
Salaries and benefits	3,329	1,787	5,116	33,643
Insurance	102	112	214	85,865
Professional services	5,404	350	5,754	7,508
Special departmental	3,141	892	4,033	10,666
General and administrative	1,077	301	1,378	6,583
Repairs and maintenance	1,586	1,252	2,838	5,831
Rents and leases	118	3	121	3,515
Parts and supplies	-	-	-	2,763
Accrued closure/post-closure	165	-	165	-
Utilities	76	700	776	10,921
Depreciation	2,086	937	3,023	6,275
Total operating expenses	17,084	6,334	23,418	173,570
Operating income (loss)	(1,190)	(1,020)	(2,210)	8,039
Non-operating revenues (expenses):				
Gain (loss) on sale of equipment	(119)	-	(119)	(59)
Use of money and property	1,703	134	1,837	2,320
Interest expense	-	(238)	(238)	-
Tax revenues	-	744	744	-
Insurance recoveries	-	-	-	2,461
Closure/post-closure expense/fees	(199)	-	(199)	-
Grants and other revenues	304	509	813	-
Total non-operating revenues (expenses)	1,689	1,149	2,838	4,722
Net income (loss) before transfers	499	129	628	12,761
Transfers in (out):				
Transfers in	-	17	17	7,193
Transfers out	(211)	(103)	(314)	(3,288)
Total transfers in (out)	(211)	(86)	(297)	3,905
Change in net position	288	43	331	16,666
Net position - beginning	67,528	23,304	90,832	1,293
Prior period adjustment	(756)	67	(689)	556
Net position - ending	\$ 67,060	\$ 23,414	\$ 90,474	\$ 18,515

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, 2016
(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	\$ 14,973	\$ 3,956	\$ 18,929	\$ 182,873
Cash paid to suppliers	(10,986)	(3,653)	(14,639)	(129,068)
Cash paid to employees	(3,013)	(1,672)	(4,685)	(30,783)
Cash paid for claims	-	-	-	(15,175)
Cash received from other operating revenues	557	1,334	1,891	-
Net cash provided by operating activities	1,531	(35)	1,496	7,847
Cash flows from non-capital financing activities:				
Tax revenues	-	744	744	-
Grant revenues	304	509	813	-
Transfers from other funds	-	17	17	7,193
Transfers to other funds	(211)	(103)	(314)	(3,288)
Advances paid to/returned to other funds	-	(177)	(177)	-
Cash paid to closure/post-closure liability	(425)	-	(425)	-
Net cash provided by (used in) non-capital financing activities	(332)	990	658	3,905
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(229)	(801)	(1,030)	(9,959)
Insurance recoveries	-	-	-	2,461
Principal paid on long-term liabilities	-	(182)	(182)	(2,133)
Interest paid on long-term liabilities	-	(242)	(242)	-
Net cash (used in) capital and related financing activities	(229)	(1,225)	(1,454)	(9,631)
Cash flows from investing activities:				
Use of money and property received	1,712	132	1,844	2,340
Net cash provided by investing activities	1,712	132	1,844	2,340
Net increase (decrease) in cash and cash equivalents	2,682	(138)	2,544	4,461
Cash and cash equivalents - beginning	76,035	7,011	83,046	122,591
Prior period adjustment	-	-	-	15
Cash and cash equivalents - ending	<u>\$ 78,717</u>	<u>\$ 6,873</u>	<u>\$ 85,590</u>	<u>\$ 127,067</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents in cash and investments	\$ 46,347	\$ 5,285	\$ 51,632	\$ 127,067
Cash and cash equivalents in restricted cash and investments	32,370	1,588	33,958	-
Total	<u>\$ 78,717</u>	<u>\$ 6,873</u>	<u>\$ 85,590</u>	<u>\$ 127,067</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, 2016
(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)	\$ (1,190)	\$ (1,020)	\$ (2,210)	\$ 8,039
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Pension expense	403	171	574	3,634
Depreciation expense	2,086	937	3,023	6,275
Accrued closure/postclosure expense	165	-	165	-
Decrease (increase) in accounts receivable	(367)	4	(363)	491
Decrease (increase) in due from other funds	2	68	70	(701)
Decrease (increase) in due from other governmental units	-	-	-	1,468
Decrease (increase) in inventory	1	-	1	21
(Decrease) increase in accounts payable	585	60	645	382
(Decrease) increase in salaries and benefits payable	(86)	(56)	(142)	(775)
(Decrease) increase in unearned revenue	-	(96)	(96)	-
(Decrease) increase in due to other funds	(125)	(103)	(228)	154
(Decrease) increase in due to other government units	57	-	57	(5,571)
(Decrease) increase in liability for self-insurance	-	-	-	(5,570)
Total adjustments	<u>2,721</u>	<u>985</u>	<u>3,706</u>	<u>(192)</u>
Net cash provided by (used in) operating activities	<u>\$ 1,531</u>	<u>\$ (35)</u>	<u>\$ 1,496</u>	<u>\$ 7,847</u>
Noncash investing, capital, and financing activities:				
Borrowing under capital lease				<u>\$ 680</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, 2016
(amounts expressed in thousands)

	Investment Trust	Agency
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 1,958,491	\$ 103,354
Accounts receivable	-	15,659
Interest receivable	-	1,053
Taxes receivable	-	1,606
Due from other governmental units	-	33,798
Property held by public administrator	-	8,012
Total assets	<u>\$ 1,958,491</u>	<u><u>\$ 163,482</u></u>
 LIABILITIES		
Accounts payable	\$ -	\$ 11,190
Due to other taxing units	-	64,775
Due to other governmental units	4,435	1,465
Fiduciary liabilities	-	86,052
Total liabilities	<u>\$ 4,435</u>	<u><u>\$ 163,482</u></u>
 NET POSITION		
Net position held in trust	<u><u>\$ 1,954,056</u></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, 2016
(amounts expressed in thousands)

	Investment Trust
ADDITIONS:	
Contributions:	
Contributions to pooled investments	\$ 12,526,052
Total contributions	<u>12,526,052</u>
Interest and investment revenue:	
Use of money and property	48,104
Total interest and investment revenue	<u>48,104</u>
Total additions	<u>12,574,156</u>
DEDUCTIONS:	
Disbursements from pooled investments	<u>12,283,814</u>
Total deductions	<u>12,283,814</u>
Change in net position	290,342
Net position - beginning	<u>1,663,714</u>
Net position - ending	<u><u>\$ 1,954,056</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, 2016
(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, 2016
(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, 2016, 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, 2016
(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 six 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 *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.
- 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 -

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

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.

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.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

(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 2016 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, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Budgetary Comparison Schedules are part of Required Supplementary Information on pages 69-73. 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.

(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.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

(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 2015-16, the County recorded \$234,152 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 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.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

(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 capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

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.

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

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

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) Allocation of Net Pension Liability

The County reports a net pension liability in its proprietary and government-wide financial statements, resulting from the application of GASB Statement No. 68. The County has allocated this liability amongst the governmental and business-type activities based on calculated shares of pension contributions as of the first year of implementation (fiscal year 2015). For the sake of comparability and consistency, the County has elected to utilize that basis to allocate; should there be a material operational shift (wherein projected contributions from the various funds change substantially), the allocation methodology will be updated and an accounting estimate adjustment will be made and disclosed.

(M) 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.

(N) 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). 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.

(O) Special Assessments

The total amount of special assessments for special districts paid at June 30, 2016 was \$47,523. Special assessments take many forms and are authorized to exist under various state codes such as Streets and Highways, Government, Health and Safety, Water, Public Utilities, and others. Certain Special Assessments may be authorized to be bonded. They can 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, 2016
(amounts expressed in thousands)

(P) 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.

(Q) Recently Issued Accounting Pronouncements

During the year ended June 30, 2016, the County implemented 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, 2016. 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 Statement are effective for fiscal years beginning after June 15, 2016-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. 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, 2016, and should be applied retroactively. Earlier application is permitted.

The GASB has issued Statement No. 79 - Certain External Investment Pools and Pool Participants. The requirements of this statement are effective for reporting periods beginning after December 15, 2015.

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. 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.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

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. 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, 2016. 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, 2016. Earlier application is encouraged.

The GASB has issued Statement No. 80 - Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14. The requirements of this statement are effective for reporting periods beginning after June 15, 2016. The County has not fully judged the effect of the implementation of GASB Statement No. 80 as of the date of the basic financial statements.

The GASB has issued Statement No. 81 - Irrevocable Split-Interest Agreements. The requirements of this statement are effective for periods beginning after December 15, 2016. The County has not fully judged the effect of the implementation of GASB Statement No. 81 as of the date of the basic financial statements.

The GASB has issued Statement No. 82 - Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The County has not fully judged the effect of the implementation of GASB Statement No. 82 as of the date of the basic financial statements.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

NOTE 3 - Cash and Investments

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 833,155
Restricted cash and investments	47,466
Fiduciary Funds:	
Cash and investments	<u>2,061,845</u>
Total cash and investments	<u><u>\$ 2,942,466</u></u>

Cash and investments as of June 30, 2016 consist of the following:

Cash on hand	\$ 6,924
Deposits with financial institutions	75,949
Investments (pooled)	<u>2,797,506</u>
Total pooled cash and investments	<u>2,880,379</u>
Investments (fiscal agents)	<u>13,724</u>
Total County cash and investments	<u>2,894,103</u>
External Investments	<u>48,363</u>
Total cash and investments	<u><u>\$ 2,942,466</u></u>

The following represents a condensed statement of net position and changes in net position for the Treasury Investment Pool as of June 30, 2016.

Statement of Net Position

Cash and investments	\$ 2,941,969
Less: transitory items/warrants payable	<u>(61,590)</u>
Net position held in trust for pool participants	<u><u>\$ 2,880,379</u></u>

Equity of internal pool participants	\$ 926,323
Equity of external pool participants (voluntary and involuntary)	<u>1,954,056</u>
	<u><u>\$ 2,880,379</u></u>

Statement of Changes in Net Position

Net position at July 1, 2015	\$ 2,583,304
Net change in investments by pool participants	<u>297,075</u>
Net position held in trust for pool participants at June 30, 2016	<u><u>\$ 2,880,379</u></u>

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(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 \$13,724 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:

		Remaining Maturity (in months)			
	Totals	12 months or less	13 to 24 months	25 to 36 months	37 to 60 months
U.S. Government Agency Obligation	\$ 1,466,138	\$ 251,360	\$ 420,866	\$ 269,770	\$ 524,142
Medium-Term Corporate Notes	615,132	88,762	218,218	194,688	113,464
U.S. Treasury Notes	115,905	3,783	33,427	34,729	43,966
Commerical Paper	119,951	119,951	-	-	-
Asset Backed Securities	1,985	-	1,185	800	-
U.S. Government Agency Discount Notes	114,974	114,974	-	-	-
Negotiable Certificates of Deposit	50,037	50,037	-	-	-
Municipal Bonds	10,316	-	-	10,316	-
Mutual Fund	50,018	50,018	-	-	-
Bank Account	391,007	391,007	-	-	-
Vault	6,506	6,506	-	-	-
Total	<u>\$ 2,941,969</u>	<u>\$ 1,076,398</u>	<u>\$ 673,696</u>	<u>\$ 510,303</u>	<u>\$ 681,572</u>
Less: Outstanding warrants still invested	<u>(61,590)</u>				
Total Financial Statement Pooled Investments	<u>\$ 2,880,379</u>				

Investments with Fiscal Agents:

		Remaining Maturity (in months)			
	Totals	12 months or less	13 to 24 months	25 to 36 months	37 to 60 months
Federal Home Loan Banks	\$ 2,027	\$ 2,027	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Association	6,801	6,801	-	-	-
Federated Government Obligation Fund	1,085	1,085	-	-	-
Money Market Mutual Funds	3,811	3,811	-	-	-
Total	<u>\$ 13,724</u>	<u>\$ 13,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 6/30/2016

Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	A1/P1 A-AAA	B-BBB	C-CCC	Not Rated
U.S. Government Agency Obligation	\$ 1,466,137	N/A	\$ -	\$ 1,466,137	\$ -	\$ -	\$ -
Medium-Term Corporate Notes	615,132	A3	-	615,132	-	-	-
U.S. Treasury Notes	115,905	N/A	-	115,905	-	-	-
Commerical Paper	119,951	A-1	-	119,951	-	-	-
Asset Backed Securities	1,986	AA	-	1,986	-	-	-
U.S. Government Agency Discount Notes	114,974	N/A	-	114,974	-	-	-
Negotiable Certificates of Deposit	50,037	A-1	-	50,037	-	-	-
Municipal Bonds	10,316	N/A	-	10,316	-	-	-
Mutual Fund	50,018	N/A	-	18	-	-	50,000
Bank Account	391,007	N/A	-	-	-	-	391,007
Vault	6,506	N/A	-	-	-	-	6,506
Total	<u>\$ 2,941,969</u>		<u>\$ -</u>	<u>\$ 2,494,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,513</u>

Investments with Fiscal Agents:

Ratings as of the Year End 6/30/2016

Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	A1/P1 A-AAA	B-BBB	C-CCC	Not Rated
Federal Home Loan Banks	\$ 2,027	N/A	\$ -	\$ 2,027	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corporation	6,801	N/A	-	6,801	-	-	-
Federated Government Obligation Fund	1,085	N/A	-	1,085	-	-	-
Money Market Mutual Funds	3,811	N/A	-	3,811	-	-	-
Total	<u>\$ 13,724</u>		<u>\$ -</u>	<u>\$ 13,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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	\$ 427,596
Federal Home Loan Mortgage Corporation	Federal Agency Securities	515,991
Federal National Mortgage Association	Federal Agency Securities	563,316
Bank of the West	Bank Accounts	391,007

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

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the \$250 insured amount are fully collateralized by the banks by pledging identifiable U.S. Government securities at 110% or more.

As of June 30, 2016, 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, 2016, 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. A copy of the most recent annual report of the State's Pooled Money Investment Board, which manages the LAIF pool, is available at the following link: <http://www.treasurer.ca.gov/pmia-laif/reports/annual.asp>

GASB Statement No. 79 established specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. The statement also establishes additional note disclosures for qualifying investment pools. There was no material impact on the County's financial statements as a result of the implementation of GASB Statement No. 79.

Fair Value Measurements

In fiscal year 2016, the County implemented GASB statement No. 72, *Fair Value Measurement and Application*. The statement provides guidance on fair value measurement under GAAP and recognizes them within a three-tiered fair value hierarchy, as follows:

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

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The County's pooled investments have the following, recurring fair value measurements as of June 30, 2016:

Investment Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
U.S. Government Agency Obligation	\$ 1,466,138	\$ 1,466,138	\$ -	\$ -
Medium-Term Corporate Notes	615,132	615,132	-	-
U.S. Treasury Notes	115,905	115,905	-	-
Commercial Paper	119,951	119,951	-	-
Asset Backed Securities	1,985	1,985	-	-
U.S. Government Agency Discount Notes	114,974	114,974	-	-
Negotiable Certificates of Dep. IDC or Union Bank	50,037	-	50,037	-
Municipal Bonds	10,316	-	10,316	-
Total investments measured at fair value	2,494,438	\$ 2,434,085	\$ 60,353	\$ -

Investments by fair value level

Mutual Fund	50,018
Bank Account	391,007
Vault	6,506
	<u>\$ 2,941,969</u>

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	\$ 13,508
Total	<u>\$ 13,508</u>

Business-type activities:

Enterprise funds:

Solid Waste Enterprise

American Avenue post-closure care - other	\$ 31,577
Corrective action	700
Coalinga post-closure	93
Subtotal	<u>32,370</u>

CSAs:

Bond repayment/construction	1,588
Subtotal	<u>1,588</u>
Total	<u>\$ 33,958</u>

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NOTE 5 - Receivables

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

At June 30, 2016, the General Fund had an allowance of \$1,017, while the Internal Service Funds had an allowance of \$101. The total for uncollectible accounts was \$1,118.

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 \$43,974.

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.

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The composition of interfund balances as of June 30, 2016 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 360	\$ 5,848
Non-major governmental funds	213	887
Solid Waste Enterprise	149	364
CSAs	465	658
Internal Service Funds	7,535	965
	<u>\$ 8,722</u>	<u>\$ 8,722</u>

The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2016:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 784,822	\$ 66,357
Debt Service	48,254	2,005
Behavioral Health - MH	-	36,460
Social Services	-	342,864
Local Health and Welfare	18,183	210,137
2011 Realignment Fund	-	137,710
Non-major governmental funds	947	60,281
Solid Waste Enterprise	-	211
CSAs	17	103
Internal Service Funds	7,193	3,288
	<u>\$ 859,416</u>	<u>\$ 859,416</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.

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The following schedule briefly summarizes the County's advances between funds for the fiscal year ended June 30, 2016:

	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>
General Fund	\$ 118	\$ -
CSAs	<u>-</u>	<u>118</u>
	<u>\$ 118</u>	<u>\$ 118</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, 2016 was as follows:

	Balance July 1, 2015	Additions	Retirements	Adjustments	Balance June 30, 2016
Government activities					
Capital assets, not being depreciated					
Land	\$ 16,569	\$ -	\$ -	\$ -	\$ 16,569
Land easements	40,570	7	-	1,175	41,752
Construction in progress	4,458	10,933	(6,887)	(62)	8,442
Infrastructure in progress	40,868	13,490	(21,212)	(18,996)	14,150
Total capital assets, not being depreciated	<u>102,465</u>	<u>24,430</u>	<u>(28,099)</u>	<u>(17,883)</u>	<u>80,913</u>
Capital assets, being depreciated					
Buildings and improvements	509,299	8,953	(11,462)	-	506,790
Equipment	101,269	10,527	(4,344)	699	108,151
Infrastructure	542,809	24,374	-	17,490	584,673
Intangible	45,132	-	-	-	45,132
Total capital assets, being depreciated	<u>1,198,509</u>	<u>43,854</u>	<u>(15,806)</u>	<u>18,189</u>	<u>1,244,746</u>
Less accumulated depreciation for:					
Buildings and improvements	(189,853)	(11,531)	9,749	-	(191,635)
Equipment	(73,544)	(8,335)	4,084	191	(77,604)
Infrastructure	(263,637)	(13,073)	-	(1,401)	(278,111)
Intangible	(42,668)	(1,608)	-	-	(44,276)
Total accumulated depreciation	<u>(569,702)</u>	<u>(34,547)</u>	<u>13,833</u>	<u>(1,210)</u>	<u>(591,626)</u>
Total capital assets, being depreciated, net	<u>628,807</u>	<u>9,307</u>	<u>(1,973)</u>	<u>16,979</u>	<u>653,120</u>
Government activities capital assets, net	<u>\$ 731,272</u>	<u>\$ 33,737</u>	<u>\$ (30,072)</u>	<u>\$ (904)</u>	<u>\$ 734,033</u>
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 9,183	\$ -	\$ -	\$ -	\$ 9,183
Construction in progress	7,060	925	(2,840)	(2,053)	3,092
Total capital assets, not being depreciated	<u>16,243</u>	<u>925</u>	<u>(2,840)</u>	<u>(2,053)</u>	<u>12,275</u>
Capital assets, being depreciated					
Buildings and improvements	94,224	2,840	-	(1,154)	95,910
Equipment	16,927	106	(1,064)	-	15,969
Total capital assets, being depreciated	<u>111,151</u>	<u>2,946</u>	<u>(1,064)</u>	<u>(1,154)</u>	<u>111,879</u>
Less accumulated depreciation for:					
Buildings and improvements	(51,690)	(2,102)	-	2,521	(51,271)
Equipment	(12,912)	(921)	879	16	(12,938)
Total accumulated depreciation	<u>(64,602)</u>	<u>(3,023)</u>	<u>879</u>	<u>2,537</u>	<u>(64,209)</u>
Total capital assets being depreciated, net	<u>46,549</u>	<u>(77)</u>	<u>(185)</u>	<u>1,383</u>	<u>47,670</u>
Business-type activities capital assets, net	<u>\$ 62,792</u>	<u>\$ 848</u>	<u>\$ (3,025)</u>	<u>\$ (670)</u>	<u>\$ 59,945</u>

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Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 10,246
Public protection	2,173
Public ways and facilities	13,147
Health, sanitation, and public assistance	1,634
Education	1,072
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>6,275</u>
Total depreciation expense - governmental functions	<u><u>\$ 34,547</u></u>

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

Solid waste enterprise	\$ 2,086
County service areas, other	<u>937</u>
Total depreciation expense - business-type functions	<u><u>\$ 3,023</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, 2016, for operating leases was \$10,384.

