



INTEROFFICE MEMORANDUM

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

Enedina Garcia
Deputy Auditor-Controller

Frank Gomez
Deputy Treasurer-Tax Collector

DATE: January 27, 2023
TO: Audit Committee Members
FROM: Supervisor Sal Quintero, Audit Committee Chairman 
SUBJECT: Audit Committee Meeting

This will confirm the next Audit Committee meeting scheduled on **January 27, 2023 at 10:00 a.m.** in the Board of Supervisors Chambers - Room 301 of the Hall of Records. The following is the agenda for the meeting:

AGENDA

- 1) **Pledge of Allegiance**
- 2) **Approve Agenda**
- 3) **Public Presentations**
This portion of the meeting is reserved for persons desiring to address the Audit Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.
- 4) **Approval of December 8, 2022 Audit Committee Meeting Minutes**
- 5) **Consent Items**
 - a. Approve Quarterly Fraud Report covering October 1, 2022 to December 31, 2022.
- 6) **Discussion and Action Items**
 - a. Review and accept 2021-2022 County of Fresno Annual Comprehensive Financial Report.
 - b. Review and approve the Department of Social Services Department Head Transition Report.
 - c. Review and approve the Department of Public Health Emergency Medical Services Authority (EMSA) Report for the fiscal year ended June 30, 2022.
 - d. Review and receive the 2021-2022 First Five Comprehensive Annual Financial Report.

7) Staff Updates

8) Adjournment

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Enclosures

Audit Committee Members:

Supervisor Sal Quintero, Audit Committee Chairman
Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman
Supervisor Nathan Magsig
Paul Nerland, County Administrative Officer
Kari Gilbert, Department Heads Council Member
Manuel Vilanova, Public Member
Kulwinder Brar, Public Member

County of Fresno
Auditor-Controller/Treasurer-Tax Collector
Audit Committee Minutes
Board of Supervisors' Chambers
December 8, 2022 – 10:00 a.m.

MEMBERS PRESENT:

Supervisor Sal Quintero, Audit Committee Chairman
Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman
Supervisor Nathan Magsig
Paul Nerland, County Administrative Officer
Kari Gilbert, Department Heads Council Member
Manuel Vilanova, Public Member

Call to Order: Chairman Quintero called to order the regular meeting of the Audit Committee (Committee) on December 8, 2022, at 10:02 a.m. in the Board of Supervisors' Chambers.

1. Pledge of Allegiance

- Kari Gilbert, Department Heads Council Member, led all in attendance with the Pledge of Allegiance.

2. Approve Agenda

- A motion was made by Kari Gilbert, seconded by Vice-Chairman Cederborg, and carried 6-0 to approve the December 8, 2022 agenda.

3. Public Presentations

- This portion of the meeting is reserved for persons desiring to address the Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.
- There being none, the Committee proceeded to hear the next item on the agenda.

4. Approval of August 12, 2022 Audit Committee Meeting Minutes

- There being no public comments, a motion was made by Paul Nerland, seconded by Vice-Chairman Cederborg, and carried 6-0 to approve the August 12, 2022 Audit Committee Meeting Minutes.

5. Consent Items

a) Approve Quarterly Fraud Report covering July 1, 2022 to September 30, 2022

- There being no public comments, a motion was made by Kari Gilbert, seconded by Vice-Chairman Cederborg, and carried 6-0 to approve Agenda item 5a.

6. Discussion and Action Items

a) Review and approve the Department of Social Services Food and Nutrition Services (FNS)-209 Report for the quarter ended June 30, 2022.

- Karoll Diaz, Accounting & Financial Manager, Financial Reporting & Audits Division, introduced and presented the item.
- There being no public comments, a motion was made by Nathan Magsig, seconded by Vice-Chairman Cederborg, and carried 6-0 to approve Agenda Item 6a.

b) Review and receive Fresno County In-Home Supportive Services Public Authority Independent Auditor's Reports and Financial Statements for the year ended June 30, 2021.

- Karoll Diaz, Accounting & Financial Manager, Financial Reporting & Audits Division, introduced and presented the item.
- A discussion took place regarding the financial statements of the public authority, where Supervisor Nathan Magsig inquired about the net position remaining unchanged from fiscal year 2020 to 2021 and the items collectively creating the expenditure line item. Justin Gonzalez, Department of Social Services staff, commented on the item.
- There being no public comments, a motion was made by Manuel Vilanova, seconded by Kari Gilbert, and carried 6-0 to approve Agenda Item 6b.

c) Review & approve the 2023 Audit Committee Meeting Dates.

- There being no public comments, a motion was made by Nathan Magsig, seconded by Paul Nerland, and carried 6-0 to approve Agenda Item 6c.

7. Staff Updates

- There being no updates, Committee proceeded to hear the next item on the agenda.

8. Adjournment

- A motion was made by Supervisor Sal Quintero, Audit Committee Chairman, and was carried 6-0 to adjourn the meeting at 10:11 a.m.

Audit Committee Members:

Supervisor Sal Quintero, Audit Committee Chairman

Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman

Supervisor Nathan Magsig

Paul Nerland, County Administrative Officer

Kari Gilbert, Department Heads Council Member

Manuel Vilanova, Public Member

Kulwinder Brar, Public Member



INTEROFFICE MEMORANDUM

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

Enedina Garcia

Deputy Auditor-Controller

Megan Marks

Deputy Treasurer-Tax Collector

DATE: January 27, 2023

TO: Audit Committee Members

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

SUBJECT: Fraud Hotline Quarterly Activity Report for the Quarter Ended December 31, 2022

In accordance with the provisions of California Government Code Section 53087.6, the County of Fresno Fraud Hotline serves as a means to discover, investigate, and remediate acts of fraud, waste, or abuse involving County employees, as defined by the statute.

We have completed our quarterly report concerning the operation of the County of Fresno Fraud Hotline. This report is for the three-month period of October 1, 2022 through December 31, 2022.

We would like to acknowledge the professionalism and cooperation extended to us by the management of the various County agencies/departments during our Hotline investigation process. As always, I remain available to answer any questions you may have. Please contact me directly or Karoll Diaz, Accounting & Financial Division Manager at (559) 600-1378 or Jarry Lim, Accountant at (559) 600-1368 if we can be of any assistance.

Attachments



COUNTY OF FRESNO

FRAUD HOTLINE QUARTERLY REPORT

Administered by the Auditor-Controller/Treasurer-Tax Collector

For the Quarter Ended December 31, 2022

Director: Oscar J. Garcia, CPA
Accounting & Financial Manager: Karoll Diaz
Hotline Staff: Jarry Lim

COUNTY OF FRESNO
FRAUD HOTLINE QUARTERLY REPORT
Administered by the Auditor-Controller/Treasurer-Tax Collector
For the Quarter Ended December 31, 2022

Below is the County of Fresno Fraud Hotline activity for the period of October 1, 2022 through December 31, 2022.

1. Statistical Summary

The Financial Reporting and Audits Division received 49 Hotline allegations, complaints, or other contacts during the reporting period. Of these reports, 36 were made anonymously while 13 reports were made by individuals who identified themselves. The Hotline received 28 reports via telephone, 21 by email, and 0 by letter. These reports are categorized in Table 1.

Table 1 Statistical Summary	
Actionable Items	10
Referred Items	38
Non-Actionable Items	1
Total Allegations/Complaints	49

2. Types of Allegations/Complaints

Cases opened during the period involved various complaints and allegations such as: 1) improper use of government benefits, 2) fraudulent check alterations, and 3) management improprieties.

Actionable – County

Allegations involving individuals employed by the County and/or other related parties (i.e., vendors, contractors, etc.).

Actionable – Non-County

Allegations involving individuals and/or other entities with no known relation to the County.

Referral – County

Allegations involving issues primarily handled by other County Departments via established fraud-reporting methodologies.

**COUNTY OF FRESNO
 FRAUD HOTLINE QUARTERLY REPORT
 Administered by the Auditor-Controller/Treasurer-Tax Collector
 For the Quarter Ended December 31, 2022**

Referral – Non-County

Allegations involving issues beyond the responsibilities of the County of Fresno are referred to appropriate non-County agencies.

Non-Actionable Items

These include insufficient information and not applicable issues. Examples include failure to state sufficient facts on which to base any investigation, inquiries regarding the status of other investigations, requests for information, and wrong numbers.

Table 2 identifies the total number of cases opened during this period and detail complaint type.

Table 2 Types of New Allegations/Complaints	
Actionable – Non-County:	10
Forged/Altered Check	10
Referral – County:	27
Welfare Fraud	23
County - Other	4
Referral – Non-County:	11
Various	11
Non-Actionable Items:	1
Not enough information	1
Total	49

**COUNTY OF FRESNO
 FRAUD HOTLINE QUARTERLY REPORT
 Administered by the Auditor-Controller/Treasurer-Tax Collector
 For the Quarter Ended December 31, 2022**

3. Status of Complaints

The complaints processed by the County of Fresno Fraud Hotline include alleged behavior by an employee and/or client (i.e., timecard abuse, misuse of county assets, management improprieties, conflict of interest, and misuse of program funds). As of the end of the reporting period, there was 1 closed investigation by the County of Fresno Fraud Hotline. (See summary below)

Table 3 Status of Complaints						
Actionable Calls	Investigation			Closed Findings		
	Ongoing	New	Closed	Substantiated	Unsubstantiated	Referral
Management	1		1		1	
Employee						
Client						
Unknown						
Total	1		1		1	

COUNTY OF FRESNO
STATE OF CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2022

Compiled Under the Office of
Auditor-Controller/Treasurer-Tax Collector

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

County of Fresno
Annual Comprehensive Financial Report
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For Fiscal Year Ended June 30, 2022

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County of Fresno
Annual Comprehensive Financial Report
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INTRODUCTORY SECTION

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- Certificate of Achievement
- Organizational Chart
- List of Principal Officials



County of Fresno

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

January 25, 2023

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 Annual Comprehensive Financial Report (ACFR) of the County of Fresno (County) for the fiscal year ended June 30, 2022, 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 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, 2022, 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 fiscal year ended June 30, 2022. 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 1,011,273 as of January 1, 2022. There are 15 incorporated cities within the County: Fresno, Clovis, Sanger,

Reedley, 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 are 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, and Sheriff-Coroner-Public Administrator. The following organizational 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	Steve Brandau District 2	Sal Quintero District 3	Buddy Mendes District 4	Nathan Magsig District 5
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Paul Nerland
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 Public Administrator	Sanja Bugay Director Social Services	Stephen E. White Director/Public Works & Planning	Raman Bath County Librarian	Steven E. White Director/Public Works & Planning	Paul Dictos, CPA Assessor-Recorder
Lisa A. Smittcamp District Attorney	David F. Luchini Director Public Health	Melissa Cregan Agricultural Commissioner/Sealer of Weights & Measures	Karnjot Randhawa Cooperative Extension		Oscar J. Garcia, CPA Auditor-Controller/ Treasurer-Tax Collector
Kirk Haynes Chief Probation Officer	Susan Holt Director Behavioral Health Public Guardian				Hollis Magill Director Human Resources
Antoinette Taillac Public Defender	Kari Gilbert Director Child Support Services				Robert W. Bash Director of Internal Services-Chief Information Officer
					James A. Kus County Clerk/Registrar of Voters

The County, with an average of 6,983 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, County Service Areas (CSAs), Fresno County Financing Authority (FCFA), Fresno County Tobacco Funding Corporation, and 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. Budget-to-actual comparisons are provided in this report for each major governmental fund and each nonmajor special revenue 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 Financial Reports. 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 San Joaquin 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 19,350,200 persons as of June 30, 2022. The employed labor force at June 30, 2022, was 18,544,700 persons on a seasonally adjusted basis. This number demonstrates an increase in the California labor market. The State-wide unemployment rate is 4.0% or 768,600 persons. The County of Fresno has experienced a similar increase in labor force and employment with a corresponding decline in unemployment. The County of Fresno labor force consisted of 452,400 persons as of June 30, 2022. Unemployment in the County has decreased by 3.6% from the prior year and is at a rate of 5.9% as of June 30, 2022.

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 \$90,685,012,822 in the 2021-2022 fiscal year. Property tax revenues increased by 2.42% from fiscal year 2020-2021 to fiscal year 2021-2022, while sales tax revenues increased by 7.3% 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 steady growth. The median home price within the County was up to \$415,000 during the month of September 2022; this represents an increase of \$35,000 or 9.21%, as compared to the median home prices in September 2021 of \$380,000. Furthermore, housing sales decreased by 15.3% in September 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 was at 2.8 months in September 2022 compared to 1.9 in September 2021. 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 2021 increased by 1.47% from 2020. This is largely due to a 5.09% increase in the value of fruit and nut crops along with an increase in livestock and poultry products, industrial, field and seed crops, and nursery products. The number one crop in value was once again almonds (\$1,441,392,000) followed by grapes (\$1,348,592,000). Fruit and nut crops provide 59.29% (\$4,793,849,000) of the gross agricultural production value followed by vegetables at 15.08% (\$1,219,120,000) and livestock, et al. at 18.45% (\$1,491,524,000).