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, 2016:

Fiscal year ended June 30	Governmental Activities
2017	\$ 10,877
2018	6,001
2019	5,048
2020	4,905
2021	7,937
2022-2026	4,894
2027-2031	<u>310</u>
Total	<u><u>\$ 39,972</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, 2016:

Governmental Activities Fiscal year ended June 30	Total Payments	Imputed Interest	Net Present Value of Minimum Lease Payments
2017	\$ 1,974	\$ 136	\$ 1,838
2018	1,333	66	1,267
2019	762	21	741
2020	71	2	69
2021	11	-	11
Total	<u>\$ 4,151</u>	<u>\$ 225</u>	<u>\$ 3,926</u>

The following is a schedule of property under capital leases segregated by major class at June 30, 2016:

	Governmental Activities
Equipment	\$ 23,981
Accumulated depreciation	<u>(20,055)</u>
Net	<u>\$ 3,926</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:

- 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
- The operator collects and is compensated by fees from third parties
- 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, a liability for self-insurance, and the County's proportionate share of net pension liability.

The following is a schedule of long-term liabilities for governmental activities for the year ended June 30, 2016:

	Balance			Balance	Amounts
	July 1, 2015	Additions	Deductions	June 30, 2016	due within
					one year
Earned compensated absences	\$ 41,535	\$ 42,236	\$ (40,993)	\$ 42,778	\$ 18,142
Capital lease obligations (Note 8)	5,461	782	(2,317)	3,926	1,838
Liability for self-insurance (Note 12)	85,805	12,066	(17,635)	80,236	8,556
Adverse Judgment	6,775	22,000	(6,775)	22,000	-
Bonds payable	557,979	70,885	(105,373)	523,491	37,315
Accreted interest	159,989	21,004	-	180,993	-
Net pension liability (Note 11)	809,700	192,541	-	1,002,241	-
General long-term debt payable	<u>\$ 1,667,244</u>	<u>\$361,514</u>	<u>\$(173,093)</u>	<u>\$ 1,855,665</u>	<u>\$ 65,851</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
2017	\$ 37,315	\$ 16,637	\$ 53,952
2018	40,530	15,021	55,551
2019	43,570	12,799	56,369
2020	31,250	9,905	41,155
2021	16,362	9,468	25,830
2022-2026	76,462	45,031	121,493
2027-2031	83,459	38,933	122,392
2032-2036	131,175	23,843	155,018
2037-2041	18,500	2,266	20,766
2042-2046	19,496	-	19,496
2047-2051	-	-	-
2052-2056	19,519	-	19,519
2057-2061	-	-	-
Sub-total	517,638	173,903	691,541
Less: Original issue premium	7,099	-	7,099
Original issue discount	(1,246)	-	(1,246)
Total	<u>\$ 523,491</u>	<u>\$ 173,903</u>	<u>\$ 697,394</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 2016. 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 Series 2004A Pension Obligation Bonds (Fixed Rate Bonds) maturing in August 2019 (totaling \$26,765) were refunded from the issuance of Series 2015A Taxable Pension Obligation Refunding Bonds.

In September 2015 the County issued \$27,255 in Series 2015A Taxable Pension Obligation Refunding Bonds, maturing in fiscal year 2020. The Taxable Pension Obligation Refunding Bonds generated a net present value savings (net of all costs) of \$2,018 or 7.5% of the refunded bond par amount. This financing refunded, on a current basis, a portion of the Series 2004A Pension Obligation Bonds totaling \$26,765.

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

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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 interest rates ranging between 4.3% and 4.75%. These bonds were refunded from the issuance of Series 2016 Lease Revenue Refunding Bonds.

In September 2012, the County issued \$22,425 in Series 2012 A Refunding Lease Revenue Bonds, maturing between 2013 and 2022. The Series 2012 A 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.

In June 2016, the County issued \$37,270 in Series 2016 Lease Revenue Refunding Bonds, maturing between 2017 and 2030, with interest rates ranging from 3.0% to 5.0%. The Series 2016 Lease Revenue Refunding Bonds generated present value savings (net of all costs) of \$5,946 or 14.2% of the refunded par amount. This was an advance, in-substance defeasance of the Series 2007 Lease Revenue Bonds, refunding that bond series in its entirety. Due to the in-substance nature of the defeasance, it should be noted that, as of June 30, 2016, the balance of the refunded debt was \$41,965.

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:

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Pension Obligation Bonds

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value at 6/30/16	Accreted Value at Maturity
2004A	August 15, 2033	1.3% to 5.67%	\$ 327,898	\$ 469,839	\$ 711,250
			less principal	(327,898)	
			Accreted interest	\$ 141,941	

Tobacco Securitization Tax Bonds

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value at 6/30/16	Accreted Value at Maturity
2006A	June 1, 2046	6.50%	\$ 16,606	\$ 31,760	\$ 216,420
2006B	June 1, 2046	6.65%	2,890	5,608	39,920
2006C	June 1, 2055	7.00%	9,757	19,597	286,800
2006D	June 1, 2055	7.75%	9,762	21,102	409,500
Total			\$ 39,015	\$ 78,067	\$ 952,640
			less principal	(39,015)	
			Accreted interest	\$ 39,052	
			Total accreted	\$ 180,993	

The following is a schedule of long-term liabilities for business-type activities for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due within one year
Earned compensated absences	\$ 282	\$ 327	\$ (311)	\$ 298	\$ 131
Bonds	3,580	-	(180)	3,400	195
Loans	75	-	(2)	73	3
Closure and post-closure	43,586	165	(277)	43,474	300
Net pension liability	6,275	1,492	-	7,767	-
Totals	\$ 53,798	\$ 1,984	\$ (770)	\$ 55,012	\$ 629

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.

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

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2017	\$ 195	\$ 221	\$ 416
2018	205	208	413
2019	220	194	414
2020	235	178	413
2021	250	162	412
2022-2026	1,530	525	2,055
2027-2031	765	52	817
Total	<u>\$ 3,400</u>	<u>\$ 1,540</u>	<u>\$ 4,940</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, 2016, the special districts had repaid \$7 of the loan, leaving a balance of \$73 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 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, 2016.

The \$43,474 reported as landfill closure and post-closure care liability at June 30, 2016, 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 \$38,282 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, 2016. 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:

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Landfill	Capacity used at June 30, 2016	Estimated Years Remaining	Estimated Liability June 30, 2016	Liability Recognized June 30, 2016	Remaining Liability to be Recognized
American Avenue	44.70%	40	\$ 69,228	\$ 30,946	\$ 38,282
Coalinga	49.30%	-	8,359	8,359	-
Southeast Regional	100.00%	-	4,169	4,169	-
Total			<u>\$ 81,756</u>	<u>\$ 43,474</u>	<u>\$ 38,282</u>

The increase from fiscal year 2014-2015 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 2015-2016. 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 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, 2016 incurred a \$251 liability for arbitrage related to the Tax Revenue Anticipation Note.

NOTE 11 - Pensions

Plan Description - The County of Fresno provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plan (pension plans) administered by the Fresno

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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 of Fresno Board of Supervisors and governing Board of participating entities adopt resolutions, as permitted by State of California Government Code 31450 (County Employees Retirement Law of 1937 (CERL)), which affect the benefits of FCERA members. FCERA is governed by the California Constitution, CERL, 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.

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.

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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 CERL 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.

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

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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 6.89% and 12.68% 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	51.43%	9.75%	3,646
General Tier II	47.74%	6.91%	157
General Tier III	47.35%	7.75%	801
General Tier IV	38.73%	6.89%	304
General Tier V	36.96%	6.89%	1,251
Safety Tier I	75.93%	12.68%	594
Safety Tier II	75.11%	11.08%	65
Safety Tier IV	60.38%	9.86%	67
Safety Tier V	57.99%	12.03%	116
All Categories	52.02%	9.40%	7,001

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

At June 30, 2016, the County reported a pension liability of \$1,010,008 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2015 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.

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For the year ended June 30, 2016, the County recognized a pension expense of \$70,485. 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, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ -	\$ 109,357
Experience changes in assumptions	-	-
Net difference between projected and actual earnings on retirement plan investments	217,606	184,173
Changes in proportion and differences between County contributions and proportionate share of contributions	3,408	-
County contributions subsequent to the measurement date	172,911	-
Difference between prior year employer contribution and actuarial reported employer contribution	(10,609)	-
Reverse prior year employer contributions subsequent to measurement date	(160,968)	
	<u>\$ 222,348</u>	<u>\$ 293,530</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 \$172,911 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:

Year Ending June 30	Amount
2016	\$ -
2017	(42,298)
2018	(42,298)
2019	(38,707)
2020	50,787
Thereafter	-
	<u>\$ (72,516)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2015 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.

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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 0.50% “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 to 2015; set back one year for males and two years for females For safety members; RP-2000 Combined Mortality projected with Scale AA to 2015; set back one year
Disabled	For general members and all beneficiaries; RP-2000 Combined Mortality projected with Scale AA to 2015; 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 to 2015; set forward one year
Contribution Rates	For general members and all beneficiaries; RP-2000 Combined Mortality projected with Scale AA to 2015, 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 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

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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	14%	5.80%
Small Cap U.S. Equity	3%	6.52%
Developed International Equity	12%	6.89%
Emerging International Equity	7%	8.88%
U.S. Core Fixed Income	5%	0.76%
High Yield Fixed Income	5%	3.55%
Bank Loans	5%	2.34%
Global Sovereign	7%	0.41%
Emerging Market Debt	5%	4.52%
TIPS	4%	0.41%
Commodities	3%	4.14%
Real Estate	5%	4.48%
Infrastructure	3%	3.80%
Hedge Funds	8%	4.40%
Private Equity	6%	9.00%
Private Credit	8%	7.70%
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, 2015.

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, 2015 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	\$ 1,660,386	\$ 1,010,008	\$ 475,523

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 \$105,000 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 \$80,236 reported in the Risk Management Fund at June 30, 2016 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, 2016 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, 2016</u>	<u>June 30, 2015</u>
Beginning of fiscal year liability	\$ 85,805	\$ 87,620
Current year claims provision and changes in estimates	12,066	11,215
Claim payments	<u>(17,635)</u>	<u>(13,030)</u>
Balance at fiscal year-end	<u>\$ 80,236</u>	<u>\$ 85,805</u>

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

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, 2016, 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.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

Fund balances for all the major and non-major governmental funds as of June 30, 2016, were distributed as follows:

	General Fund	Debt Service	Behavioral Health - MH	Social Services	Local Health and Welfare	2011 Realignment Fund	Other Governmental Funds	Total
Nonspendable:								
Inventory	\$ 2,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 798	\$ 3,692
Prepaid items/postage/impress cash	340	-	-	-	-	-	18	358
Low-income housing	41,974	-	-	-	-	-	-	41,974
SVIA loan	2,000	-	-	-	-	-	-	2,000
Subtotal	47,208	-	-	-	-	-	816	48,024
Restricted for:								
General government:								
Administration	1,264	-	-	-	-	-	36,288	37,552
Public protection	3,946	-	-	-	-	90,948	25,171	120,065
Public ways and facilities	-	-	-	-	-	-	33,797	33,797
Health, sanitation and public assistance	4,188	-	97,784	64,450	69,870	-	32,294	268,586
Education	-	-	-	-	-	-	5,052	5,052
Capital projects	-	-	-	-	-	-	11,401	11,401
Debt service	-	62,135	-	-	-	-	-	62,135
Subtotal	9,398	62,135	97,784	64,450	69,870	90,948	144,003	538,588
Committed to:								
General government	21,024	-	-	-	-	-	-	21,024
Subtotal	21,024	-	-	-	-	-	-	21,024
Assigned to:								
General government								
Compensated leave & absences	3,898	-	-	-	-	-	-	3,898
Teeter buy out & ITSD depreciation	707	-	-	-	-	-	-	707
Third party payer	28,958	-	-	-	-	-	-	28,958
Annual budget	28,968	-	-	-	-	-	-	28,968
Post budget mitigation	4,015	-	-	-	-	-	-	4,015
Services & supplies	1,991	-	-	-	-	-	-	1,991
Public protection								
Sheriff services & supplies	2,169	-	-	-	-	-	-	2,169
Probation services & supplies	2,097	-	-	-	-	-	-	2,097
Jail modifications	1,000	-	-	-	-	-	-	1,000
Sheriff vehicle replacement	1,300	-	-	-	-	-	-	1,300
Public ways and facilities								
County Service Area	118	-	-	-	-	-	-	118
Road projects	-	-	-	-	-	-	23,901	23,901
Health, sanitation and public assistance	2,800	-	-	-	-	-	-	2,800
Education	-	-	-	-	-	-	12,659	12,659
Culture and recreation	-	-	-	-	-	-	-	-
Capital projects	5,000	-	-	-	-	-	-	5,000
Debt service	-	-	-	-	-	-	-	-
Subtotal	83,021	-	-	-	-	-	36,560	119,581
Unassigned	39,520	-	-	-	-	-	-	39,520
Total	<u>\$ 200,171</u>	<u>\$ 62,135</u>	<u>\$ 97,784</u>	<u>\$ 64,450</u>	<u>\$ 69,870</u>	<u>\$ 90,948</u>	<u>\$ 181,379</u>	<u>\$ 766,737</u>

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)

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

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 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 \$22,000, 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, 2016.

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, major and non-major funds are shown below:

	<u>Encumbrances</u>
General Fund for capital assets	\$ 7,913
General Fund for other purposes	13,579
Behavioral Health-MH for other purposes	10,811
Local Health and Welfare for other purposes	19,599
2011 Realignment for other purposes	16,901
Non-major funds for capital assets	20,471
Non-major funds for other purposes	2,449
	<u>\$ 91,723</u>

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

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	\$ 17,242
Graphic Communications Services	1,264
Facility Services	3,213
Security Services	3,885

NOTE 17 – Prior Period Adjustments

A prior period adjustment decreasing net position by \$33 was made in the governmental activities affecting various funds. In the General Fund we increased fund balance in the amount of \$39,112 and decreased deferred inflows of resources in the amount of \$39,112 to properly report the HARP Loan in fund balance. An adjustment was made in Facility Services to recognize an insurance recovery payment that was previously misclassified as unearned revenue in the amount of \$585. Another increase in cash to the Public Works Special Revenue Fund was made in the amount of \$331 related to a fund reclassification from the Agency Funds. In addition, a decrease in cash to the Road Fund and an increase in cash to Fleet Services was made in the amount of \$15 to properly account for the remaining cash related to the replacement of equipment. Finally, a decrease in the total of amount of \$949 was made for capital related items, of which \$905 was for governmental funds and \$44 was for internal service funds.

The business-type activities had additional prior period adjustments decreasing net position in the amount of \$689. These adjustments were mostly due to recognition of capital assets, buildings and equipment.

The following table outlines the change in net position affected by prior period adjustments in the government-wide financial statements:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Net position, stated at 6/30/15	\$ (259,946)	\$ 90,832	(169,114)
General Fund - fund balance	39,112	-	39,112
General Fund - deferred inflows of resources	(39,112)	-	(39,112)
Facility Services - unearned revenue	585	-	585
Public Works Special Revenue Fund - cash adjustment	331	-	331
Road Fund - cash adjustment	(15)	-	(15)
Fleet Services - cash adjustment	15	-	15
Governmental Funds - capital related items	(905)	-	(905)
ITSD Internal Service Fund - capital related items	(44)	-	(44)
CSA and Solid Waste - buildings, equipment, cash	-	(689)	(689)
Net position, restated at 6/30/15	(259,979)	90,143	(169,836)
Change in net position	3,982	331	4,313
Net position at 6/30/16	\$ (255,997)	\$ 90,474	\$ (165,523)

County of Fresno
Notes to the Basic Financial Statements
June 30, 2016
(amounts expressed in thousands)

NOTE 18 - Subsequent Events

In accordance with accounting standards generally accepted in the United States, subsequent events have been evaluated through December 30, 2016, the date in which the financial statements have been issued.

On July 12, 2016, the County entered into a ten-year lease agreement with an option to purchase for a new office building in Clovis to be used by the Internal Services Department. Base rent for ten years is \$4,433 (\$37 per month), and the option to purchase the property for \$4,545 may be exercised at any time after completion of year two of the lease.

On October 18, 2016, the Board approved an organizational adjustment plan requested by the Internal Services Department to close out and consolidate Graphic Communication, Radio Operation and Telecommunications functions to Information Technology Services Division. The re-organization was intended to more effectively provide services to County departments.