While agriculture currently accounts for 11.63% of wage and salary employment, other important sources of employment include: government 16.72%; educational and health services trade 18.94%; transportation and utilities 17.97%; leisure and hospitality services 8.42%; professional and business services 7.88%; manufacturing 6.56%; construction 5%; and other 6.88%.

MAJOR INITIATIVES, SERVICE EFFORTS AND ACCOMPLISHMENTS

Current Financial Planning

The County maintains the largest road system in the State covering over 3,479 miles of roads. The 2022-2023 Road Fund adopted budget totals \$148.8 million, which reflects an increase of 24% from the prior year adopted budget. The 2022-2023 road maintenance programs include \$37 million dedicated to pavement seals and maintenance overlays; contracted preventative maintenance; routine maintenance; traffic signs and striping; traffic safety and operations; roadside waste removal; tree maintenance; and Creek Fire Repair Projects. The contract construction budget includes \$56 million for road reconstruction, bridge constructions, shoulder paving, traffic signals and pedestrian projects. Over \$90 million is programmed in the 2023 Federal Transportation Improvement Program for projects currently being designed for delivery over the next five years.

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, 2022, all bond proceeds have been allocated to future capital expenditures. The West Annex Jail project will be three floors with 300 medium/maximum security beds and will be located next to the North Annex Jail. It will replace outdated linear cells with new generation pods to allow greater observation and supervision of inmates along with providing program space for special needs inmates, specifically those with behavioral health issues. Groundbreaking on this project occurred on January 25, 2018 and is expected to be completed in early 2023.

Long-Term Financial Planning

The County's budget is strongly influenced by the State economy and local economic conditions along with the State's fiscal budget. The State passed the fiscal year 2022-2023 budget of \$303.5 billion (not including Bond Funds) on June 27, 2022, an increase of 18% over the prior year adopted budget. The budget includes a total of \$7.8 billion in fund balance and \$33.7 billion in reserves.

The County's fiscal year 2022-2023 adopted budget is \$4.5 billion, which is \$343.4 million greater than the prior year. The budget included \$70.8 million in carryover fund balance due to greater than budgeted countywide revenues and projected unused appropriations.

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 an investment is matched to a specific cash flow.

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 and 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 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 at the object level, except for capital assets. Transfers of appropriations between funds and departments require approval from the Board. 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

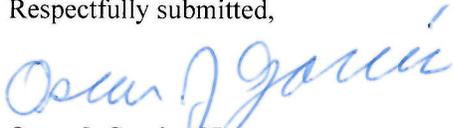
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Financial Report for the fiscal year ended June 30, 2021. The County has received this prestigious award for over thirty years. In order to be awarded a Certificate of Achievement, the County is required to publish an easily readable and efficiently organized Financial Report 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,



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**

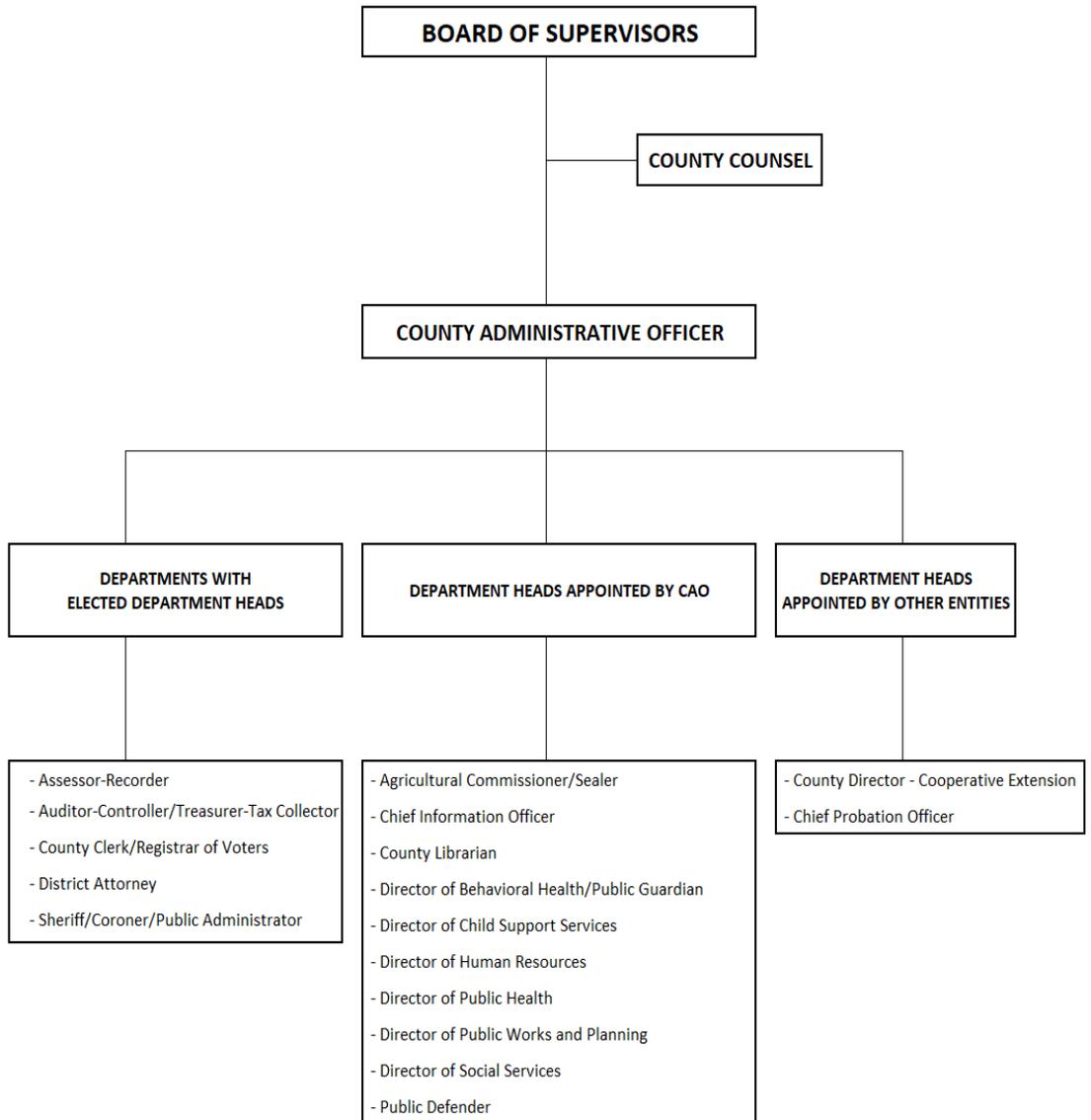
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

COUNTY OF FRESNO ORGANIZATIONAL CHART



**County of Fresno
List of Principal Officials
June 30, 2022**

ELECTED OFFICIALS

Board of Supervisors:

Chairman Supervisor, District 1	Brian Pacheco
Supervisor, District 2	Steve Brandau
Vice-Chairman Supervisor, District 3.....	Sal Quintero
Supervisor, District 4	Buddy Mendes
Supervisor, District 5	Nathan Magsig
Assessor-Recorder	Paul Dictos, CPA
Auditor-Controller/Treasurer-Tax Collector	Oscar J. Garcia, CPA
County Clerk/Registrar of Voters	James A. Kus
District Attorney	Lisa A. Smittcamp
Sheriff/Coroner/Public Administrator	Margaret Mims

APPOINTED OFFICIALS

County Administrative Officer	Paul Nerland
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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 fiscal year ended June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, Disaster Claiming Fund, Local Health and Welfare Fund, and 2011 Realignment Fund, 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 Governmental Accounting Standards Board (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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual major and 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 major and nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, 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 solely 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 the effectiveness of the County's 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

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
January 25, 2023

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(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 for the fiscal year ended June 30, 2022. 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 2021-2022 fiscal year, the assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the County by \$822,032. The residual of this difference is referred to as "net position." The County has an unrestricted net position of \$(71,676). The County's net position also includes a restricted net position of \$1,582 representing assets that may only be used for specific purposes, and \$892,126 representing the County's net investment in capital assets.
- The County's long-term liabilities decreased by \$623,554. Long-term liabilities totaled \$1,509,558 at June 30, 2022.
- The County's total net position increased to \$822,032. The governmental activities net position is \$714,689 and business-type activities net position is \$107,343.
- As of June 30, 2022, the County's governmental funds reported combined ending fund balances of \$873,235, which is an increase of \$46,595 in comparison to the prior year. Approximately 88.75% of combined fund balances, or \$775,010, is either nonspendable or restricted for specific uses; 11.25%, or \$98,225, is unassigned 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 \$470,069. Approximately \$371,844 is either nonspendable, restricted or committed for specific uses. The remaining \$98,225, which approximates to 5.25% of the General Fund's total expenditures for the year, is unrestricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *Statement of Net Position* presents information on all County assets and liabilities, as well as deferred inflows and outflows of resources, with the residual of these elements being reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

County of Fresno
Management's Discussion and Analysis
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(amounts expressed in thousands)

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by intergovernmental revenues and property and sales taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government; public protection; public ways and facilities; health, sanitation, and public assistance; education; and culture and recreation. The business-type activities of the County include the Fresno County Solid Waste Enterprise (Landfills) 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, 2022, the County had no discretely presented component units.

The government-wide financial statements can be found on pages 13-14 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 28, 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 thirteen individual governmental funds, five of which are considered to be major governmental funds. Information for the General Fund, Disaster Claiming, Debt Service, Local Health and Welfare, and 2011 Realignment Funds is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances. Data for

County of Fresno
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the other, nonmajor governmental funds are combined into a single, aggregated presentation. Summary fund data by fund type and individual fund data for these nonmajor governmental funds is provided as other supplementary information in the form of *combining statements and schedules* found on pages 77-88 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, Disaster Claiming, 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 15-18 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 Landfills' 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, risk management, PeopleSoft software operations, facility services, and security services. 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 Landfills' and CSAs' operations are considered to be major funds of the County. The County's six 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 90-93 of this report.

The proprietary funds financial statements can be found on pages 19-22 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 custodial funds, is much like that used for proprietary funds. Individual fund data for custodial funds is provided as supplementary information in the form of combining statements. These statements can be found on page 95-96 of this report.

The fiduciary fund financial statements can be found on pages 23-24 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 25-67 of this report.

Required Supplementary Information includes the Budgetary Comparison Schedules for the General Fund, Disaster Claiming, Local Health and Welfare, and 2011 Realignment Fund. Additionally, this section

County of Fresno
Management's Discussion and Analysis
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includes the Fresno County Employees' Retirement Association (FCERA) Schedule of the 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 amounts for the last 10 fiscal years. Required supplementary information can be found on pages 68-74 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for major and nonmajor 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 77-96 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$822,032 at June 30, 2022.

Summary of Net Position
June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Assets:						
Current and other assets	\$ 1,420,095	\$ 1,353,636	\$ 104,771	\$ 114,871	\$ 1,524,866	\$ 1,468,507
Capital assets	1,268,869	1,035,013	73,571	73,133	1,342,440	1,108,146
Total assets	<u>2,688,964</u>	<u>2,388,649</u>	<u>178,342</u>	<u>188,004</u>	<u>2,867,306</u>	<u>2,576,653</u>
Deferred Outflows of Resources:						
Prepaid expenses	-	-	-	-	-	-
Deferred pensions	386,977	541,823	2,991	4,062	389,968	545,885
Total deferred outflows of resources	<u>386,977</u>	<u>541,823</u>	<u>2,991</u>	<u>4,062</u>	<u>389,968</u>	<u>545,885</u>
Liabilities:						
Other liabilities	345,934	315,202	7,815	9,785	353,749	324,987
Long-term liabilities	1,447,770	2,072,738	61,788	60,374	1,509,558	2,133,112
Total liabilities	<u>1,793,704</u>	<u>2,387,940</u>	<u>69,603</u>	<u>70,159</u>	<u>1,863,307</u>	<u>2,458,099</u>
Deferred Inflows of Resources:						
Deferred pensions	567,548	67,693	4,387	508	571,935	68,201
Total deferred inflows of resources	<u>567,548</u>	<u>67,693</u>	<u>4,387</u>	<u>508</u>	<u>571,935</u>	<u>68,201</u>
Net Position:						
Net investment in capital assets	818,555	842,665	73,571	73,133	892,126	915,798
Restricted	-	-	1,582	1,582	1,582	1,582
Unrestricted (deficit)	(103,866)	(367,826)	32,190	46,684	(71,676)	(321,142)
Total net position	<u>\$ 714,689</u>	<u>\$ 474,839</u>	<u>\$ 107,343</u>	<u>\$ 121,399</u>	<u>\$ 822,032</u>	<u>\$ 596,238</u>

The largest portion of the County's net position, \$892,126, 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 \$1,582 represents resources that are subject to external restrictions on how they may be used.