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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, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Resources (inflows):				
Taxes	\$ 234,549	\$ 234,549	\$ 248,704	\$ 14,155
Licenses and permits	12,636	13,554	8,158	(5,396)
Fines, forfeitures and penalties	6,373	6,373	5,901	(472)
Use of money and property	3,335	3,335	3,142	(193)
Aid from other governmental agencies:				
State	141,133	144,562	91,038	(53,524)
Federal	86,411	88,247	60,674	(27,573)
Other	2,856	3,107	2,763	(344)
Charges for current services	49,007	49,106	44,002	(5,104)
Other revenues	33,283	34,271	11,759	(22,512)
Total resources	569,583	577,104	476,141	(100,963)
Charges to appropriations (outflows):				
General government				
Salaries and benefits	34,122	34,154	29,472	4,682
Services and supplies	15,189	21,384	9,361	12,023
Other charges	1,646	3,074	1,905	1,169
Capital assets	668	9,215	432	8,783
Total general government	51,625	67,827	41,170	26,657
Public protection				
Salaries and benefits	284,978	285,411	259,856	25,555
Services and supplies	73,287	82,569	63,462	19,107
Other charges	17,230	17,339	16,977	362
Capital assets	1,850	9,668	5,281	4,387
Total public protection	377,345	394,987	345,576	49,411
Public ways and facilities				
Salaries and benefits	2,587	2,587	1,896	691
Services and supplies	401	401		401
Total public ways and facilities	2,988	2,988	1,896	1,092
Health, sanitation, and public assistance				
Salaries and benefits	310,349	312,434	280,878	31,556
Services and supplies	255,488	266,250	211,679	54,571
Other charges	371,431	372,840	339,663	33,177
Capital assets	111	700	332	368
Total health, sanitation, and public assistance	937,379	952,224	832,552	119,672
Education				
Salaries and benefits	227	227	213	14
Services and supplies	1	1	1	-
Total education	228	228	214	14
Culture and recreation				
Salaries and benefits	1,780	1,718	1,451	267
Services and supplies	1,324	1,630	1,230	400
Other charges	1	1	0	1
Capital assets	574	625	7	618
Total culture and recreation	3,679	3,974	2,688	1,286
Total charges to appropriations	1,373,244	1,422,228	1,224,096	198,132
Excess (deficiency) of resources over (under) appropriations	(803,661)	(845,124)	(747,955)	97,169
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	16	16
Transfers in	858,107	883,715	784,822	(98,893)
Transfers out	(71,623)	(81,323)	(66,357)	14,966
Total other financing sources (uses)	786,484	802,392	718,481	(83,911)
Net change in fund balances	(17,177)	(42,732)	(29,474)	13,258
Fund balances - beginning	190,533	190,533	190,533	-
Prior period adjustment	-	-	39,112	39,112
Fund balances - ending	\$ 173,356	\$ 147,801	\$ 200,171	\$ 52,370

County of Fresno
Budgetary Comparison Schedule
Behavioral Health - MH
For the Fiscal Year Ended June 30, 2016
(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	\$ -	\$ -	\$ 1,806	\$ 1,806
Intergovernmental revenues	34,538	34,538	34,287	(251)
Charges for current services	-	-	-	-
Other revenues	-	-	-	-
Total revenues	<u>34,538</u>	<u>34,538</u>	<u>36,093</u>	<u>1,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,538</u>	<u>34,538</u>	<u>36,093</u>	<u>1,555</u>
Other Financing Sources (Uses)				
Transfers in	-	211	-	(211)
Transfers out	<u>(43,785)</u>	<u>(47,285)</u>	<u>(36,460)</u>	<u>10,825</u>
Total other financing sources (uses)	<u>(43,785)</u>	<u>(47,074)</u>	<u>(36,460)</u>	<u>10,614</u>
Net change in fund balances	(9,247)	(12,536)	(367)	12,169
Fund balances - beginning	<u>98,151</u>	<u>98,151</u>	<u>98,151</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 88,904</u></u>	<u><u>\$ 85,615</u></u>	<u><u>\$ 97,784</u></u>	<u><u>\$ 12,169</u></u>

County of Fresno
Budgetary Comparison Schedule
Social Services
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 1	\$ 1
Use of money and property	149	149	717	568
Intergovernmental revenues	385,376	389,656	362,215	(27,441)
Charges for current services	265	265	285	20
Other revenues	5,975	5,975	-	(5,975)
Total revenues	<u>391,765</u>	<u>396,045</u>	<u>363,218</u>	<u>(32,827)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>391,765</u>	<u>396,045</u>	<u>363,218</u>	<u>(32,827)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(391,493)</u>	<u>(395,773)</u>	<u>(342,864)</u>	<u>52,909</u>
Total other financing sources (uses)	<u>(391,493)</u>	<u>(395,773)</u>	<u>(342,864)</u>	<u>52,909</u>
Net change in fund balances	272	272	20,354	20,082
Fund balances - beginning	44,096	44,096	44,096	-
Fund balances - ending	<u>\$ 44,368</u>	<u>\$ 44,368</u>	<u>\$ 64,450</u>	<u>\$ 20,082</u>

County of Fresno
Budgetary Comparison Schedule
Local Health and Welfare Fund
For the Fiscal Year Ended June 30, 2016
(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	\$ -	\$ -	\$ 863	\$ 863
Intergovernmental revenues	162,888	162,888	229,638	66,750
Total revenues	<u>162,888</u>	<u>162,888</u>	<u>230,501</u>	<u>67,613</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>162,888</u>	 <u>162,888</u>	 <u>230,501</u>	 <u>67,613</u>
Other Financing Sources (Uses)				
Transfers in	60,289	60,289	18,183	(42,106)
Transfers out	<u>(225,720)</u>	<u>(230,836)</u>	<u>(210,137)</u>	<u>20,699</u>
Total other financing sources (uses)	<u>(165,431)</u>	<u>(170,547)</u>	<u>(191,954)</u>	<u>(21,407)</u>
 Net change in fund balances	 (2,543)	 (7,659)	 38,547	 46,206
 Fund balances - beginning	 <u>31,323</u>	 <u>31,323</u>	 <u>31,323</u>	 <u>-</u>
Fund balances - ending	<u><u>\$ 28,780</u></u>	<u><u>\$ 23,664</u></u>	<u><u>\$ 69,870</u></u>	<u><u>\$ 46,206</u></u>

County of Fresno
Budgetary Comparison Schedule
2011 Realignment
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 144,479	\$ 145,653	\$ 164,833	\$ 19,180
Use of money and property	-	-	1,179	1,179
Total resources	<u>144,479</u>	<u>145,653</u>	<u>166,012</u>	<u>20,359</u>
Excess (deficiency) of revenues over (under) expenditures	<u>144,479</u>	<u>145,653</u>	<u>166,012</u>	<u>20,359</u>
Other Financing Sources (Uses)				
Transfers out	<u>(150,442)</u>	<u>(163,272)</u>	<u>(137,710)</u>	<u>25,562</u>
Total other financing sources (uses)	<u>(150,442)</u>	<u>(163,272)</u>	<u>(137,710)</u>	<u>25,562</u>
Net change in fund balances	(5,963)	(17,619)	28,302	45,921
Fund balances - beginning	62,646	62,646	62,646	-
Fund balances - ending	<u><u>\$ 56,683</u></u>	<u><u>\$ 45,027</u></u>	<u><u>\$ 90,948</u></u>	<u><u>\$ 45,921</u></u>

COUNTY OF FRESNO
Notes to the Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2016
(In Thousands)

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 through 29143 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 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 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 funds and proprietary funds. Governmental funds that are budgeted include the General Fund, special revenue funds, and the debt services fund but do not include the capital projects fund. Proprietary funds include the enterprise funds and internal services 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 Office and approved by the Board. Supplemental appropriations, normally financed by unanticipated revenues during the year, require the Board's approval as well. Pursuant to Government Code section 29092, the County Administrative Officer is authorized to approve transfers and revision of appropriations within a single budget unit as deemed necessary and appropriate. 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 expenditures 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
Notes to the Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2016
(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 amount 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, 2016
(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 2015	FY 2014	FY 2013
County's portion of the net pension liability (asset)	93.078%	92.930%	92.708%
County's proportionate share of the net pension liability (asset)	\$ 1,010,008	\$ 815,975	\$ 1,252,321
County's covered-employee payroll	\$ 372,506	\$ 365,731	\$ 372,506
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	271.14%	223.107%	336.188%
Plan fiduciary net position as a percentage of the total pension liability	78.77%	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 2015	FY 2014	FY 2013
Actuarially determined contribution	\$ 184,213	\$ 165,309	\$ 158,572
Contributions in relation to the actuarially determined contribution	184,213	165,309	158,572
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 372,506	\$ 365,731	N/A
Contributions as a percentage of covered-employee payroll	49.45%	45.20%	N/A

*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.

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.

County Administrative Office Indian Gaming

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

County Administrative Office

The County Administrative Office fund was established and is used to receive and distribute discretionary revenues received by the County through payments made for parking, misdemeanor, and felony fees & fines owed.

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.

Public Works CDBG

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

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.

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. Such expenditures include feasibility studies, planning studies, and environmental impact reports.

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. Such as expenditures include reimbursing 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, 2016
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Fund	Total
ASSETS			
Cash and investments	\$ 165,545	\$ 11,737	\$ 177,282
Receivables, net:			
Accounts	11,985	-	11,985
Taxes	1,228	-	1,228
Interest	560	19	579
Due from other funds	213	-	213
Due from other governmental units	690	-	690
Inventory of supplies	798	-	798
Total assets	<u>\$ 181,019</u>	<u>\$ 11,756</u>	<u>\$ 192,775</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND			
Liabilities:			
Accounts payable	\$ 5,105	\$ 312	\$ 5,417
Salaries and benefits payable	1,228	-	1,228
Due to other funds	844	43	887
Due to other governmental units	3,743	-	3,743
Advances from other funds	-	-	-
Unearned revenue	120	-	120
Total liabilities	<u>11,040</u>	<u>355</u>	<u>11,395</u>
Deferred inflows of resources:			
Other deferred	1	-	1
Total deferred inflows of resources	<u>1</u>	<u>-</u>	<u>1</u>
Fund balances:			
Nonspendable	816	-	816
Restricted	132,602	11,401	144,003
Assigned	36,560	-	36,560
Total fund balances	<u>169,978</u>	<u>11,401</u>	<u>181,379</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 181,019</u>	<u>\$ 11,756</u>	<u>\$ 192,775</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Fund	Total
Revenues:			
Taxes	\$ 36,305	\$ -	\$ 36,305
Licenses and permits	9,788	-	9,788
Fines, forfeitures and penalties	7,113	-	7,113
Use of money and property	3,288	3	3,291
Aid from other governmental agencies:			
State	35,154	-	35,154
Federal	30,333	-	30,333
Other	12	-	12
Charges for current services	12,018	-	12,018
Other revenues	2,133	-	2,133
Total revenues	<u>136,144</u>	<u>3</u>	<u>136,147</u>
Expenditures:			
Public protection	220	-	220
Public ways and facilities	32,368	-	32,368
Health, sanitation, and public assistance	841	-	841
Education	25,149	-	25,149
Capital outlay	19,271	4,371	23,642
Total expenditures	<u>77,849</u>	<u>4,371</u>	<u>82,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58,295</u>	<u>(4,368)</u>	<u>53,927</u>
Other financing sources (uses):			
Transfers in	888	59	947
Transfers out	(60,054)	(227)	(60,281)
Total other financing sources (uses)	<u>(59,166)</u>	<u>(168)</u>	<u>(59,334)</u>
Net change in fund balances	(871)	(4,536)	(5,407)
Fund balances - beginning	170,533	15,937	186,470
Prior period adjustment	316	-	316
Fund balances - ending	<u>\$ 169,978</u>	<u>\$ 11,401</u>	<u>\$ 181,379</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016
(amounts expressed in thousands)

	Road Fund	CAO Indian Gaming	County Administrative Office	Auditor Controller Treasurer Tax Collector	Assessor Recorder	Behavioral Health
ASSETS						
Cash and investments	\$ 35,172	\$ 198	\$ 646	\$ 9,451	\$ 25,587	\$ 21,397
Receivables, net:						
Accounts	6,384	-	160	13	-	3,477
Taxes	-	-	-	-	-	-
Interest	111	-	2	31	97	75
Due from other funds	210	-	-	-	-	-
Due from other governmental units	688	-	2	-	-	-
Inventory of supplies	780	-	-	-	-	-
Total assets	<u>\$ 43,345</u>	<u>\$ 198</u>	<u>\$ 810</u>	<u>\$ 9,495</u>	<u>\$ 25,684</u>	<u>\$ 24,949</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND						
Liabilities						
Accounts payable	\$ 4,260	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	649	-	-	-	-	-
Due to other funds	596	-	-	-	-	-
Due to other governmental units	3,627	-	-	-	-	-
Unearned revenue	31	-	-	-	-	-
Total liabilities	<u>9,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:						
Other deferred	1	-	-	-	-	-
Total deferred inflows of resources	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Nonspendable	780	-	-	-	-	-
Restricted	9,500	198	810	9,495	25,684	24,949
Assigned	23,901	-	-	-	-	-
Total fund balances	<u>34,181</u>	<u>198</u>	<u>810</u>	<u>9,495</u>	<u>25,684</u>	<u>24,949</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,345</u>	<u>\$ 198</u>	<u>\$ 810</u>	<u>\$ 9,495</u>	<u>\$ 25,684</u>	<u>\$ 24,949</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016
(amounts expressed in thousands)

County Clerk Elections	Dept of Child Support Services	District Attorney	Probation	Public Health	Public Works	Public Works CDBG
\$ 101	\$ 188	\$ 6,468	\$ 1,292	\$ 4,365	\$ 2,839	\$ 2,326
-	-	480	-	918	129	-
-	-	-	-	-	-	-
-	6	21	4	16	4	8
-	-	-	-	-	1	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 101</u>	<u>\$ 194</u>	<u>\$ 6,969</u>	<u>\$ 1,296</u>	<u>\$ 5,299</u>	<u>\$ 2,973</u>	<u>\$ 2,334</u>
\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 101	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	116	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>116</u>	<u>3</u>	<u>-</u>	<u>101</u>	<u>-</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
101	194	6,853	1,293	5,299	2,872	2,334
-	-	-	-	-	-	-
<u>101</u>	<u>194</u>	<u>6,853</u>	<u>1,293</u>	<u>5,299</u>	<u>2,872</u>	<u>2,334</u>
<u>\$ 101</u>	<u>\$ 194</u>	<u>\$ 6,969</u>	<u>\$ 1,296</u>	<u>\$ 5,299</u>	<u>\$ 2,973</u>	<u>\$ 2,334</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, DEFERRED INFLOWS
OF RESOURCES, & FUND**

Liabilities

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

Deferred inflows of resources:

Other deferred
Total deferred inflows of resources

Fund balances

Nonspendable
Restricted
Assigned
Total fund balances
Total liabilities, deferred inflows of
resources, and fund balances

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016
(amounts expressed in thousands)

	Community Facilities Districts	Public Facilities Fees	Sheriff Coroner	Inmate Welfare	County Free Library	Fish and Game
ASSETS						
Cash and investments	\$ 6,931	\$ 4,312	\$ 7,199	\$ 6,176	\$ 17,474	\$ 17
Receivables, net:						
Accounts	-	-	191	152	3	-
Taxes	-	-	-	-	1,228	-
Interest	23	14	25	20	55	-
Due from other funds	-	-	-	-	2	-
Due from other governmental units	-	-	-	-	-	-
Inventory of supplies	-	-	-	-	18	-
Total assets	<u>\$ 6,954</u>	<u>\$ 4,326</u>	<u>\$ 7,415</u>	<u>\$ 6,348</u>	<u>\$ 18,780</u>	<u>\$ 17</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 284	\$ 2
Salaries and benefits payable	-	-	-	-	579	-
Due to other funds	-	-	-	-	170	-
Due to other governmental units	-	-	-	-	-	-
Unearned revenue	-	-	89	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>89</u>	<u>-</u>	<u>1,033</u>	<u>2</u>
Deferred inflows of resources:						
Other deferred	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	-	-	36	-
Restricted	6,954	4,326	7,326	6,348	5,052	15
Assigned	-	-	-	-	12,659	-
Total fund balances	<u>6,954</u>	<u>4,326</u>	<u>7,326</u>	<u>6,348</u>	<u>17,747</u>	<u>15</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,954</u>	<u>\$ 4,326</u>	<u>\$ 7,415</u>	<u>\$ 6,348</u>	<u>\$ 18,780</u>	<u>\$ 17</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016
(amounts expressed in thousands)

Off- Highway License	Emergency Medical Services	Community Corrections Performance Incentive	County Service Areas, Other	Total
\$ 78	\$ 2,152	\$ 3,339	\$ 7,837	\$ 165,545
5	73	-	-	11,985
-	-	-	-	1,228
2	7	12	27	560
-	-	-	-	213
-	-	-	-	690
-	-	-	-	798
<u>\$ 85</u>	<u>\$ 2,232</u>	<u>\$ 3,351</u>	<u>\$ 7,864</u>	<u>\$ 181,019</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, DEFERRED INFLOWS
OF RESOURCES, & FUND BALANCES**

Liabilities

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

\$ -	\$ 380	\$ -	\$ 75	\$ 5,105
-	-	-	-	1,228
-	-	-	78	844
-	-	-	-	3,743
-	-	-	-	120
<u>-</u>	<u>380</u>	<u>-</u>	<u>153</u>	<u>11,040</u>

Deferred inflows of resources:

Other deferred
Total deferred inflows of resources

<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

Fund balances

Nonspendable
Restricted
Assigned
Total fund balances
Total liabilities, deferred inflows of
resources, and fund balances

-	-	-	-	816
85	1,852	3,351	7,711	132,602
-	-	-	-	36,560
<u>85</u>	<u>1,852</u>	<u>3,351</u>	<u>7,711</u>	<u>169,978</u>
<u>\$ 85</u>	<u>\$ 2,232</u>	<u>\$ 3,351</u>	<u>\$ 7,864</u>	<u>\$ 181,019</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Road Fund	CAO Indian Gaming	County Administrative Office	Auditor Controller Treasurer Tax Collector	Assessor Recorder	Dept of Behavioral Health
Revenues:						
Taxes	\$ 10,134	\$ -	\$ -	\$ 296	\$ -	\$ -
Licenses and permits	171	-	-	-	-	-
Fines, forfeitures and penalties	-	-	2,230	-	-	459
Use of money and property	658	7	13	207	525	423
Aid from other governmental agencies:						
State	18,943	-	-	-	619	2,174
Federal	8,116	-	-	-	-	5,840
Other	-	-	-	-	-	-
Charges for current services	2,421	-	-	-	785	-
Other revenues	598	-	-	-	-	166
Total revenues	<u>41,041</u>	<u>7</u>	<u>2,243</u>	<u>503</u>	<u>1,929</u>	<u>9,062</u>
Expenditures:						
Public protection	-	-	-	-	-	-
Public ways and facilities	30,740	-	-	-	-	-
Health, sanitation, and public assistance	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital Outlay	16,820	-	-	-	-	-
Total expenditures	<u>47,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,519)</u>	<u>7</u>	<u>2,243</u>	<u>503</u>	<u>1,929</u>	<u>9,062</u>
Other financing sources (uses):						
Transfers in	570	-	-	-	-	-
Transfers out	(1,279)	(60)	(1,896)	-	(5,223)	(4,480)
Total other financing sources (uses)	<u>(709)</u>	<u>(60)</u>	<u>(1,896)</u>	<u>-</u>	<u>(5,223)</u>	<u>(4,480)</u>
Net change in fund balances	(7,228)	(53)	347	503	(3,294)	4,582
Fund balances - beginning	41,424	251	463	8,992	28,978	20,367
Prior period adjustment	(15)	-	-	-	-	-
Fund balances - ending	<u>\$ 34,181</u>	<u>\$ 198</u>	<u>\$ 810</u>	<u>\$ 9,495</u>	<u>\$ 25,684</u>	<u>\$ 24,949</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