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Current and other assets increased from \$1,468,507 to \$1,524,866 or 3.84%. This increase is primarily due to an increase in taxes receivable to the County along with an increase to cash and investments.

Capital assets increased by \$234,294 from \$1,108,146 to \$1,342,440, or 21.14% from the prior year. The increase was primarily due to the increase in depreciable assets, including the right to use leased assets, with a corresponding increase in non-depreciable assets (construction & infrastructure in progress). The corresponding depreciation to those previously non-depreciable assets slightly increased the net book value of the assets.

Long-term liabilities decreased by \$623,554, from \$2,133,112 to \$1,509,558, or 29.23% from the prior year. This is primarily due to a decrease of Net Pension Liability by the amount of \$860,027.

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

Summary of Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenues:						
Program revenues:						
Charges for services	\$ 124,210	\$ 169,443	\$ 28,089	\$ 28,536	\$ 152,299	\$ 197,979
Operating grants and contributions	1,237,692	1,214,344	258	542	1,237,950	1,214,886
Capital grants and contributions	-	-	39	-	39	-
General Revenues:						
Property taxes	300,504	293,027	896	855	301,400	293,882
Sales taxes	78,617	67,670	-	-	78,617	67,670
Motor vehicle in-lieu taxes	290,144	255,054	-	-	290,144	255,054
Franchise taxes	15,820	15,231	-	-	15,820	15,231
Gain (Loss) on sale of capital assets	-	-	-	-	-	-
Investment earnings	(33,841)	3,473	(3,985)	431	(37,826)	3,904
Miscellaneous	7,215	10,169	8,676	5,163	15,891	15,332
Total revenues	<u>2,020,361</u>	<u>2,028,411</u>	<u>33,973</u>	<u>35,527</u>	<u>2,054,334</u>	<u>2,063,938</u>
Expenses:						
General government	283,771	352,695	-	-	283,771	352,695
Public protection	373,108	426,547	-	-	373,108	426,547
Public ways and facilities	84,820	73,319	-	-	84,820	73,319
Health, sanitation & public assistance	983,096	911,730	-	-	983,096	911,730
Education	26,916	26,029	-	-	26,916	26,029
Culture and recreation	2,860	2,858	-	-	2,860	2,858
Interest on long-term debt	16,787	35,695	-	-	16,787	35,695
County Service Areas, other	-	-	18,767	12,451	18,767	12,451
Landfill	-	-	24,162	15,009	24,162	15,009
Total expenses	<u>1,771,358</u>	<u>1,828,873</u>	<u>42,929</u>	<u>27,460</u>	<u>1,814,287</u>	<u>1,856,333</u>
Increase (decrease) in net position before transfers						
	249,003	199,538	(8,956)	8,067	240,047	207,605
Transfers	(174)	11	174	(11)	-	-
Increase (decrease) in net position	248,828	199,549	(8,782)	8,056	240,046	207,605
Net position beginning of year	474,839	41,371	121,399	114,365	596,238	155,736
Prior period adjustment	(8,979)	233,919	(5,274)	(1,022)	(14,253)	232,897
Net position end of year	<u>\$ 714,689</u>	<u>\$ 474,839</u>	<u>\$ 107,343</u>	<u>\$ 121,399</u>	<u>\$ 822,032</u>	<u>\$ 596,238</u>

Governmental activities. Governmental activities increased the County's net position by \$248,828, which accounts for most of the total increase in net position of the County. Revenue related to charges for services decreased by \$45,233 due to a decrease in service levels. Operating grant revenue increased by \$23,348, primarily due to the increase in Healthcare Sales Tax and Vehicle License Fee revenues. Property taxes

County of Fresno
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(amounts expressed in thousands)

increased by \$7,477. This increase in property taxes is due to a slight increase in assessed values and a slightly decreased property tax delinquency rate. Sales tax revenues increased by \$10,947 due to greater distribution of Bradley-Burns State tax revenues.

Expenses for general government decreased by \$68,924, and public protection decreased by \$53,439, primarily due to a decrease in costs for miscellaneous refunds along with an overall decrease in expenditures for internal service funds. Health, sanitation, and public assistance increased by \$71,366. Expenses for public ways and facilities increased by \$11,501, 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 18, which further explains the difference between changes in the County's fund balance under the modified accrual basis and changes in net position under the accrual basis of accounting.

Business-type activities. Business-type activities decreased the County's net position by \$8,782. Combined with the prior period adjustment decreasing the net position by \$5,274, the result is a net \$14,056 decrease in net position from business-type activities, which is attributable to an increase in operating expenses.

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.

At June 30, 2022, the County's governmental funds reported combined ending fund balances of \$873,235, an increase of \$46,595 in comparison with the prior fiscal year. Approximately 11.25% of this total amount, or \$98,225, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance, totaling \$775,010, is restricted or committed; this includes \$14,542 "not in spendable form" for items that are not expected to be converted into cash, such as long-term receivables 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 \$760,468 restricted or committed for programs at various levels.

General Fund. The General Fund is the chief operating fund of the County. At June 30, 2022, unassigned fund balance of the General Fund was \$98,225, while total fund balance was \$470,069. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5.25% of total fund expenditures less transfers, while total fund balance represents 25.11% of that same amount.

County of Fresno
Management's Discussion and Analysis
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(amounts expressed in thousands)

The fund balance of the County's General Fund decreased by \$17,425 during the current fiscal year primarily due to an increase in overall expenditures.

Revenues for the General Fund without transfers totaled \$1,342,265, which represents a 0.19% decrease from fiscal year 2020-2021. Overall revenue decreased by \$2,661 during the current fiscal year primarily due to the decrease in other revenues.

Expenditures without other financing sources (uses) for the General Fund totaled \$1,872,326 in fiscal year 2021-2022, which represents an increase of 6.46% from fiscal year 2020-2021. The primary cause for the increase is an overall increase in health, sanitation, and public assistance.