County Clerk Elections	Dept of Child Support Services	District Attorney	Probation	Public Health	Public Works	Public Works CDBG
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	-	-	-	-	9,513	-
-	-	1,655	-	47	4	1,331
2	20	123	27	100	40	47
-	6,461	2,062	599	150	-	-
-	14,195	-	-	2,039	-	-
-	-	-	-	-	12	-
3	-	1,094	-	804	115	-
-	-	799	112	184	4	-
37	20,676	5,733	738	3,324	9,688	1,378
-	-	220	-	-	-	-
-	-	-	-	-	688	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	220	-	-	688	-
37	20,676	5,513	738	3,324	9,000	1,378
-	-	-	-	2	-	-
-	(21,527)	(3,991)	(77)	(1,985)	(8,956)	(1,119)
-	(21,527)	(3,991)	(77)	(1,983)	(8,956)	(1,119)
37	(851)	1,522	661	1,341	44	259
64	1,045	5,331	632	3,958	2,497	2,075
-	-	-	-	-	331	-
\$ 101	\$ 194	\$ 6,853	\$ 1,293	\$ 5,299	\$ 2,872	\$ 2,334

Revenues:

Taxes
Licenses and permits
Fines, forfeitures and penalties
Use of money and property
Aid from other governmental agencies:
 State
 Federal
 Other
Charges for current services
Other revenues
Total revenues

Expenditures:

Public protection
Public ways and facilities
Health, sanitation, and public assistance
Education
Capital Outlay
Total expenditures

Excess (deficiency) of revenues
over (under) expenditures

Other financing sources (uses):

Transfers in
Transfers out
Total other financing sources (uses)

Net change in fund balances

Fund balances - beginning
Prior period adjustment
Fund balances - ending

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Community Facilities Districts	Public Facilities Fees	Sheriff Coroner	Sheriff Inmate Welfare	County Free Library	Fish and Game
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 25,825	\$ -
Licenses and permits	72	-	-	-	-	-
Fines, forfeitures and penalties	-	-	440	-	-	3
Use of money and property	133	82	140	117	349	-
Aid from other governmental agencies:						
State	-	-	268	-	170	-
Federal	-	-	103	-	40	-
Other	-	-	-	-	-	-
Charges for current services	-	-	418	3,154	1,644	-
Other revenues	-	-	14	-	235	-
Total revenues	<u>205</u>	<u>82</u>	<u>1,383</u>	<u>3,271</u>	<u>28,263</u>	<u>3</u>
Expenditures:						
Public protection	-	-	-	-	-	-
Public ways and facilities	30	-	-	-	-	7
Health, sanitation, and public assistance	-	-	-	-	-	-
Education	-	-	-	-	25,149	-
Capital Outlay	-	-	-	-	2,451	-
Total expenditures	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,600</u>	<u>7</u>
Excess (deficiency) of revenues over (under) expenditures	<u>175</u>	<u>82</u>	<u>1,383</u>	<u>3,271</u>	<u>663</u>	<u>(4)</u>
Other financing sources (uses):						
Transfers in	-	177	4	-	135	-
Transfers out	-	-	(1,087)	(2,159)	(2,792)	-
Total other financing sources (uses)	<u>-</u>	<u>177</u>	<u>(1,083)</u>	<u>(2,159)</u>	<u>(2,657)</u>	<u>-</u>
Net change in fund balances	175	259	300	1,112	(1,994)	(4)
Fund balances - beginning	6,779	4,067	7,026	5,236	19,741	19
Prior period adjustment	-	-	-	-	-	-
Fund balances - ending	<u>\$ 6,954</u>	<u>\$ 4,326</u>	<u>\$ 7,326</u>	<u>\$ 6,348</u>	<u>\$ 17,747</u>	<u>\$ 15</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

Off-Highway License	Emergency Medical Services	Community Corrections Performance Incentive	County Service Areas, Other	Total	
\$ -	\$ -	\$ -	\$ 50	\$ 36,305	Revenues:
-	-	-	-	9,788	Taxes
-	944	-	-	7,113	Licenses and permits
2	45	73	155	3,288	Fines, forfeitures and penalties
					Use of money and property
9	-	3,698	1	35,154	Aid from other governmental agencies:
-	-	-	-	30,333	State
-	-	-	-	12	Federal
-	-	-	1,580	12,018	Other
18	-	-	3	2,133	Charges for current services
29	989	3,771	1,789	136,144	Other revenues
					Total revenues
-	-	-	-	220	Expenditures:
-	-	-	903	32,368	Public protection
-	841	-	-	841	Public ways and facilities
-	-	-	-	25,149	Health, sanitation, and public assistance
-	-	-	-	19,271	Education
-	841	-	903	77,849	Capital Outlay
					Total expenditures
29	148	3,771	886	58,295	Excess (deficiency) of revenues over (under) expenditures
-	-	-	-	888	Other financing sources (uses):
-	(156)	(3,267)	-	(60,054)	Transfers in
-	(156)	(3,267)	-	(59,166)	Transfers out
					Total other financing sources (uses)
29	(8)	504	886	(871)	Net change in fund balances
56	1,860	2,847	6,825	170,533	Fund balances - beginning
-	-	-	-	316	Prior period adjustment
\$ 85	\$ 1,852	\$ 3,351	\$ 7,711	\$ 169,978	Fund balances - ending

County of Fresno
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Taxes	\$ 9,419	\$ 9,419	\$ 10,134	\$ 715
Licenses and Permits	545	545	171	(374)
Use of money and property	-	540	658	118
Intergovernmental revenues	-	31,030	27,059	(3,971)
Charges for current services	5,771	5,771	2,421	(3,350)
Other revenues	16	566	598	32
Total revenues	<u>15,751</u>	<u>47,871</u>	<u>41,041</u>	<u>(6,830)</u>
Expenditures				
Public ways and facilities	57,856	62,542	30,740	31,802
Capital Outlay	90	490	16,820	(16,330)
Total expenditures	<u>57,946</u>	<u>63,032</u>	<u>47,560</u>	<u>15,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,195)</u>	<u>(15,161)</u>	<u>(6,519)</u>	<u>8,642</u>
Other Financing Sources (Uses)				-
Transfers in	268	280	570	290
Transfers out	<u>(293)</u>	<u>(293)</u>	<u>(1,279)</u>	<u>(986)</u>
Total other financing sources (uses)	<u>(25)</u>	<u>(13)</u>	<u>(709)</u>	<u>(696)</u>
				-
Net change in fund balances	<u>(42,220)</u>	<u>(15,174)</u>	<u>(7,228)</u>	<u>7,946</u>
Fund balances - beginning	41,424	41,424	41,424	-
Prior period adjustment	<u>(15)</u>	<u>(15)</u>	<u>(15)</u>	<u>-</u>
Fund balances - ending	<u>\$ (811)</u>	<u>\$ 26,235</u>	<u>\$ 34,181</u>	<u>\$ 7,946</u>

County of Fresno
Budgetary Comparison Schedule
Indian Gaming
For the Fiscal Year Ended June 30, 2016
(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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>
Total revenues	<u> -</u>	<u> -</u>	<u> 7</u>	<u> 7</u>
Excess (deficiency) of revenues over (under) expenditures	<u> -</u>	<u> -</u>	<u> 7</u>	<u> 7</u>
Other Financing Sources (Uses)				
Transfers out	<u> -</u>	<u> (60)</u>	<u> (60)</u>	<u> -</u>
Total other financing sources (uses)	<u> -</u>	<u> (60)</u>	<u> (60)</u>	<u> -</u>
				<u> -</u>
Net change in fund balances	<u> -</u>	<u> (60)</u>	<u> (53)</u>	<u> 7</u>
Fund balances - beginning	<u> 251</u>	<u> 251</u>	<u> 251</u>	<u> -</u>
Fund balances - ending	<u><u> \$ 251</u></u>	<u><u> \$ 191</u></u>	<u><u> \$ 198</u></u>	<u><u> \$ 7</u></u>

County of Fresno
Budgetary Comparison Schedule
County Administrative Office
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Fines, forfeitures and penalties	\$ 2,220	\$ 2,220	\$ 2,230	\$ 10
Use of money and property	<u>6</u>	<u>6</u>	<u>13</u>	<u>7</u>
Total revenues	<u>2,226</u>	<u>2,226</u>	<u>2,243</u>	<u>17</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,226</u>	<u>2,226</u>	<u>2,243</u>	<u>17</u>
Other Financing Sources (Uses)				-
Transfers out	<u>(2,226)</u>	<u>(2,226)</u>	<u>(1,896)</u>	<u>330</u>
Total other financing sources (uses)	<u>(2,226)</u>	<u>(2,226)</u>	<u>(1,896)</u>	<u>330</u>
				-
Net change in fund balances	-	-	347	347
Fund balances - beginning	<u>463</u>	<u>463</u>	<u>463</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 463</u></u>	<u><u>\$ 463</u></u>	<u><u>\$ 810</u></u>	<u><u>\$ 347</u></u>

County of Fresno
Budgetary Comparison Schedule
Auditor-Controller/Treasurer-Tax Collector
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 382	\$ 382	\$ 296	\$ (86)
Use of money and property	<u>-</u>	<u>-</u>	<u>207</u>	<u>207</u>
Total revenues	<u>382</u>	<u>382</u>	<u>503</u>	<u>121</u>
Excess (deficiency) of revenues over (under) expenditures	<u>382</u>	<u>382</u>	<u>503</u>	<u>121</u>
Other Financing Sources (Uses)				
Transfers out	<u>(336)</u>	<u>(336)</u>	<u>-</u>	<u>336</u>
Total other financing sources (uses)	<u>(336)</u>	<u>(336)</u>	<u>-</u>	<u>336</u>
Net change in fund balances	46	46	503	457
Fund balances - beginning	<u>8,992</u>	<u>8,992</u>	<u>8,992</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 9,038</u></u>	<u><u>\$ 9,038</u></u>	<u><u>\$ 9,495</u></u>	<u><u>\$ 457</u></u>

County of Fresno
Budgetary Comparison Schedule
Assessor/Recorder
For the Fiscal Year Ended June 30, 2016
(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	\$ 120	\$ 120	\$ 525	\$ 405
Intergovernmental revenues	619	619	619	-
Charges for current services	794	794	785	(9)
Total revenues	<u>1,533</u>	<u>1,533</u>	<u>1,929</u>	<u>396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,533</u>	<u>1,533</u>	<u>1,929</u>	<u>396</u>
Other Financing Sources (Uses)				
Transfers out	<u>(4,783)</u>	<u>(9,865)</u>	<u>(5,223)</u>	<u>4,642</u>
Total other financing sources (uses)	<u>(4,783)</u>	<u>(9,865)</u>	<u>(5,223)</u>	<u>4,642</u>
Net change in fund balances	(3,250)	(8,332)	(3,294)	5,038
Fund balances - beginning	<u>28,978</u>	<u>28,978</u>	<u>28,978</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 25,728</u></u>	<u><u>\$ 20,646</u></u>	<u><u>\$ 25,684</u></u>	<u><u>\$ 5,038</u></u>

County of Fresno
Budgetary Comparison Schedule
Department of Behavioral Health
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Fines, forfeitures and penalties	\$ 259	\$ 259	\$ 459	\$ 200
Use of money and property	-	-	423	423
Intergovernmental revenues	4,587	4,587	8,014	3,427
Other revenues	-	-	166	166
Total revenues	<u>4,846</u>	<u>4,846</u>	<u>9,062</u>	<u>4,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,846</u>	<u>4,846</u>	<u>9,062</u>	<u>4,216</u>
Other Financing Sources (Uses)				
Transfers out	<u>(6,977)</u>	<u>(6,977)</u>	<u>(4,480)</u>	<u>2,497</u>
Total other financing sources (uses)	<u>(6,977)</u>	<u>(6,977)</u>	<u>(4,480)</u>	<u>2,497</u>
Net change in fund balances	(2,131)	(2,131)	4,582	6,713
Fund balances - beginning	<u>20,367</u>	<u>20,367</u>	<u>20,367</u>	<u>20,367</u>
Fund balances - ending	<u><u>\$ 18,236</u></u>	<u><u>\$ 18,236</u></u>	<u><u>\$ 24,949</u></u>	<u><u>\$ 6,713</u></u>

County of Fresno
Budgetary Comparison Schedule
County Clerk Elections
For the Fiscal Year Ended June 30, 2016
(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	\$ -	\$ -	\$ 32	\$ 32
Use of money and property	-	-	2	2
Charges for current services	<u>55</u>	<u>55</u>	<u>3</u>	<u>(52)</u>
Total revenues	<u>55</u>	<u>55</u>	<u>37</u>	<u>(18)</u>
Excess (deficiency) of revenues over (under) expenditures	55	55	37	(18)
Other Financing Sources (Uses)				
Transfers out	<u>(55)</u>	<u>(55)</u>	<u>-</u>	<u>55</u>
Total other financing sources (uses)	<u>(55)</u>	<u>(55)</u>	<u>-</u>	<u>55</u>
Net change in fund balances	-	-	37	37
Fund balances - beginning	<u>64</u>	<u>64</u>	<u>64</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 64</u></u>	<u><u>\$ 64</u></u>	<u><u>\$ 101</u></u>	<u><u>\$ 37</u></u>

County of Fresno
Budgetary Comparison Schedule
Department of Child Support Services
For the Fiscal Year Ended June 30, 2016
(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	\$ -	\$ -	\$ 20	\$ 20
Intergovernmental revenues	<u>22,087</u>	<u>22,780</u>	<u>20,656</u>	<u>(2,124)</u>
Total revenues	<u>22,087</u>	<u>22,780</u>	<u>20,676</u>	<u>(2,104)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,087</u>	<u>22,780</u>	<u>20,676</u>	<u>(2,104)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(22,087)</u>	<u>(22,780)</u>	<u>(21,527)</u>	<u>1,253</u>
Total other financing sources (uses)	<u>(22,087)</u>	<u>(22,780)</u>	<u>(21,527)</u>	<u>1,253</u>
Net change in fund balances	-	-	(851)	(851)
Fund balances - beginning	<u>1,045</u>	<u>1,045</u>	<u>1,045</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 1,045</u></u>	<u><u>\$ 1,045</u></u>	<u><u>\$ 194</u></u>	<u><u>\$ (851)</u></u>

County of Fresno
Budgetary Comparison Schedule
District Attorney
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Fines, forfeitures, and penalties	\$ 45	\$ 45	\$ 1,655	\$ 1,610
Use of money and property	-	-	123	123
Intergovernmental revenues	2,005	1,988	2,062	74
Charges for current services	1,438	1,438	1,094	(344)
Other revenues	800	800	799	(1)
Total revenues	<u>4,288</u>	<u>4,271</u>	<u>5,733</u>	<u>1,462</u>
Expenditures				
Public protection	-	-	220	(220)
Total expenditures	<u>-</u>	<u>-</u>	<u>220</u>	<u>(220)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,288</u>	<u>4,271</u>	<u>5,513</u>	<u>1,242</u>
Other Financing Sources (Uses)				
Transfers out	<u>(4,881)</u>	<u>(5,051)</u>	<u>(3,991)</u>	<u>1,060</u>
Total other financing sources (uses)	<u>(4,881)</u>	<u>(5,051)</u>	<u>(3,991)</u>	<u>1,060</u>
Net change in fund balances	(593)	(780)	1,522	2,302
Fund balances - beginning	<u>5,331</u>	<u>5,331</u>	<u>5,331</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 4,738</u></u>	<u><u>\$ 4,551</u></u>	<u><u>\$ 6,853</u></u>	<u><u>\$ 2,302</u></u>

County of Fresno
Budgetary Comparison Schedule
Probation
For the Fiscal Year Ended June 30, 2016
(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	\$ 1	\$ 27	\$ 26
Intergovernmental revenues	470	470	599	129
Other revenues	<u>169</u>	<u>169</u>	<u>112</u>	<u>(57)</u>
Total revenues	<u>640</u>	<u>640</u>	<u>738</u>	<u>98</u>
Excess (deficiency) of revenues over (under) expenditures	<u>640</u>	<u>640</u>	<u>738</u>	<u>98</u>
Other Financing Sources (Uses)				
Transfers out	<u>(346)</u>	<u>(346)</u>	<u>(77)</u>	<u>269</u>
Total other financing sources (uses)	<u>(346)</u>	<u>(346)</u>	<u>(77)</u>	<u>269</u>
Net change in fund balances	294	294	661	367
Fund balances - beginning	<u>632</u>	<u>632</u>	<u>632</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 926</u></u>	<u><u>\$ 926</u></u>	<u><u>\$ 1,293</u></u>	<u><u>\$ 367</u></u>

County of Fresno
Budgetary Comparison Schedule
Public Health
For the Fiscal Year Ended June 30, 2016
(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	\$ 2	\$ 2	\$ -	\$ (2)
Fines forfeitures, and penalties	40	40	47	7
Use of money and property	41	41	100	59
Intergovernmental revenues	1,600	1,600	2,189	589
Charges for current services	882	882	804	(78)
Other revenues	739	739	184	(555)
Total revenues	<u>3,304</u>	<u>3,304</u>	<u>3,324</u>	<u>20</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,304</u>	<u>3,304</u>	<u>3,324</u>	<u>20</u>
Other Financing Sources (Uses)				
Transfers in	-	-	2	2
Transfers out	<u>(2,919)</u>	<u>(3,365)</u>	<u>(1,985)</u>	<u>1,380</u>
Total other financing sources (uses)	<u>(2,919)</u>	<u>(3,365)</u>	<u>(1,983)</u>	<u>1,382</u>
Net change in fund balances	385	(61)	1,341	1,402
Fund balances - beginning	<u>3,958</u>	<u>3,958</u>	<u>3,958</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 4,343</u></u>	<u><u>\$ 3,897</u></u>	<u><u>\$ 5,299</u></u>	<u><u>\$ 1,402</u></u>

County of Fresno
Budgetary Comparison Schedule
Public Works
For the Fiscal Year Ended June 30, 2016
(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	\$ -	\$ -	\$ 9,513	\$ 9,513
Fines, forfeitures and penalties	50	50	4	(46)
Use of money and property	5	5	40	35
Intergovernmental revenues	-	12	12	-
Charges for current services	-	-	115	115
Other revenues	3	36	4	(32)
Total revenues	<u>58</u>	<u>103</u>	<u>9,688</u>	<u>9,585</u>
Expenditures				
Public ways and facilities	<u>-</u>	<u>-</u>	<u>688</u>	<u>(688)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>688</u>	<u>(688)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>58</u>	<u>103</u>	<u>9,000</u>	<u>8,897</u>
Other Financing Sources (Uses)				
Transfers out	<u>(144)</u>	<u>(691)</u>	<u>(8,956)</u>	<u>(8,265)</u>
Total other financing sources (uses)	<u>(144)</u>	<u>(691)</u>	<u>(8,956)</u>	<u>(8,265)</u>
Net change in fund balances	(86)	(588)	44	632
Fund balances - beginning	2,497	2,497	2,497	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>331</u>	<u>331</u>
Fund balances - ending	<u>\$ 2,411</u>	<u>\$ 1,909</u>	<u>\$ 2,872</u>	<u>\$ 963</u>

County of Fresno
Budgetary Comparison Schedule
Public Works - CDBG
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Fines, forfeitures and penalties	\$ 500	\$ 1,175	\$ 1,331	\$ 156
Use of money and property	-	-	47	47
Other revenues	<u>415</u>	<u>415</u>	<u>-</u>	<u>(415)</u>
Total revenues	<u>915</u>	<u>1,590</u>	<u>1,378</u>	<u>(212)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>915</u>	<u>1,590</u>	<u>1,378</u>	<u>(212)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(933)</u>	<u>(1,608)</u>	<u>(1,119)</u>	<u>489</u>
Total other financing sources (uses)	<u>(933)</u>	<u>(1,608)</u>	<u>(1,119)</u>	<u>489</u>
Net change in fund balances	(18)	(18)	259	277
Fund balances - beginning	<u>2,075</u>	<u>2,075</u>	<u>2,075</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 2,057</u></u>	<u><u>\$ 2,057</u></u>	<u><u>\$ 2,334</u></u>	<u><u>\$ 277</u></u>

County of Fresno
Budgetary Comparison Schedule
Public Works - Community Facilities District
For the Fiscal Year Ended June 30, 2016
(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	\$ -	\$ -	\$ 72	\$ 72
Use of money and property	-	-	133	133
Total revenues	<u>-</u>	<u>-</u>	<u>205</u>	<u>205</u>
Expenditures				
Public Ways and Facilities	-	-	30	(30)
Total expenditures	<u>-</u>	<u>-</u>	<u>30</u>	<u>(30)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>175</u>	<u>175</u>
Net change in fund balances	-	-	175	175
Fund balances - beginning	<u>6,779</u>	<u>6,779</u>	<u>6,779</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 6,779</u></u>	<u><u>\$ 6,779</u></u>	<u><u>\$ 6,954</u></u>	<u><u>\$ 175</u></u>

County of Fresno
Budgetary Comparison Schedule
Public Works - Public Facilities Fees
For the Fiscal Year Ended June 30, 2016
(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
Total revenues	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>177</u>	<u>177</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>177</u>	<u>177</u>
Net change in fund balances	-	-	259	259
Fund balances - beginning	<u>4,067</u>	<u>4,067</u>	<u>4,067</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 4,067</u></u>	<u><u>\$ 4,067</u></u>	<u><u>\$ 4,326</u></u>	<u><u>\$ 259</u></u>

County of Fresno
Budgetary Comparison Schedule
Sheriff-Coroner
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 440	\$ 440
Use of money and property	-	-	140	140
Intergovernmental revenues	235	235	371	136
Charges for current services	677	677	418	(259)
Other revenues	-	-	14	14
Total revenues	<u>912</u>	<u>912</u>	<u>1,383</u>	<u>471</u>
Excess (deficiency) of revenues over (under) expenditures	<u>912</u>	<u>912</u>	<u>1,383</u>	<u>471</u>
Other Financing Sources (Uses)				
Transfers in	-	-	4	4
Transfers out	<u>(1,018)</u>	<u>(4,115)</u>	<u>(1,087)</u>	<u>3,028</u>
Total other financing sources (uses)	<u>(1,018)</u>	<u>(4,115)</u>	<u>(1,083)</u>	<u>3,032</u>
Net change in fund balances	(106)	(3,203)	300	3,503
Fund balances - beginning	<u>7,026</u>	<u>7,026</u>	<u>7,026</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 6,920</u></u>	<u><u>\$ 3,823</u></u>	<u><u>\$ 7,326</u></u>	<u><u>\$ 3,503</u></u>

County of Fresno
Budgetary Comparison Schedule
Sheriff - Inmate Welfare
For the Fiscal Year Ended June 30, 2016
(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	\$ -	\$ -	\$ 117	\$ 117
Charges for current services	<u>2,525</u>	<u>2,525</u>	<u>3,154</u>	<u>629</u>
Total revenues	<u>2,525</u>	<u>2,525</u>	<u>3,271</u>	<u>746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,525</u>	<u>2,525</u>	<u>3,271</u>	<u>746</u>
Other Financing Sources (Uses)				-
Transfers out	<u>(2,525)</u>	<u>(2,525)</u>	<u>(2,159)</u>	<u>366</u>
Total other financing sources (uses)	<u>(2,525)</u>	<u>(2,525)</u>	<u>(2,159)</u>	<u>366</u>
Net change in fund balances	-	-	1,112	1,112
Fund balances - beginning	<u>5,236</u>	<u>5,236</u>	<u>5,236</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 5,236</u></u>	<u><u>\$ 5,236</u></u>	<u><u>\$ 6,348</u></u>	<u><u>\$ 1,112</u></u>

County of Fresno
Budgetary Comparison Schedule
County Free Library
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Taxes	\$ 25,486	\$ 25,486	\$ 25,825	\$ 339
Use of money and property	103	103	349	246
Intergovernmental revenues	169	169	210	41
Charges for current services	1,662	1,662	1,644	(18)
Other revenues	145	145	235	90
Total revenues	<u>27,565</u>	<u>27,565</u>	<u>28,263</u>	<u>698</u>
Expenditures				
Education	29,578	32,801	25,149	7,652
Capital Outlay	2,750	2,750	2,451	299
Total expenditures	<u>32,328</u>	<u>35,551</u>	<u>27,600</u>	<u>7,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,763)</u>	<u>(7,986)</u>	<u>663</u>	<u>8,649</u>
Other Financing Sources (Uses)				
Transfers in	135	135	135	-
Transfers out	(50)	(1,890)	(2,792)	(902)
Total other financing sources (uses)	<u>85</u>	<u>(1,755)</u>	<u>(2,657)</u>	<u>(902)</u>
Net change in fund balances	(4,678)	(9,741)	(1,994)	7,747
Fund balances - beginning	<u>19,741</u>	<u>19,741</u>	<u>19,741</u>	<u>\$ -</u>
Fund balances - ending	<u><u>\$ 15,063</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 17,747</u></u>	<u><u>\$ 7,747</u></u>

County of Fresno
Budgetary Comparison Schedule
Fish and Game
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Fines, forfeitures, and penalties	\$ 3	\$ 3	\$ 3	\$ -
Total revenues	<u> 3</u>	<u> 3</u>	<u> 3</u>	<u> -</u>
Expenditures				
Culture and Recreation	<u> 8</u>	<u> 8</u>	<u> 7</u>	<u> 1</u>
Total expenditures	<u> 8</u>	<u> 8</u>	<u> 7</u>	<u> 1</u>
Excess (deficiency) of revenues over (under) expenditures	<u> (5)</u>	<u> (5)</u>	<u> (4)</u>	<u> 1</u>
Net change in fund balances	(5)	(5)	(4)	1
Fund balances - beginning	<u> 19</u>	<u> 19</u>	<u> 19</u>	<u> -</u>
Fund balances - ending	<u><u> 14</u></u>	<u><u> 14</u></u>	<u><u> 15</u></u>	<u><u> 1</u></u>

County of Fresno
Budgetary Comparison Schedule
Off-Highway License
For the Fiscal Year Ended June 30, 2016
(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	\$ 1	\$ 2	\$ 1
Intergovernmental revenues	11	9	9	-
Other Revenues	<u>-</u>	<u>15</u>	<u>18</u>	<u>3</u>
Total revenues	<u>12</u>	<u>25</u>	<u>29</u>	<u>4</u>
Expenditures				
Public ways and facilities:	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>
Total expenditures	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8</u>	<u>21</u>	<u>29</u>	<u>8</u>
Net change in fund balances	8	21	29	8
Fund balances - beginning	<u>56</u>	<u>56</u>	<u>56</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 64</u></u>	<u><u>\$ 77</u></u>	<u><u>\$ 85</u></u>	<u><u>\$ 8</u></u>

County of Fresno
Budgetary Comparison Schedule
Emergency Medical Services
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Fines, forfeitures, and penalties	\$ 1,258	\$ 1,258	\$ 944	\$ (314)
Use of money and property	<u>51</u>	<u>51</u>	<u>45</u>	<u>(6)</u>
Total revenues	<u>1,309</u>	<u>1,309</u>	<u>989</u>	<u>(320)</u>
Expenditures				
Health, sanitation, and public assistance:	<u>1,634</u>	<u>1,634</u>	<u>841</u>	<u>793.20</u>
Total expenditures	<u>1,634</u>	<u>1,634</u>	<u>841</u>	<u>793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(325)</u>	<u>(325)</u>	<u>148</u>	<u>473</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>(321)</u>	<u>(321)</u>	<u>(156)</u>	<u>165</u>
Total other financing sources (uses)	<u>(321)</u>	<u>(321)</u>	<u>(156)</u>	<u>165</u>
Net change in fund balances	(646)	(646)	(8)	638
Fund balances - beginning	<u>1,860</u>	<u>1,860</u>	<u>1,860</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 1,214</u></u>	<u><u>\$ 1,214</u></u>	<u><u>\$ 1,852</u></u>	<u><u>\$ 638</u></u>

County of Fresno
Budgetary Comparison Schedule
Community Corrections Performance Incentive
For the Fiscal Year Ended June 30, 2016
(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	\$ -	\$ -	\$ 73	\$ 73
Intergovernmental revenues	<u>3,300</u>	<u>3,300</u>	<u>3,698</u>	<u>398</u>
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>3,771</u>	<u>471</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,300</u>	<u>3,300</u>	<u>3,771</u>	<u>471</u>
Other Financing Sources (Uses)				
Transfers out	<u>(3,481)</u>	<u>(4,249)</u>	<u>(3,267)</u>	<u>982</u>
Total other financing sources (uses)	<u>(3,481)</u>	<u>(4,249)</u>	<u>(3,267)</u>	<u>982</u>
Net change in fund balances	(181)	(949)	504	1,453
Fund balances - beginning	<u>2,847</u>	<u>2,847</u>	<u>2,847</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 2,666</u></u>	<u><u>\$ 1,898</u></u>	<u><u>\$ 3,351</u></u>	<u><u>\$ 1,453</u></u>

County of Fresno
Budgetary Comparison Schedule
County Service Areas, Other
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 42	\$ 42	\$ 50	\$ 8
Use of money and property	67	67	155	88
Charges for current services	1,572	1,572	1,580	8
Other revenues	<u>7</u>	<u>7</u>	<u>4</u>	<u>(3)</u>
Total revenues	<u>1,688</u>	<u>1,688</u>	<u>1,789</u>	<u>101</u>
Expenditures				
Public Protection	<u>1,842</u>	<u>1,842</u>	<u>903</u>	<u>939</u>
Total expenditures	<u>1,842</u>	<u>1,842</u>	<u>903</u>	<u>939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154)</u>	<u>(154)</u>	<u>886</u>	<u>1,040</u>
Net change in fund balances	(154)	(154)	886	1,040
Fund balances - beginning	<u>6,825</u>	<u>6,825</u>	<u>6,825</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 6,671</u></u>	<u><u>\$ 6,671</u></u>	<u><u>\$ 7,711</u></u>	<u><u>\$ 1,040</u></u>

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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.

County of Fresno
Combining Statement of Net Position
Internal Service Funds
June 30, 2016
(amounts expressed in thousands)

	Fleet Services	Information Technology Services	Graphic Communications Services	Facility Services
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 12,863	\$ 4,847	\$ 362	\$ 2,963
Accounts receivable (net of allowance)	35	59	-	1
Interest receivable	43	15	2	7
Due from other funds	1,000	2,629	-	3,326
Due from other governmental units	-	-	-	10
Inventory of supplies	654	6	8	298
Total current assets	14,595	7,556	372	6,605
Noncurrent assets:				
Accounts receivable	-	-	-	-
Nondepreciable:				
Construction in progress	-	-	-	1,583
Depreciable:				
Buildings and improvements	569	2,498	257	5,706
Equipment	45,884	11,315	220	133
Less accumulated depreciation	(29,012)	(9,387)	(209)	(253)
Intangible	110	10,877	-	-
Less accumulated amortization	(110)	(10,700)	-	-
Total noncurrent assets	17,441	4,603	268	7,169
Total assets	32,036	12,159	640	13,774
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	934	4,780	338	2,324
Total deferred outflows of resources	934	4,780	338	2,324
LIABILITIES				
Current liabilities:				
Accounts payable	865	1,007	124	4,904
Salaries and benefits payable	101	501	12	237
Due to other funds	81	109	-	153
Due to other governmental units	-	-	-	-
Liability for self-insurance	-	-	-	-
Unearned revenue	-	4	-	-
Deposits and other liabilities	-	-	-	-
Compensated leave and absences	81	428	38	193
Capital lease obligations	-	1,568	23	-
Total current liabilities	1,128	3,617	197	5,487
Noncurrent liabilities:				
Liability for self-insurance	-	-	-	-
Compensated leave and absences	86	674	6	202
Capital lease obligations	-	1,865	57	-
Net pension liability	4,242	21,714	1,536	10,555
Total noncurrent liabilities	4,328	24,253	1,599	10,757
Total liabilities	5,456	27,870	1,796	16,244
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	1,233	6,311	446	3,067
Total deferred inflows of resources	1,233	6,311	446	3,067
NET POSITION				
Net investment in capital assets	17,441	1,170	188	7,169
Unrestricted	8,840	(18,412)	(1,452)	(10,382)
Total net position	\$ 26,281	\$ (17,242)	\$ (1,264)	\$ (3,213)

County of Fresno
Combining Statement of Net Position
Internal Service Funds
June 30, 2016
(amounts expressed in thousands)

Security Services	Risk Management	Communications	PeopleSoft Operations	Total	
					ASSETS
					Current assets:
\$ 1,664	100,596	\$ 2,906	866	\$ 127,067	Cash and cash equivalents
25	452	-	18	590	Accounts receivable (net of allowance)
6	340	9	3	425	Interest receivable
341	1	-	238	7,535	Due from other funds
14	3,493	-	-	3,517	Due from other governmental units
-	4	-	-	970	Inventory of supplies
<u>2,050</u>	<u>104,886</u>	<u>2,915</u>	<u>1,125</u>	<u>140,104</u>	Total current assets
					Noncurrent assets:
-	349	-	-	349	Accounts receivables
					Nondepreciable:
-	-	-	-	1,583	Construction in progress
					Depreciable
-	-	-	-	9,030	Buildings and improvements
168	11	8,206	-	65,937	Equipment
(25)	(8)	(5,517)	-	(44,411)	Less accumulated depreciation
-	-	-	9,576	20,563	Intangible
-	-	-	(9,576)	(20,386)	Less accumulated amortization
<u>143</u>	<u>352</u>	<u>2,689</u>	<u>-</u>	<u>32,665</u>	Total noncurrent assets
<u>2,193</u>	<u>105,238</u>	<u>5,604</u>	<u>1,125</u>	<u>172,769</u>	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
1,127	999	248	63	10,813	Deferred pensions
<u>1,127</u>	<u>999</u>	<u>248</u>	<u>63</u>	<u>10,813</u>	Total deferred outflows of resources
					LIABILITIES
					Current liabilities:
45	2,596	2	270	9,813	Accounts payable
140	98	-	6	1,095	Salaries and benefits payable
58	488	-	76	965	Due to other funds
27	2,930	-	-	2,957	Due to other governmental units
-	8,556	-	-	8,556	Liability for self-insurance
-	-	-	-	4	Unearned revenue
-	441	-	-	441	Deposits and other liabilities
104	80	6	5	935	Compensated leave and absences
-	2	237	-	1,830	Capital lease obligations
<u>374</u>	<u>15,191</u>	<u>245</u>	<u>357</u>	<u>26,596</u>	Total current liabilities
					Noncurrent liabilities:
-	71,680	-	-	71,680	Liability for self-insurance
223	97	18	20	1,326	Compensated leave and absences
-	2	147	-	2,071	Capital lease obligations
<u>5,120</u>	<u>4,540</u>	<u>1,128</u>	<u>284</u>	<u>49,119</u>	Net pension liability
<u>5,343</u>	<u>76,319</u>	<u>1,293</u>	<u>304</u>	<u>124,196</u>	Total noncurrent liabilities
<u>5,717</u>	<u>91,510</u>	<u>1,538</u>	<u>661</u>	<u>150,792</u>	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
1,488	1,319	328	83	14,275	Deferred pensions
<u>1,488</u>	<u>1,319</u>	<u>328</u>	<u>83</u>	<u>14,275</u>	Total deferred inflows of resources
					NET POSITION
143	(1)	2,305	-	28,415	Net investment in capital assets
(4,028)	13,409	1,681	444	(9,900)	Unrestricted
<u>\$ (3,885)</u>	<u>13,408</u>	<u>\$ 3,986</u>	<u>444</u>	<u>\$ 18,515</u>	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, 2016
(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	\$ 11,420	\$ 28,862	\$ 2,541	\$ 27,149
Other operating revenues	111	368	712	1,434
Total operating revenues	<u>11,531</u>	<u>29,230</u>	<u>3,253</u>	<u>28,583</u>
Operating expenses:				
Salaries and benefits	2,843	14,250	1,057	7,744
Insurance	14	70	77	391
Professional services	141	830	458	2,213
Special departmental	2,997	6,166	-	85
General and administrative	962	3,012	132	1,394
Repairs and maintenance	1,183	521	110	3,497
Rents and leases	111	2,440	18	3
Parts and supplies	583	668	1,366	22
Utilities	64	280	23	10,469
Depreciation	3,520	1,961	31	153
Total operating expenses	<u>12,418</u>	<u>30,198</u>	<u>3,272</u>	<u>25,971</u>
Operating income (loss)	<u>(887)</u>	<u>(968)</u>	<u>(19)</u>	<u>2,612</u>
Non-operating revenues (expenses):				
Gain (loss) on sale of equipment	(71)	12	-	-
Insurance recoveries	-	-	-	-
Use of money and property	241	82	6	27
Total non-operating revenues (expenses)	<u>170</u>	<u>94</u>	<u>6</u>	<u>27</u>
Net income (loss) before transfers	<u>(717)</u>	<u>(874)</u>	<u>(13)</u>	<u>2,639</u>
Transfers in (out):				
Transfers in	2,653	-	-	4,217
Transfers out	(160)	(794)	(60)	(1,746)
Total transfers in (out)	<u>2,493</u>	<u>(794)</u>	<u>(60)</u>	<u>2,471</u>
Change in net position	<u>1,776</u>	<u>(1,668)</u>	<u>(73)</u>	<u>5,110</u>
Net position - beginning	24,490	(15,530)	(1,191)	(8,908)
Prior year adjustment	15	(44)	-	585
Net position - ending	<u>\$ 26,281</u>	<u>\$ (17,242)</u>	<u>\$ (1,264)</u>	<u>\$ (3,213)</u>