Disaster Claiming Fund. The Disaster Claiming Fund was established during fiscal year 2019-2020 to help track funds received that are related to local disaster relief. Funds received during fiscal year 2021-2022 were \$38,552, with \$40,077 in disbursements.

Debt Service Fund. The Debt Service Fund is a major governmental fund. Fund balance decreased by \$592 from \$64,415 to \$63,823, or 0.92%. This decrease is due to a decrease in other revenues during fiscal year 2021-2022.

Local Health and Welfare Fund. The Local Health and Welfare Fund existed as a nonmajor special revenue fund in previous fiscal years. This fund was created pursuant to Assembly Bill 1288 of 1991. This fund received \$287,389 in revenues without transfers and distributed \$269,017 to the General Fund which, when combined with the \$48,274 in restricted fund balance from the prior year, resulted in \$78,006 in restricted fund balance for fiscal year 2021-2022.

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 Public Safety and Health programs. This fund received \$223,418 in revenues without transfers in and distributed \$210,873 to the General Fund which, when combined with the \$93,845 in restricted fund balance from the prior year, resulted in \$106,340 in restricted fund balance for fiscal year 2021-2022.

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 \$82,856 in net position on June 30, 2022, and the CSAs have \$24,487. The Landfills' and CSAs' unrestricted net positions are \$37,373 and \$(5,183), respectively; this comprises 45.11% and -21.17%, respectively, of their total net positions. Overall, net position decreased by \$14,056 for the combined Landfills and CSAs funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total change in fund balance between the original budget and the final amended budget was a decrease of \$3,054. The difference between the original budget and the final amended budget is primarily due to an increase in appropriations related to an increase in costs associated with CalWORKs.

The actual General Fund revenue balance of \$1,342,265 was \$415 or 0.03% more than what was expected. The revenue increased primarily due to more than anticipated sales tax revenues attributed to Prop 172, which is dedicated to local public safety activities. In addition, more revenue was also received for California Mental Health Services (MHSA funds). Actual General Fund expenditures fell below the total budget estimates by \$227,006, or 10.81%. The savings were achieved by an array of continuous efforts to manage the County's budget effectively.

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

As of June 30, 2022, the County's investment in capital assets for its governmental and business-type activities was \$1,342,440. This investment in capital assets includes infrastructure, infrastructure in progress, land, land easements, buildings and improvements, equipment, intangible assets, intangible in progress, construction in progress, and right to use leased assets. The total increase in the County's investment in capital assets for the current period was \$234,294.

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

- Construction of road projects.
- Construction of the West Annex Jail.
- 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)
As of June 30, 2022, and 2021

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Assets:						
Infrastructure	\$ 338,517	\$ 339,670	\$ -	\$ -	\$ 338,517	\$ 339,670
Infrastructure in progress	45,635	18,458	-	-	45,635	18,458
Land	16,878	16,878	9,183	9,183	26,061	26,061
Land easements	41,838	41,838	-	-	41,838	41,838
Buildings and						
Improvements	419,789	455,833	44,806	42,530	464,595	498,363
Equipment	39,406	42,606	3,672	3,922	43,078	46,528
Construction in progress	133,564	119,367	15,910	17,498	149,474	136,865
Intangible assets	170	363	-	-	170	363
Right to use leased assets, net of amortization	233,072	-	-	-	233,072	-
	<u>\$ 1,268,869</u>	<u>\$ 1,035,013</u>	<u>\$ 73,571</u>	<u>\$ 73,133</u>	<u>\$ 1,342,440</u>	<u>\$ 1,108,146</u>

For more detailed information on capital asset activity, refer to the relevant disclosures (Note 8) in the notes to the basic financial statements.

Infrastructure Assets

The County capitalizes and depreciates the value of bridges, streets, and traffic lights using the straight-line depreciation method. Right-of-way is treated as a non-depreciable asset, labeled as land easements. During fiscal year 2021-2022, the County added infrastructure totaling \$9,519. Accumulated depreciation for infrastructure increased by \$11,097.

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

Long-Term Liabilities

At June 30, 2022, the County had total long-term liabilities outstanding of \$1,509,558, compared to \$2,133,112 for the prior fiscal year. This amount includes \$1,447,770 from governmental activities, which was comprised of \$56,853 in compensated absences; \$236,352 in lease obligations; \$24,136 in liability for tenant improvements, \$90,976 in liability for self-insurance; \$309,251 in bonds payable; \$297,470 from accreted interest; and \$432,732 in net pension liability. This combined with \$61,788 from business-type activities, which was comprised of \$51,274 in closure and post-closure care liability; \$2,025 in bonds payable; \$4,663 in loans payable; \$480 in compensated absences; and \$3,346 in net pension liability. Please refer to Note 9 and Note 11 on pages 45 through 54 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 COVID-19 pandemic through calendar year 2021. However, in 2022, the economy has shown signs of weakening with Gross Domestic Product having decreases in the first two quarters and rebounding with an increase in the third quarter. In addition, inflation has been rising since early 2021 and has been historically high over the last year hovering between seven (7) and eight (8) percent. The housing market has been robust through 2021; however, due to high mortgage rates, there are signs the housing market is cooling. Housing prices are beginning to drop in the State of California. Unemployment has remained low after the significant rise during the pandemic.
- 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.
- To address the impacts of COVID-19, the County received a total of \$98 million under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This amount has been fully expended on items such as testing, homelessness, and personal protective equipment. The County also received a total amount of \$194 million under the American Rescue Plan Act (ARPA). As of September 2022, approximately \$46.4 million has been expended. According to the Fiscal Year 2022-23 adopted budget, the ARPA funds are being expended on a variety of projects including funding assistance for construction of affordable homes and the enhancement of homelessness initiatives.
- 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 have shown increases in Fiscal Year 2021-22, it remains to be seen if that will continue in Fiscal Year 2022-23.

To the extent these factors were known, or could be estimated, they were considered in preparing the County's budget for fiscal year 2022-2023. The County budgets conservatively, which will help alleviate a potential downturn in the economy. The County will continue to monitor revenue streams and make any necessary adjustments during the fiscal year.