County of Fresno
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

Security Services	Risk Management	Communications	PeopleSoft Operations	Total	
\$ 4,910	\$ 99,861	\$ 1,389	\$ 2,576	\$ 178,708	Operating revenues:
226	47	3	-	2,901	Charges for services
5,136	99,908	1,392	2,576	181,609	Other operating revenues
					Total operating revenues
					Operating expenses:
4,161	2,984	420	184	33,643	Salaries and benefits
20	85,286	4	3	85,865	Insurance
322	2,040	64	1,440	7,508	Professional services
19	17	-	1,382	10,666	Special departmental
457	527	66	33	6,583	General and administrative
352	80	88	-	5,831	Repairs and maintenance
220	1	722	-	3,515	Rents and leases
94	-	30	-	2,763	Parts and supplies
18	40	27	-	10,921	Utilities
2	1	607	-	6,275	Depreciation
5,665	90,976	2,028	3,042	173,570	Total operating expenses
(529)	8,932	(636)	(466)	8,039	Operating income (loss)
					Non-operating revenues (expenses):
-	-	-	-	(59)	Gain (loss) on sale of equipment
-	2,461	-	-	2,461	Insurance recoveries
32	1,858	55	19	2,320	Use of money and property
32	4,319	55	19	4,722	Total non-operating revenues (expenses)
(497)	13,251	(581)	(447)	12,761	Net income (loss) before transfers
					Transfers in (out):
44	-	89	190	7,193	Transfers in
(236)	(169)	(113)	(10)	(3,288)	Transfers out
(192)	(169)	(24)	180	3,905	Total transfers in (out)
(689)	13,082	(605)	(267)	16,666	Change in net position
(3,196)	326	4,591	711	1,293	Net position - beginning
-	-	-	-	556	Prior year adjustment
\$ (3,885)	\$ 13,408	\$ 3,986	\$ 444	\$ 18,515	Net position - ending

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016
(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	\$ 11,695	\$ 28,355	\$ 3,447	\$ 28,564
Cash paid to suppliers	(5,979)	(13,797)	(2,363)	(17,000)
Cash paid to employees	(2,582)	(12,906)	(1,005)	(7,145)
Cash paid for claims	-	-	-	-
Net cash provided by (used in) operating activities	3,134	1,652	79	4,419
Cash flows from non-capital financing activities:				
Transfers from other funds	2,653	-	-	4,217
Transfers to other funds	(160)	(794)	(60)	(1,746)
Net cash provided by (used in) non-capital financing activities	2,493	(794)	(60)	2,471
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(4,771)	-	(20)	(5,130)
Insurance Recoveries	-	-	-	-
Principal paid on long-term liabilities	-	(1,835)	-	-
Net cash used in capital and related financing activities	(4,771)	(1,835)	(20)	(5,130)
Cash flows from investing activities:				
Use of money and property received	241	102	6	27
Net cash provided by (used in) investing activities	241	102	6	27
Net increase (decrease) in cash and cash equivalents	1,097	(875)	5	1,787
Cash and cash equivalents, beginning of year	11,751	5,722	357	1,176
Prior period adjustment	15	-	-	-
Cash and cash equivalents, end of year	<u>\$ 12,863</u>	<u>\$ 4,847</u>	<u>\$ 362</u>	<u>\$ 2,963</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	\$ 12,863	\$ 4,847	\$ 362	\$ 2,963
Total	<u>\$ 12,863</u>	<u>\$ 4,847</u>	<u>\$ 362</u>	<u>\$ 2,963</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016
(amounts expressed in thousands)

Page 2 of 4

Security Services	Risk Management	Communications	PeopleSoft Operations	Total
\$ 5,071	\$ 101,686	\$ 1,533	2,522	\$ 182,873
(1,493)	(84,424)	(1,122)	(2,890)	(129,068)
(3,822)	(2,751)	(402)	(170)	(30,783)
-	(15,175)	-	-	(15,175)
(244)	(664)	9	(538)	7,847
44	-	89	190	7,193
(236)	(169)	(113)	(10)	(3,288)
(192)	(169)	(24)	180	3,905
(37)	(1)	-	-	(9,959)
-	2,461	-	-	2,461
-	-	(298)	-	(2,133)
(37)	2,460	(298)	-	(9,631)
32	1,858	55	19	2,340
32	1,858	55	19	2,340
(441)	3,485	(258)	(339)	4,461
2,105	97,111	3,164	1,205	122,591
-	-	-	-	15
\$ 1,664	\$ 100,596	\$ 2,906	866	\$ 127,067
\$ 1,664	\$ 100,596	\$ 2,906	866	\$ 127,067

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
Insurance Recoveries
Principal paid on long-term liabilities
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, 2016
(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)	\$ (887)	\$ (968)	\$ (19)	\$ 2,612
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Pension expense	314	1,607	113	780
Depreciation expense	3,520	1,961	31	153
Decrease (increase) in accounts receivable	6	98	16	40
Decrease (increase) in due from other funds	158	(974)	178	(53)
Decrease (increase) in due from other governmental units	-	-	-	(10)
Decrease (increase) in inventory of supplies	26	(5)	(4)	4
(Decrease) increase in accounts payable	48	233	(144)	1,078
(Decrease) increase in salaries and benefits payable	(53)	(263)	(62)	(180)
(Decrease) increase in due to other funds	2	(37)	(30)	(5)
(Decrease) increase in due to other governmental units	-	-	-	-
(Decrease) increase in liability for self-insurance	-	-	-	-
Total adjustments	<u>4,021</u>	<u>2,620</u>	<u>98</u>	<u>1,807</u>
Net cash provided by (used in) operating activities	<u><u>\$ 3,134</u></u>	<u><u>\$ 1,652</u></u>	<u><u>\$ 79</u></u>	<u><u>\$ 4,419</u></u>
Noncash investing, capital, and financing activities:				
Borrowing under capital lease	<u><u>\$ -</u></u>	<u><u>\$ 673</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016
(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>
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**Reconciliation of operating income (loss) to net cash
provided by (used in) operating activities:**

\$	(529)	\$	8,932	\$	(636)	\$	(466)	\$	8,039
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Operating income (loss)

**Adjustments to reconcile operating income (loss) to
net cash provided by (used in) operating activities:**

379	336	84	21	3,634
2	1	607	-	6,275
(1)	302	43	(13)	491
(70)	3	98	(41)	(701)
6	1,472	-	-	1,468
-	-	-	-	21
(19)	(740)	(87)	13	382
(40)	(102)	(68)	(7)	(775)
-	301	(32)	(45)	154
28	(5,599)	-	-	(5,571)
-	(5,570)	-	-	(5,570)
<u>285</u>	<u>(9,596)</u>	<u>645</u>	<u>(72)</u>	<u>(192)</u>

Pension expense
Depreciation expense
Decrease (increase) in accounts receivable
Decrease (increase) in due from other funds
Decrease (increase) in due from other governmental units
Decrease (increase) in inventory of supplies
(Decrease) increase in accounts payable
(Decrease) increase in salaries and benefits payable
(Decrease) increase in due to other funds
(Decrease) increase in due to other governmental units
(Decrease) increase in liability for self-insurance
Total adjustments

<u>\$</u>	<u>(244)</u>	<u>\$</u>	<u>(664)</u>	<u>\$</u>	<u>9</u>	<u>\$</u>	<u>(538)</u>	<u>\$</u>	<u>7,847</u>
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Net cash provided by (used in) operating activities

Noncash investing, capital, and financing
activities:

<u>\$</u>	<u>-</u>	<u>\$</u>	<u>7</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>680</u>
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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, 2016
(amounts expressed in thousands)

	July 01, 2015	Additions	Deductions	June 30, 2016
Property Tax Collection				
Assets:				
Cash	\$ 66,567	\$ 963,977	\$ 968,428	\$ 62,116
Taxes receivable	-	1,606	-	1,606
Interest Receivable	536	517	-	1,053
Total assets	<u>\$ 67,103</u>	<u>\$ 966,100</u>	<u>\$ 968,428</u>	<u>\$ 64,775</u>
Liabilities:				
Due to other taxing units	\$ 67,103	\$ 966,100	\$ 968,428	\$ 64,775
Total liabilities	<u>\$ 67,103</u>	<u>\$ 966,100</u>	<u>\$ 968,428</u>	<u>\$ 64,775</u>
Public Administrator-Guardian				
Assets:				
Cash	\$ 13,126	\$ 23,486	\$ 16,868	\$ 19,744
Property held for others	8,517	381	886	8,012
Total assets	<u>\$ 21,643</u>	<u>\$ 23,867</u>	<u>\$ 17,754</u>	<u>\$ 27,756</u>
Liabilities:				
Fiduciary liability	\$ 21,643	\$ 23,867	\$ 17,754	\$ 27,756
Total liabilities	<u>\$ 21,643</u>	<u>\$ 23,867</u>	<u>\$ 17,754</u>	<u>\$ 27,756</u>
San Joaquin Valley Insurance Authority				
Assets:				
Cash and investments	\$ 4,736	\$ 149,267	\$ 153,788	\$ 215
Accounts receivable	1,603	179	532	1,250
Total assets	<u>\$ 6,339</u>	<u>\$ 149,446</u>	<u>\$ 154,320</u>	<u>\$ 1,465</u>
Liabilities:				
Due to other governmental units	\$ 6,339	\$ 149,446	\$ 154,320	\$ 1,465
Total liabilities	<u>\$ 6,339</u>	<u>\$ 149,446</u>	<u>\$ 154,320</u>	<u>\$ 1,465</u>
Other Agency Funds				
Assets:				
Cash	\$ 21,466	\$ 2,428,475	\$ 2,428,779	\$ 21,279
Accounts receivable	61,875	-	47,466	14,409
Due from other governmental units	2,745	31,053	-	33,798
Total assets	<u>\$ 86,086</u>	<u>\$ 2,459,528</u>	<u>\$ 2,476,245</u>	<u>\$ 69,486</u>
Liabilities:				
Accounts payable	\$ 27,645	\$ -	\$ 16,455	\$ 11,190
Due to other governmental units	40,238	-	40,238	-
Fiduciary liability	18,203	2,459,528	2,419,552	58,296
Total liabilities	<u>\$ 86,086</u>	<u>\$ 2,459,528</u>	<u>\$ 2,476,245</u>	<u>\$ 69,486</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 105,895	\$ 3,565,205	\$ 3,567,863	\$ 103,354
Accounts receivable	63,478	179	47,998	15,659
Interest receivable	536	517	-	1,053
Taxes receivable	-	1,606	-	1,606
Due from other governmental agencies	2,745	31,053	-	33,798
Property held for others	8,517	381	886	8,012
Total assets	<u>\$ 181,171</u>	<u>\$ 3,598,941</u>	<u>\$ 3,616,747</u>	<u>\$ 163,482</u>
Liabilities:				
Accounts payable	\$ 27,645	\$ -	\$ 16,455	\$ 11,190
Due to other taxing units	67,103	966,100	968,428	64,775
Due to other governmental units	46,577	149,446	194,558	1,465
Fiduciary liability	39,846	2,483,395	2,437,306	86,052
Total liabilities	<u>\$ 181,171</u>	<u>\$ 3,598,941</u>	<u>\$ 3,616,747</u>	<u>\$ 163,482</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:

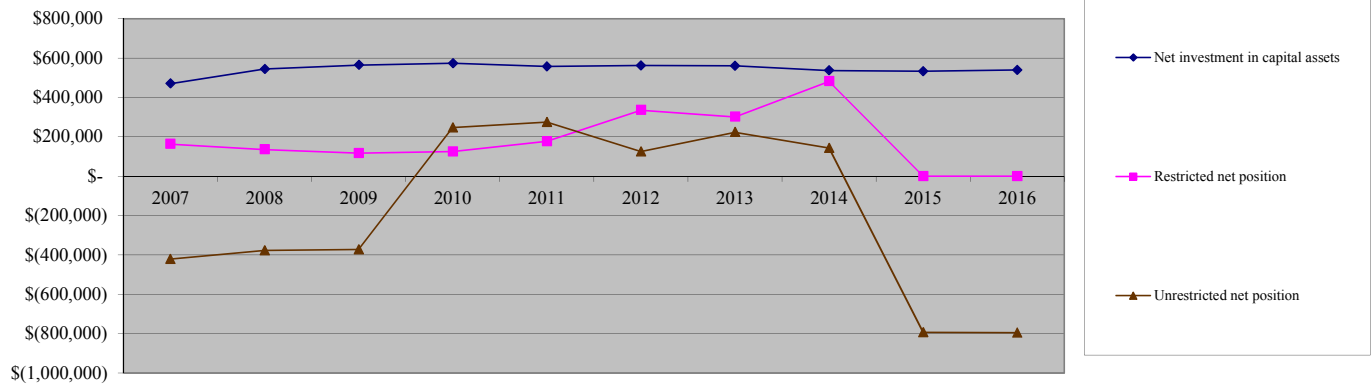
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

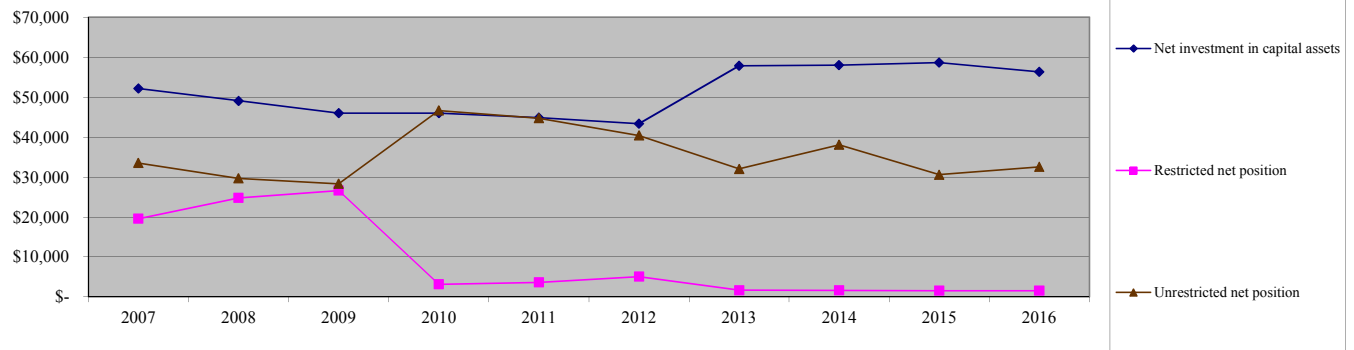
	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 470,668	\$ 544,635	\$ 565,196	\$ 573,855	\$ 557,748	\$ 562,279	\$ 560,544	\$ 537,359	\$ 533,674	539,314
Restricted net position	163,426	135,904	117,491	124,661	177,153	335,573	301,425	482,088	-	-
Unrestricted net position	(420,615)	(376,525)	(371,904)	247,181	275,332	124,904	223,627	142,637	(793,620)	(795,311)
Total governmental activities net position	213,479	304,014	310,783	945,697	1,010,233	1,022,756	1,085,596	1,162,084	(259,946)	(255,997)
Business-type activities										
Net investment in capital assets	52,174	49,087	45,982	46,012	44,875	43,336	57,836	58,001	58,661	56,353
Restricted net position	19,564	24,762	26,634	3,189	3,654	5,090	1,690	1,646	1,588	1,588
Unrestricted net position	33,500	29,643	28,297	46,659	44,735	40,392	32,032	38,104	30,583	32,533
Total business-type activities net position	105,238	103,492	100,913	95,860	93,264	88,818	91,558	97,751	90,832	90,474
Primary government										
Net investment in capital assets	522,842	593,722	611,178	619,867	602,623	605,615	618,380	595,360	592,335	595,667
Restricted net position	182,990	160,666	144,125	127,850	180,807	340,663	303,115	483,734	1,588	1,588
Unrestricted net position	(387,115)	(346,882)	(343,607)	293,840	320,067	165,296	255,659	180,741	(763,037)	(762,778)
Total primary government net position	\$ 318,717	\$ 407,506	\$ 411,696	\$ 1,041,557	\$ 1,103,497	\$ 1,111,574	\$ 1,177,154	\$ 1,259,835	\$ (169,114)	\$ (165,523)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 37,867	\$ 35,320	\$ 23,634	\$ 24,092	\$ 21,579	\$ 22,628	\$ 18,258	\$ 15,712	\$ 22,475	31,721
Public protection	86,430	86,146	70,834	62,780	65,412	40,711	38,244	31,486	26,476	23,462
Public ways and facilities	5,812	8,392	15,662	11,928	14,216	12,822	10,782	8,121	2,227	6,903
Health, sanitation and public assistance	68,672	59,210	47,055	27,269	28,350	33,090	16,032	22,045	20,771	16,329
Education	2,003	2,549	3,311	3,369	3,318	3,388	3,378	2,574	1,808	1,879
Culture and recreation	984	978	1,094	1,281	1,421	1,496	1,353	899	1,023	771
Operating grants and contributions	507,032	573,377	566,158	1,085,032	786,733	715,246	690,028	770,108	812,333	622,116
Capital grants and contributions	7,412	14,485	4,560	13,536	10,353	3,069	187	-	-	-
Subtotal Governmental activities program revenues	716,212	780,457	732,308	1,229,287	931,382	832,450	778,262	850,945	887,113	703,181
Business-type activities:										
Charges for services										
Water and sewer	2,092	2,792	2,506	2,483	3,033	2,695	3,456	3,478	4,001	3,980
Landfill	11,701	11,371	8,230	8,592	10,097	9,054	9,861	13,814	16,379	15,337
Operating grants and contributions	-	-	-	-	-	-	-	625	494	304
Capital grants and contributions	-	-	-	-	-	-	-	-	-	509
Subtotal Business-type activities program revenues	13,793	14,163	10,736	11,075	13,130	11,749	13,317	17,917	20,874	20,130
Total primary government program revenues	730,005	794,620	743,044	1,240,362	944,512	844,199	791,579	868,862	907,987	723,311
General Revenues										
Governmental activities:										
Taxes										
Property taxes	199,715	220,356	213,721	187,682	203,317	196,145	209,419	216,038	232,374	233,408
Sales taxes	187,397	177,384	158,943	96,956	103,174	140,232	154,998	161,119	186,747	216,434
Franchise taxes	4,786	4,880	5,157	4,266	4,735	4,849	4,784	14,070	22,736	17,946
Motor vehicle in-lieu taxes	45,666	45,891	41,195	40,879	36,063	35,491	34,077	37,713	58,964	230,264
Road use tax	19,727	23,839	20,683	-	-	-	-	-	-	-
Tobacco settlement proceeds	27,567	23,575	13,054	10,205	12,089	8,352	13,213	6,657	-	-
Other	1,682	3,891	2,914	857	4,816	4,708	4,832	18,110	13,970	23,531
Gain/(loss) on bond refunding and sale of capital assets	-	-	-	-	-	-	338	-	-	-
Unrestricted investment earnings	13,263	12,495	8,441	6,666	5,450	5,945	14,159	14,776	9,344	14,407
Miscellaneous	180	-	-	-	1,072	-	-	-	-	-
Subtotal governmental activities general revenues	499,983	512,311	464,108	347,511	370,716	395,722	435,820	468,483	524,135	735,990
Business-type activities:										
Property tax	-	-	-	4,175,236	-	-	-	671	711	744
Other	2,354	2,476	5,192	3,167	2,421	2,355	2,326	1,446	1,870	1,891
Gain/(loss) on sale of capital assets	-	-	-	-	-	-	(19)	-	-	-
Unrestricted investment earnings	3,519	3,808	2,398	1,707	1,507	1,257	974	1,732	638	1,837
Subtotal business-type activities general revenues	5,873	6,284	7,590	4,180,110	3,928	3,612	3,281	3,849	3,219	4,472
Total primary government revenues	\$ 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	\$ 1,463,773

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 52,001	\$ 70,697	\$ 28,685	\$ 38,727	\$ 41,685	\$ 51,348	\$ 52,919	\$ 45,280	\$ 34,673	72,302
Public protection	332,088	264,592	307,301	304,096	298,354	293,106	304,365	319,197	291,148	343,711
Public ways and facilities	54,286	117,737	58,062	43,782	54,711	48,529	41,895	43,145	45,635	78,926
Health, sanitation, and public assistance	725,012	718,201	724,604	1,088,733	770,169	751,998	686,767	787,234	760,840	869,387
Education	25,971	10,691	22,606	25,322	26,013	24,897	24,191	25,073	23,918	26,510
Culture and recreation	3,476	2,491	3,475	2,832	2,419	2,331	2,712	2,933	2,380	2,868
Interest on long-term debt	43,136	47,909	45,794	44,854	44,243	44,232	42,519	40,030	40,219	41,782
Subtotal governmental activities expenses	1,235,970	1,232,318	1,190,527	1,548,346	1,237,594	1,216,441	1,155,368	1,262,892	1,198,813	1,435,486
Business-type activities:										
Solid waste enterprise	13,181	16,533	15,063	15,718	14,068	14,024	14,063	6,162	5,652	6,572
County service areas, other	4,325	5,347	5,626	5,621	5,554	5,607	6,139	17,783	21,451	17,402
Subtotal business-type activities expenses	17,506	21,880	20,689	21,339	19,622	19,631	20,202	23,945	27,103	23,974
Total primary government expenses	1,253,476	1,254,198	1,211,216	1,569,685	1,257,216	1,236,072	1,175,570	1,286,837	1,225,916	1,459,460
Extraordinary item - RDA dissolution transaction	-	-	-	-	-	(274)	-	-	-	-
Excess (deficiency) before transfers										
- governmental activities	(19,775)	60,450	5,889	28,452	64,504	11,731	58,714	56,536	212,435	3,685
Transfers	15	35	203	96	32	271	302	(2,724)	(2,750)	297
Excess (deficiency) before transfers										
- business-type activities	2,160	(1,433)	(2,363)	4,169,846	(2,564)	(4,270)	(2,969)	(2,179)	(3,010)	628
Transfers	(15)	(35)	(203)	(96)	(32)	(271)	(302)	2,724	2,750	(297)
Special Items	-	(289)	-	-	-	-	-	-	-	-
Change in net position										
Governmental activities	(19,760)	60,485	6,092	28,548	64,536	11,728	59,016	53,812	209,685	3,982
Business-type activities	2,145	(1,757)	(2,566)	4,169,750	(2,596)	(4,541)	(3,271)	545	(260)	331
Total primary government	\$ (17,615)	\$ 58,728	\$ 3,526	\$ 4,198,298	\$ 61,940	\$ 7,187	\$ 55,745	\$ 54,357	\$ 209,425	\$ 4,313

Note 1: Accrual basis of accounting

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

	Fiscal Year				
	2007	2008	2009	2010	2011*
General Fund					
Reserved	\$ 68,589	\$ 51,972	\$ 50,284	\$ 51,033	
Unreserved	145,580	136,892	151,243	179,090	
Nonspendable					\$ 3,200
Restricted					83,356
Committed					-
Assigned					39,138
Unassigned					133,154
Total General Fund	<u>\$ 214,169</u>	<u>\$ 188,864</u>	<u>\$ 201,527</u>	<u>\$ 230,123</u>	<u>\$ 258,848</u>
Other Governmental Funds					
Reserved	\$ 193,106	\$ 135,464	\$ 98,866	\$ 127,325	
Unreserved	(31,680)	433	18,625	(2,664)	
Nonspendable					\$ 1,889
Restricted					93,797
Committed					-
Assigned					24,407
Unassigned					-
Total other governmental funds	<u>\$ 161,426</u>	<u>\$ 135,897</u>	<u>\$ 117,491</u>	<u>\$ 124,661</u>	<u>\$ 120,093</u>
	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ 3,585	\$ 3,939	\$ 4,110	\$ 43,092	47,208
Restricted	195,072	199,306	49,932	4,985	9,398
Committed	-	-	-	\$ 18,724	21,024
Assigned	33,896	57,176	23,035	77,493	83,021
Unassigned	66,022	47,117	72,338	46,239	39,520
Total General Fund	<u>\$ 298,575</u>	<u>\$ 307,538</u>	<u>\$ 149,415</u>	<u>\$ 190,533</u>	<u>\$ 200,171</u>
All Other Governmental Funds					
Nonspendable	\$ 854	\$ 683	\$ 775	\$ 736	816
Restricted	97,561	123,153	391,338	443,609	529,190
Committed	-	-	-	-	-
Assigned	29,357	33,597	37,391	37,009	36,560
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 127,772</u>	<u>\$ 157,433</u>	<u>\$ 429,504</u>	<u>\$ 481,354</u>	<u>\$ 566,566</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)

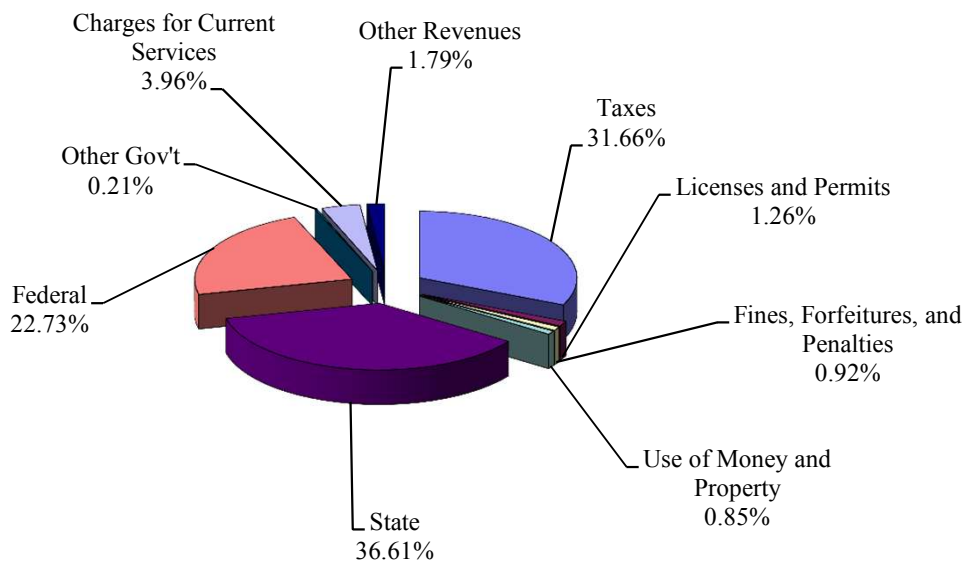
	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 223,356	\$ 238,127	\$ 254,452	\$ 222,538	\$ 230,422	\$ 334,763	\$ 380,541	\$ 394,370	\$ 422,029	449,842
Licenses and permits	9,919	9,267	9,319	7,543	7,987	8,600	8,872	14,070	17,272	17,946
Fines, forfeitures and penalties	10,340	11,946	13,181	12,045	10,268	9,577	9,529	14,657	13,866	13,015
Use of money and property	16,110	15,359	10,453	8,900	5,745	6,278	14,315	12,562	8,022	12,087
Aid from other governmental agencies	763,753	811,527	783,553	1,212,496	880,190	788,758	714,785	811,917	850,931	846,114
Charges for current services	114,196	106,456	134,064	92,648	98,139	83,947	66,491	68,274	55,541	56,305
Other revenues	76,560	76,277	17,149	22,137	39,383	25,724	24,358	29,554	26,690	25,386
Total revenues	<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>	<u>1,420,695</u>
Expenditures									520,137	
General government	55,840	87,131	33,400	36,903	40,359	35,648	32,976	38,715	37,014	40,860
Public ways and facilities	54,890	61,429	58,998	48,087	63,448	55,691	32,807	31,106	36,880	340,802
Public protection	287,883	321,020	312,496	295,553	293,043	289,991	298,179	312,604	324,104	33,901
Health, sanitation, and public assistance	716,377	739,835	724,372	1,085,639	769,639	750,154	682,001	779,890	798,019	832,667
Education	25,667	30,567	29,285	25,864	26,275	23,898	23,891	23,708	25,152	25,350
Culture and recreation	3,374	3,551	3,403	2,494	2,191	2,342	2,684	2,900	2,596	2,688
Capital outlay	8,258	31,864	16,866	968	7,577	2,783	16,594	18,378	21,714	30,097
Debt service:										
Transfers from trust bank	-	-	-	-	-	-	-	-	-	-
Principal	11,345	16,020	20,870	19,790	25,042	24,080	30,785	30,295	32,655	36,585
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Interest	29,640	31,933	31,037	29,093	24,515	27,465	25,509	22,677	20,960	19,221
Total expenditures	<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>	<u>1,362,171</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>58,524</u>
Other financing sources (uses):										
Bond proceed transfers	(317)	-	-	-	-	-	-	-	-	-
Bond proceeds	55,060	-	-	-	-	-	23,587	-	-	64,525
Bond premiums	-	-	-	-	-	-	-	-	-	6,360
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(43,630)
Proceeds from sale of capital assets	-	-	-	-	1,072	-	-	-	-	16
Transfers in	233,976	322,208	268,539	209,458	230,110	316,612	353,820	848,216	917,133	852,206
Transfers out	(233,111)	(321,743)	(265,726)	(207,548)	(227,070)	(314,520)	(350,907)	(849,296)	(920,117)	(855,814)
Refunded bond principal	-	-	-	-	-	-	(26,160)	-	-	(26,765)
Refunding bond issue proceeds	(475)	-	-	-	-	-	(820)	-	-	-
Total other financing sources (uses)	<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>	<u>(3,102)</u>
Net change in fund balances before extraordinary items	76,093	(53,926)	(5,743)	35,826	24,157	47,687	72,985	84,051	92,273	55,422
Extraordinary item										
Redevelopment Agency dissolution transaction	-	-	-	-	-	(274)	-	-	-	-
Net change in fund balances	<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>	<u>\$ 55,422</u>
Debt service as a percentage of non capital expenditures	3.46%	3.71%	4.28%	3.17%	3.98%	4.26%	4.99%	4.27%	4.20%	4.19%

Note 1: Modified accrual basis of accounting

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

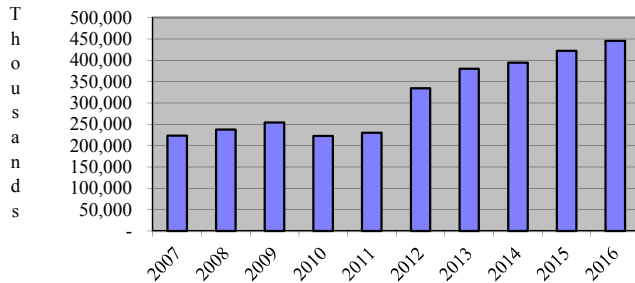
Fiscal Year	Total Revenues	Taxes	Licenses and Permits	Fines, Forfeitures, and Penalties	Use of Money and Property	Aid From Other Governmental Agencies			Charges for Current Services	Other Revenues
						State	Federal	Other Gov't		
2007	1,214,234	223,356	9,919	10,340	16,110	506,506	253,756	3,491	114,196	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
2016	1,420,695	449,842	17,946	13,015	12,087	520,137	322,977	3,000	56,305	25,386

For Fiscal Year 2016

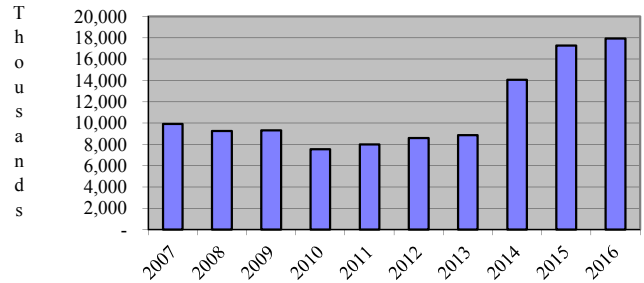


County of Fresno
Governmental Funds Revenues By Source
Last Ten Fiscal Years
(amount expressed in thousands)

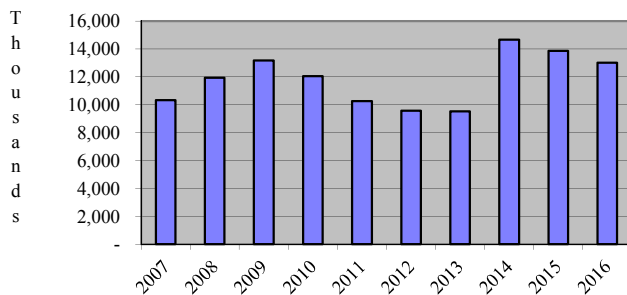
Taxes



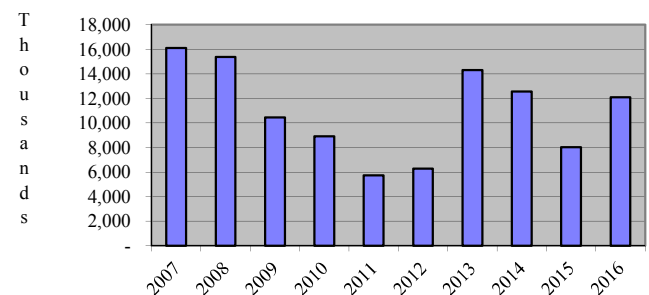
Licenses and Permits



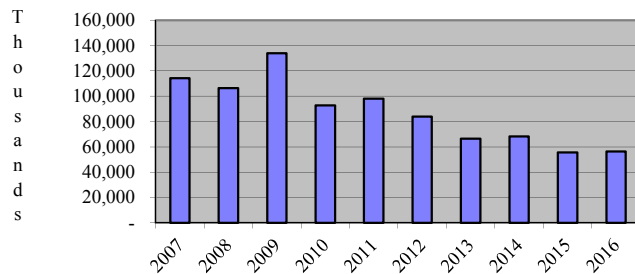
Fines, Forfeitures, and Penalties



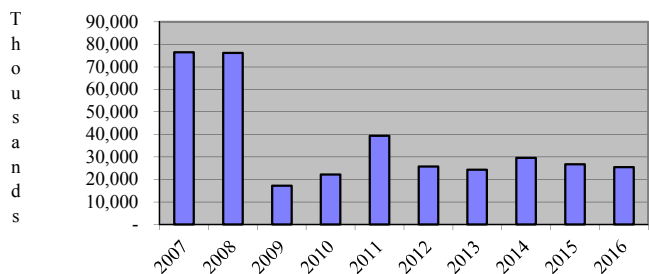
Use of Money and Property



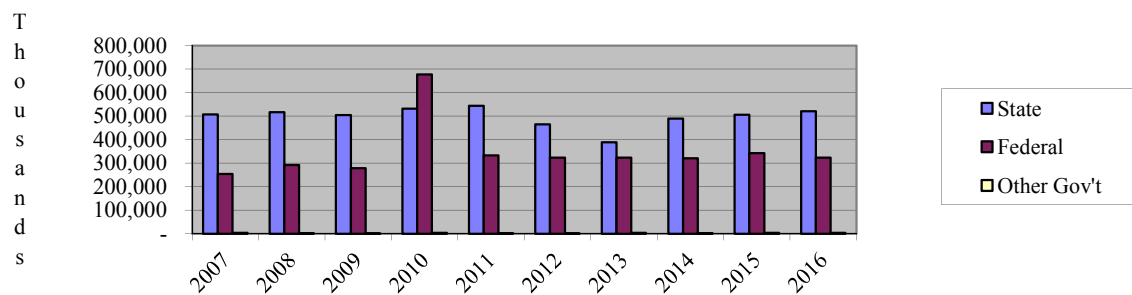
Charges for Current Services



Other Revenues



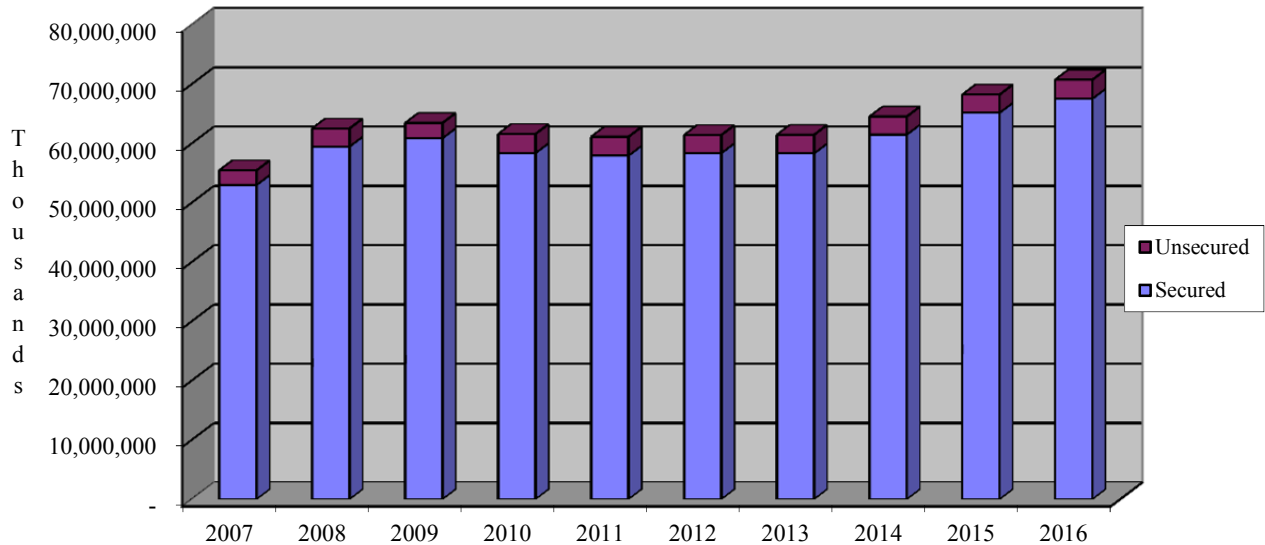
Aid From Other Governmental Agencies



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

Fiscal Year	Secured	Unsecured	Total	Ratio of Assessed to Estimated Actual	Total Direct Tax Rate
	Estimated Actual	Estimated Actual	Estimated Actual		
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%
2016	67,565,181	3,190,135	71,088,316	100	1.00%

Estimated Value of Taxable Property



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>	
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
2015-2016	1.00000	0.032438	0.196924	1.229362

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 other law, local agencies may not levy any property tax except to pay debt service on 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, 2016
and June 30, 2007
(amounts expressed in thousands)**