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, 2022
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 1,070,338	\$ 54,433	\$ 1,124,771
Restricted cash and investments	15,292	46,717	62,009
Receivables, net:			
Accounts	64,093	3,451	67,544
Taxes	33,887	-	33,887
Interest	3,883	354	4,237
Loans	38,953	-	38,953
Internal balances	184	(184)	-
Due from other governmental units	179,705	-	179,705
Prepaid expenses	13,760	-	13,760
Capital Assets, net:			
Land	16,878	9,183	26,061
Land easements	41,838	-	41,838
Buildings and improvements	419,789	44,806	464,595
Equipment	39,406	3,672	43,078
Construction in progress	133,564	15,910	149,474
Infrastructure	338,517	-	338,517
Infrastructure in progress	45,635	-	45,635
Intangible	170	-	170
Right to use leased assets, net of amortization	233,072	-	233,072
Total assets	<u>2,688,964</u>	<u>178,342</u>	<u>2,867,306</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	<u>386,977</u>	<u>2,991</u>	<u>389,968</u>
Total deferred outflows of resources	<u>386,977</u>	<u>2,991</u>	<u>389,968</u>
LIABILITIES			
Cash overdraft	790	-	790
Accounts payable	69,221	1,196	70,417
Salaries and benefits payable	44,205	123	44,328
Interest payable	2,091	80	2,171
Due to other governmental units	39,383	-	39,383
Deposits and other liabilities	14,853	6,416	21,269
Unearned revenue	175,391	-	175,391
Noncurrent liabilities:			
Due within one year	73,827	1,201	75,028
Due beyond one year	1,373,943	60,587	1,434,530
Total liabilities	<u>1,793,704</u>	<u>69,603</u>	<u>1,863,307</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	<u>567,548</u>	<u>4,387</u>	<u>571,935</u>
Total deferred inflows of resources	<u>567,548</u>	<u>4,387</u>	<u>571,935</u>
NET POSITION			
Net investment in capital assets	818,555	73,571	892,126
Restricted for:			
Debt service	-	1,582	1,582
Unrestricted	<u>(103,866)</u>	<u>32,190</u>	<u>(71,676)</u>
Total net position	<u>\$ 714,689</u>	<u>\$ 107,343</u>	<u>\$ 822,032</u>

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

County of Fresno
Statement of Activities
For Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

Functions / Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital	Governmental Activities	Business-Type Activities	Total
				Grants and Contributions			
Governmental activities:							
General government	\$ 283,771	\$ 51,939	\$ 322,869	\$ -	\$ 91,037	\$ -	\$ 91,037
Public protection	373,108	33,851	148,947	-	(190,310)	-	(190,310)
Public ways and facilities	84,820	6,287	64,764	-	(13,769)	-	(13,769)
Health, sanitation and public assistance	983,096	28,708	700,849	-	(253,539)	-	(253,539)
Education	26,916	1,748	260	-	(24,908)	-	(24,908)
Culture and recreation	2,860	1,677	3	-	(1,180)	-	(1,180)
Interest and fiscal charges	16,787	-	-	-	(16,787)	-	(16,787)
Total governmental activities	<u>1,771,358</u>	<u>124,210</u>	<u>1,237,692</u>	<u>-</u>	<u>(409,457)</u>	<u>-</u>	<u>(409,457)</u>
Business-type activities:							
Water/Sewer services	18,767	9,362	-	39	-	(9,366)	(9,366)
Landfill	24,162	18,727	258	-	-	(5,177)	(5,177)
Total business-type activities	<u>42,929</u>	<u>28,089</u>	<u>258</u>	<u>39</u>	<u>-</u>	<u>(14,543)</u>	<u>(14,543)</u>
Total primary government	<u>\$ 1,814,287</u>	<u>\$ 152,299</u>	<u>\$ 1,237,950</u>	<u>\$ 39</u>	<u>(409,457)</u>	<u>(14,543)</u>	<u>(424,000)</u>
General revenues:							
Property tax					300,504	896	301,400
Sales tax					78,617	-	78,617
Franchise tax					15,820	-	15,820
Unrestricted motor vehicle in-lieu taxes					290,144	-	290,144
Other					7,215	8,676	15,891
Unrestricted investment earnings					(33,841)	(3,985)	(37,826)
Transfers in (out)					(174)	174	-
Total general revenues and transfers					<u>658,285</u>	<u>5,761</u>	<u>664,046</u>
Change in net position					<u>248,828</u>	<u>(8,782)</u>	<u>240,046</u>
Net position - beginning					474,840	121,399	596,239
Prior period adjustments					(8,979)	(5,274)	(14,253)
Net position - beginning restated					<u>465,861</u>	<u>116,125</u>	<u>581,986</u>
Net position - ending					<u>\$ 714,689</u>	<u>\$ 107,343</u>	<u>\$ 822,032</u>

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

County of Fresno
Balance Sheet
Governmental Funds
June 30, 2022
(amounts expressed in thousands)

	General Fund	Disaster Claiming	Debt Service	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
ASSETS & DEFERRED							
OUTFLOWS OF RESOURCES							
Assets							
Cash and investments	\$ 398,137	\$ 168,021	\$ 52,019	\$ 69,051	\$ 107,232	\$ 148,606	\$ 943,066
Restricted cash and investments	23	-	11,638	-	-	220	11,881
Receivables, net:							
Accounts	53,855	-	-	-	-	9,616	63,471
Taxes	33,887	-	-	-	-	-	33,887
Interest	1,968	289	166	264	394	346	3,427
Loans	38,953	-	-	-	-	-	38,953
Due from other funds	33,728	-	-	-	2,934	3,218	39,880
Due from other governmental units	143,526	-	-	8,750	12,604	7,162	172,042
Advances to other funds	293	-	-	-	-	-	293
Prepaid items	13,656	-	-	-	-	104	13,760
Total assets	<u>718,026</u>	<u>168,310</u>	<u>63,823</u>	<u>78,065</u>	<u>123,164</u>	<u>169,272</u>	<u>1,320,660</u>
Deferred outflows of resources							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 718,026</u>	<u>\$ 168,310</u>	<u>\$ 63,823</u>	<u>\$ 78,065</u>	<u>\$ 123,164</u>	<u>\$ 169,272</u>	<u>\$ 1,320,660</u>
LIABILITIES, DEFERRED							
INFLOWS OF RESOURCES, &							
FUND BALANCES							
Liabilities							
Accounts payable	\$ 46,757	\$ 243	\$ -	\$ -	\$ 4	\$ 9,966	\$ 56,970
Salaries and benefits payable	40,647	-	-	-	-	2,411	43,058
Due to other governmental units	35,502	-	-	-	-	18	35,520
Due to other funds	16,829	15,853	-	59	16,820	1,595	51,156
Deposits and other liabilities	13,712	-	-	-	-	241	13,953
Unearned revenue	23,084	152,214	-	-	-	44	175,342
Total liabilities	<u>176,531</u>	<u>168,310</u>	<u>-</u>	<u>59</u>	<u>16,824</u>	<u>14,275</u>	<u>375,999</u>
Deferred inflows of resources							
Unavailable property taxes	32,473	-	-	-	-	-	32,473
Unavailable HARP loan	38,953	-	-	-	-	-	38,953
Total deferred inflows of resources	<u>71,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,426</u>
Fund balances							
Nonspendable	14,506	-	-	-	-	36	14,542
Restricted	289,170	-	63,823	78,006	106,340	154,961	692,300
Committed	68,168	-	-	-	-	-	68,168
Unassigned	98,225	-	-	-	-	-	98,225
Total fund balances	<u>470,069</u>	<u>-</u>	<u>63,823</u>	<u>78,006</u>	<u>106,340</u>	<u>154,997</u>	<u>873,235</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 718,026</u>	<u>\$ 168,310</u>	<u>\$ 63,823</u>	<u>\$ 78,065</u>	<u>\$ 123,164</u>	<u>\$ 169,272</u>	<u>\$ 1,320,660</u>