Taxpayer	2016			2007		
	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank	% of Total County Assessed Value
Pacific Gas & Electric Co.	\$ 2,260,336	1	3.180	\$ 1,254,734	1	2.262
Southern California Edison Co.	561,473	2	0.790	376,894	2	0.679
Chevron USA Inc.	400,779	3	0.564	282,947	3	0.510
Panoche Energy Center, LLC	296,059	4	0.416			
AERA Energy, LLC	180,746	5	0.254	107,337	7	0.193
Pacific Bell Telephone Co.	179,225	6	0.252			
Gallo E & J Winery	136,687	7	0.192	89,675	10	0.162
Macerich Fresno Limited Partnership	142,747	8	0.201	127,510	5	0.230
Donahue Schriber Realty Group LP	122,326	9	0.172			
Gap Inc.	110,293	10	0.155			
AT&T California				142,239	4	0.256
Trans Electric NTD Path 15 LLC				111,468	6	0.201
Fresno Farming, LLC				99,013	8	0.178
DS Fig Garden, LLC				95,506	9	0.172
Total	\$ 4,390,671		6.176	\$ 2,687,323		4.843

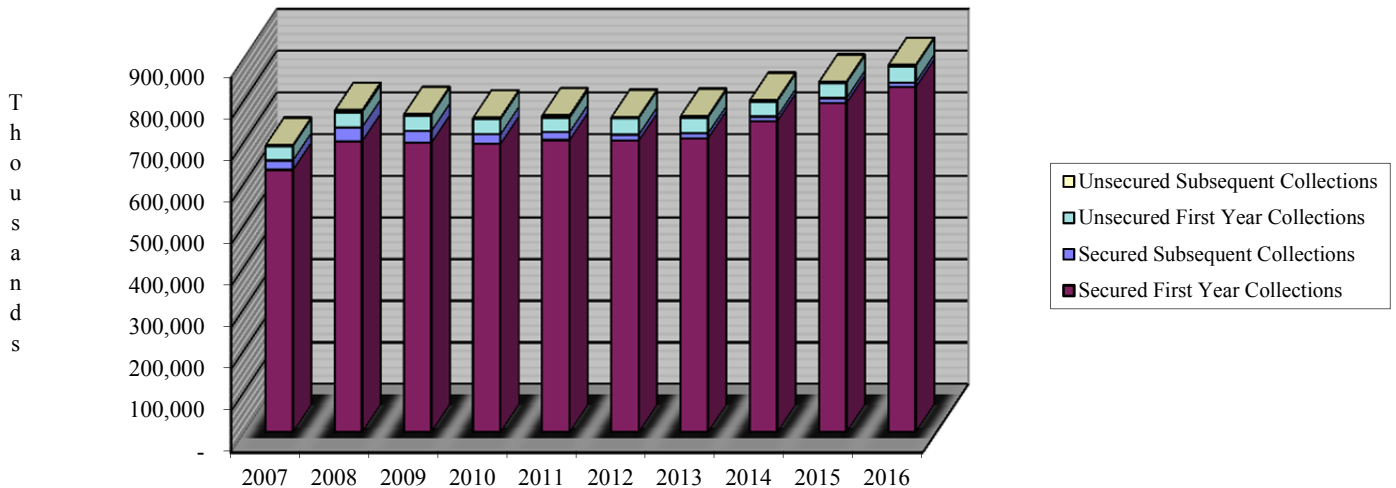
Source: Auditor-Controller/Treasurer-Tax Collector, County of Fresno

Note: Percentages based on estimated property values of \$71,088,316 in 2016 and \$55,471,674 in 2007.

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

Secured									Unsecured								
Fiscal Year	Tax Levies	Collections in fiscal year of levy		Delinquency		Collection in Subsequent Years	Total Collection to Date		Tax Levies	Collections in fiscal year of levy		Delinquency		Collection in Subsequent Years	Total Collection to Date		
		Amount	Percent	Amount	Percent	Amount	Amount	Percent		Amount	Percent	Amount	Percent	Amount	Amount	Percent	
2007	652,147	629,294	96.496	22,853	3.504	22,853	652,147	100.00%	36,082	33,927	94.027	2,155	5.973	2,155	36,082	100.00%	
2008	731,524	698,095	95.430	33,429	4.570	33,429	731,524	100.00%	40,052	35,469	88.557	4,583	11.443	4,583	40,052	100.00%	
2009	722,290	694,214	96.113	28,076	3.887	28,076	722,290	100.00%	39,986	37,505	93.795	2,481	6.205	2,481	39,986	100.00%	
2010	714,619	691,547	96.771	23,072	3.229	23,072	714,619	100.00%	39,039	35,956	92.103	3,083	7.897	3,083	39,039	100.00%	
2011	720,195	701,038	97.340	19,157	2.660	19,157	720,195	100.00%	39,345	34,355	87.317	4,990	12.683	4,990	39,345	100.00%	
2012	714,008	699,603	97.983	14,405	2.017	14,376	713,979	99.80%	41,579	39,028	93.865	2,551	6.135	2,469	41,497	99.80%	
2013	717,057	705,356	98.368	11,701	1.632	11,654	717,010	99.60%	41,027	37,482	91.359	3,545	8.641	3,382	40,864	99.60%	
2014	757,605	746,292	98.507	11,314	1.493	11,246	757,538	99.40%	38,947	35,944	92.290	3,003	7.710	2,771	38,715	99.40%	
2015	801,553	789,983	98.557	11,550	1.441	11,458	801,441	99.20%	38,950	36,263	93.101	2,687	6.899	2,375	38,638	99.20%	
2016	839,524	827,836	98.608	11,688	1.392	11,454	839,290	98.00%	41,729	38,931	93.295	2,799	6.708	1,965	40,896	98.00%	

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

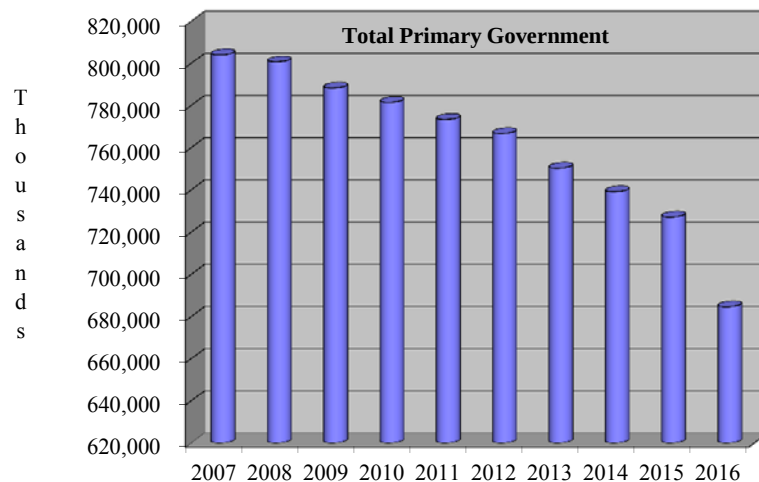
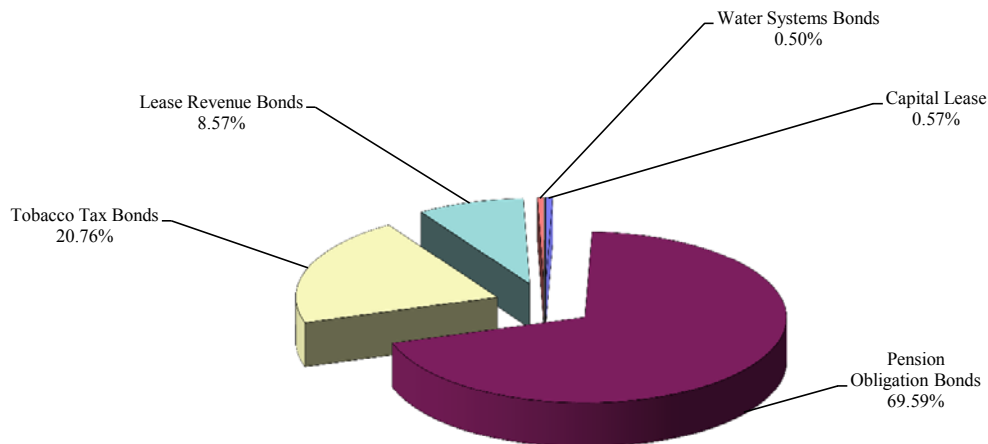
County of Fresno
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

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			
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
2016	3,926	476,410	142,114	58,704	3,400	73	-	684,627	1.98%	709

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 2016



County of Fresno
Estimated Direct and Overlapping Bonded Debt
June 30, 2016
(amounts expressed in thousands)

2015-16 Assessed Valuation: \$ 71,088,316,079 (includes unitary utility valuation)

Overlapping Tax and Assessment Debt:	% Applicable	Debt 6/30/16
Merced Community College District School Facilities Improvement District No. 2	2.801%	\$ 252
State Center Community College District	83.027%	76,385
West Hills Community College District and School Facilities Improvement Districts	24.351-99.606%	38,780
Central Unified School District	100%	92,893
Clovis Unified School District	100%	412,321
Fresno Unified School District	100%	482,377
Kings Canyon Joint Unified School District	91.197%	69,478
Sanger Unified School District	100%	81,859
Other Unified School Districts	Various	153,539
High School and School Districts	Various	23,799
Hospital Districts	100%	24,849
California Statewide Community Development Authority - Community Facilities District No. 2012-01	100%	4,195
City Community Facilities Districts	100%	3,750
1915 Act Bonds (Estimated)	100%	8,177
Total Overlapping Tax and Assessment Debt		<u>1,472,654</u>

Overlapping Tax Increment Debt:		
Successor Agencies	100%	73,244

Overlapping General Fund Obligation Debt		
Community College District General Fund Obligations	Various	43,513
Central Unified School District Certificates of Participation	100%	23,615
Clovis Unified School District General Fund Obligations	100%	9,320
Fresno Unified School District General Fund Obligations	100%	17,120
Sanger Unified School District Certificates of Participation	100%	29,345
Other School District General Fund Obligations	Various	47,434
City of Clovis General Fund Obligations	100%	11,834
City of Fresno General Fund and Judgment Obligations	100%	226,108
City of Fresno Pension Obligations	100%	138,975
Other City General Fund Obligations	100%	11,789
Coalinga Regional Medical Center General Fund Obligations	100%	4,648
Total Gross Overlapping General Fund Obligation Debt		<u>563,701</u>
Total Overlapping Tax and Assessment and General Fund Obligation Debt		<u>2,109,599</u>

Direct General Fund Obligation Debt:		
Fresno County General Fund Obligations	100%	51,605
Fresno County Pension Obligations	100%	362,233
Capital Lease Obligations	100%	3,926
Bonds Payable	100%	523,491
Total Direct General Fund Obligation Debt		<u>941,255</u>
Total Gross Combined Overlapping and Direct Debt		<u><u>\$ 3,050,854</u></u> ⁽¹⁾

Ratios to 2015-16 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	2.07%
Total Direct Debt (\$941,255)	1.32%
Gross Combined Total Debt	4.29%

Ratios to Redevelopment Incremental Valuation (\$4,632,760):	
Total Overlapping Tax Increment Debt	1.58%

(1) 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	
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
2016	71,088,316	1.25%	888,604	-	-	-	888,604

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
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%
2016	543.52	0.75%	3.55%

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

**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
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%
2016	984,541	34,567	35,785	58,900	9.40%

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, 2016

**County of Fresno
Principal Employers
Comparison of 2007 and 2016**

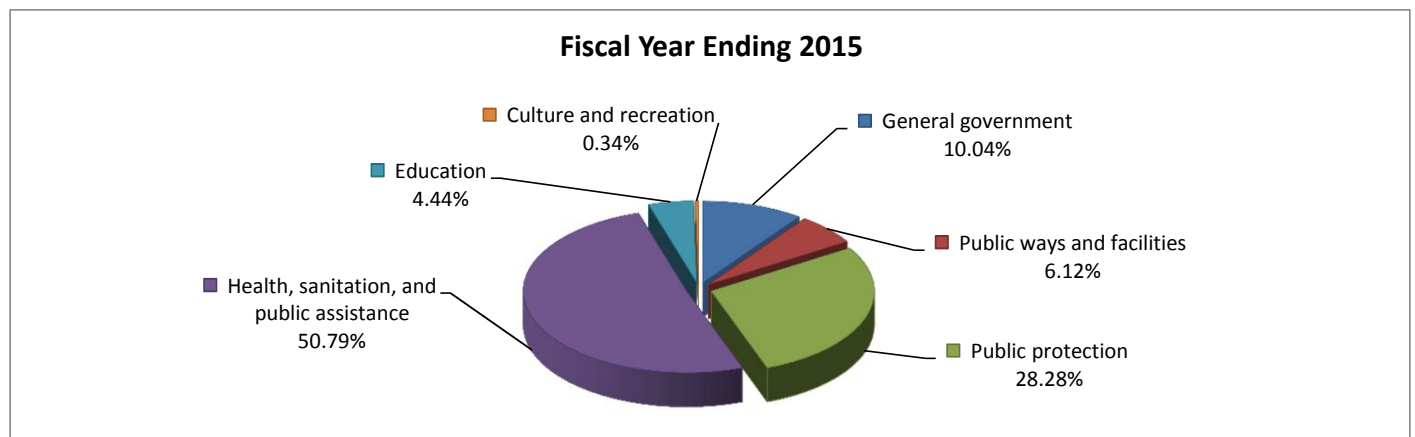
Employer	2016			2007		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Fresno Unified School District	11,162	2	2.45%	7,418	1	1.75%
Community Medical Centers	5,836	4	1.28%	4,360	3	1.03%
County of Fresno	7,494	3	1.64%	7,050	2	1.66%
Clovis Unified School District	4,037	6	0.88%	3,221	5	0.76%
City of Fresno	3,957	7	0.87%	3,610	4	0.85%
Saint Agnes Medical	2,400	6	0.53%	2,383	7	0.56%
Kaiser Permanente Medical	2,200	10	0.48%			0.00%
Ruiz Foods	2,500	8	0.55%			0.00%
Fresno Economic Opportunities Commission	11,500	1	2.52%			0.00%
California State University Fresno	5,386	5	1.18%	1,993	8	0.47%
Pelco by Schneider Electric			0.00%	1,900	9	0.45%
Foster Farms			0.00%	2,500	6	0.59%
Gottschalks			0.00%	1,005	10	0.24%
Total	56,472		12.38%	35,440		8.33%

Source: The 2016 employee counts are obtained from various entity websites. The 2007 employee count was obtained from the 2007 County of Fresno Comprehensive Annual Financial Report.

Note: Percentages based on labor force of 456,300 in 2016 and 424,700 in 2007.

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Administration	71	66	59	56	54	52	53	56	57	62
County Counsel	39	35	37	29	26	25	28	31	32	32
Finance	300	288	272	256	227	235	212	218	225	237
Internal Service	460	446	419	411	381	344	346	340	374	383
Other	40	40	38	35	23	23	24	25	27	28
Total	910	875	825	787	711	679	663	670	715	742.00
Public ways and facilities										
Planning	169	170	137	122	106	105	105	110	120	137
Roads	226	226	224	224	222	198	198	196	196	203
Community Development	22	19	19	19	19	14	14	13	11	11
Solid Waste	24	24	24	24	22	21	21	21	21	15
Other	97	97	86	81	81	83	82	83	88	93
Total	538	536	490	470	450	421	420	423	436	459
Public protection										
Sheriff - Coroner	1,242	1,243	1,161	1,020	996	1,011	1,038	1,067	1,071	1,139
Probation	624	629	550	535	514	544	546	572	585	639
District Attorney	259	300	247	243	228	222	238	256	254	260
Public Defender	135	137	127	95	82	79	84	88	105	111
Total	2,260	2,309	2,085	1,893	1,820	1,856	1,906	1,983	2,015	2,149
Health Administration										
Child & Family Services	1,073	978	923	274	232	232	231	239	239	239
Adult Services	465	452	337	511	484	514	514	542	542	584
Social Services	1,504	1,542	1,544	2,060	2,160	2,182	2,320	2,452	2,457	2,559
Community Health	701	658	457	432	438	467	481	368	368	394
In-Home Supportive Services	18	16	14	7	7	7	7	7	7	12
Veterans Services	4	4	4	5	5	5	5	5	6	6
Total	3,855	3,735	3,349	3,292	3,329	3,410	3,560	3,613	3,619	3,794
Edu Library										
	331	338	330	330	291	293	292	314	316	326
Cul Parks and grounds										
	35	36	36	31	26	20	16	17	19	24
Grand Total	7,930	7,829	7,110	6,798	6,621	6,675	6,858	7,022	7,125	7,494



Source: 2016-2017 Proposed Budget

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Function/Program</u>										
Public protection										
<i>Child Support Services</i>										
Number of child support cases opened	69,155	69,538	70,343	65,032	62,175	60,115	58,444	56,755	57,388	58,556
Child support collected (in thousands)	\$ 82,043	\$ 83,450	\$ 86,387	\$ 83,562	\$ 82,918	\$ 83,681	\$ 82,529	\$ 82,525	\$ 85,345	\$ 864,300
<i>Sheriff</i>										
Zone offices	4	4	4	4	4	4	4	4	4	4
Patrol units	232	267	225	233	186	249	240	242	237	281
Dispatched calls	344,315	347,778	211,990	200,553	204,542	199,408	215,403	188,672	115,649	109,997
Physical arrests	5,930	7,675	5,523	7,943	7,789	9,299	7,954	7,171	4,658	4,985
Traffic citations	1,493	1,361	1,761	1,316	1,315	1,077	737	917	959	995
Stolen vehicles	1,020	952	933	763	1,020	899	997	770	644	809
Jail bookings	43,428	44,028	44,398	40,621	40,794	40,025	41,696	44,321	34,245	29,693
Avg. daily jail population	3,259	3,029	3,067	1,877	1,661	1,810	2,867	2,978	2,725	2,748
Public ways and facilities										
Street miles maintained	3,555	3,539	3,531	3,527	3,524	3,519	3,517	3,516	3,508	3,507
Health, sanitation, and public assistance										
<i>Emergency Medical Services (EMS)</i>										
Number of 9-1-1 medical calls	96,020	64,700	81,994	92,960	96,030	107,235	107,039	101,982	111,501	122,868
<i>Department of Social Services</i>										
Number of client months served	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	8,688,471
Education										
<i>Library</i>										
Number of branches	35	35	35	35	35	35	35	35	39	39
Number of volumes	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	982,245
Volumes borrowed	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	3,882,699
Culture and recreation										
<i>Parks & Grounds</i>										
Acreage	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,000	1,089	1,089
Park passes issued	209	163	166	162	112	166	193	106	18	20

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

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.

CLAIM. A demand for payment of damages or a policy benefit because of the occurrence of an event, such as the destruction or damage of property and related deaths or injuries.

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

County of Fresno

Glossary for the Comprehensive Annual Financial Report

basis, 29 years remain after the first year, 28 years after the second year, and so forth.

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.

County of Fresno

Glossary for the Comprehensive Annual Financial Report

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.

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.

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.)

ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting,

County of Fresno

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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).

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

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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.

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.

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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.

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

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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.

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

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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 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.

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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.

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

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.