The notes to the basic 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, 2022
(amounts expressed in thousands)

Fund balances - total governmental funds	\$	873,235
Amounts reported for net position of governmental activities are different because:		
Capital assets are not recorded in the governmental funds statements but are recorded in government-wide statements to conform with generally accepted accounting principles.		948,075
Deferred outflows of resources are not recorded in the governmental funds statements but are recorded in the government-wide statements.		367,382
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.		(1,070,812)
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.		(2,091)
Deferred inflows of resources are not recorded in the governmental funds statements but are recorded in the government-wide statements.		(538,810)
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.		71,426
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 of resources, liabilities, and deferred inflows of resources of the internal service funds are included in the statement of net position.		66,284
Net position of governmental activities	\$	714,689

The notes to the basic 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, 2022
(amounts expressed in thousands)

	General Fund	Disaster Claiming	Debt Service	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 325,826	\$ -	\$ -	\$ -	\$ -	\$ 53,295	\$ 379,121
Licenses and permits	15,328	-	-	-	-	492	15,820
Fines, forfeitures and penalties	6,697	-	-	-	-	504	7,201
Use of money and property	(13,850)	(3,298)	(2,459)	(2,755)	(4,446)	(7,033)	(33,841)
Aid from other governmental agencies:							
State	415,679	-	-	290,144	227,864	54,243	987,930
Federal	476,633	41,850	-	-	-	11,984	530,467
Other	6,092	-	2,084	-	-	1	8,177
Charges for services	68,903	-	-	-	-	7,138	76,041
Other revenues	40,957	-	3,836	-	-	3,375	48,168
Total revenues	<u>1,342,265</u>	<u>38,552</u>	<u>3,461</u>	<u>287,389</u>	<u>223,418</u>	<u>123,999</u>	<u>2,019,084</u>
Expenditures							
General government	56,663	-	1	-	50	2,581	59,295
Public protection	514,358	-	-	-	-	-	514,358
Public ways and facilities	3,742	-	-	-	-	83,661	87,403
Health, sanitation, and public assistance	1,197,640	5,365	-	-	-	344	1,203,349
Education	273	-	-	-	-	29,751	30,024
Culture and recreation	3,712	-	-	-	-	-	3,712
Capital outlay	80,226	-	-	-	-	17,758	97,984
Debt service:							
Principal	12,864	-	35,340	-	-	-	48,204
Interest and fiscal charges	2,848	-	5,446	-	-	-	8,294
Total expenditures	<u>1,872,326</u>	<u>5,365</u>	<u>40,787</u>	<u>-</u>	<u>50</u>	<u>134,095</u>	<u>2,052,623</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(530,061)</u>	<u>33,187</u>	<u>(37,326)</u>	<u>287,389</u>	<u>223,368</u>	<u>(10,096)</u>	<u>(33,539)</u>
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	253	-	-	-	-	-	253
Insurance recoveries	14	-	-	-	-	-	14
Transfers in	503,680	-	36,734	11,360	-	21,736	573,510
Transfers (out)	(67,785)	(34,712)	-	(269,017)	(210,873)	(3,891)	(586,278)
Lease liabilities issued	76,474	-	-	-	-	-	76,474
Total other financing sources (uses)	<u>512,636</u>	<u>(34,712)</u>	<u>36,734</u>	<u>(257,657)</u>	<u>(210,873)</u>	<u>17,845</u>	<u>63,973</u>
Net change in fund balances	(17,425)	(1,525)	(592)	29,732	12,495	7,749	30,434
Fund balances - beginning	471,333	1,525	64,415	48,274	93,845	147,248	826,640
Prior period adjustment	16,161	-	-	-	-	-	16,161
Fund balances - beginning restated	<u>487,494</u>	<u>1,525</u>	<u>64,415</u>	<u>48,274</u>	<u>93,845</u>	<u>147,248</u>	<u>842,801</u>
Fund balances - ending	<u>\$ 470,069</u>	<u>\$ -</u>	<u>\$ 63,823</u>	<u>\$ 78,006</u>	<u>\$ 106,340</u>	<u>\$ 154,997</u>	<u>\$ 873,235</u>

The notes to the basic 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, 2022
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$	30,434
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, other related capital asset adjustments and right to use leased assets	97,984	
Less - current year depreciation and amortization expense	(36,688)	61,296
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.		
		54
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.		
		54,122
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.		
		167,414
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.		
		1,263
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 governmental funds. Neither transaction has any effect in the treatment of long-term debt and related items.		
New long-term debt issued	(76,474)	
Principal payments on long-term debt	12,864	(63,610)
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.		
		(2,145)
Change in net position of governmental activities	\$	248,828

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

County of Fresno
Statement of Net Position
Proprietary Funds
June 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	County Service	Total	Internal Service
	Enterprise	Areas, Other		Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 51,049	\$ 3,384	\$ 54,433	\$ 127,272
Restricted cash and cash equivalents	45,135	1,582	46,717	3,411
Accounts receivable (net of allowance)	2,501	950	3,451	393
Interest receivable	338	16	354	456
Due from other funds	1,067	101	1,168	17,505
Due from other governmental units	-	-	-	7,663
Total current assets	100,090	6,033	106,123	156,700
Noncurrent assets:				
Accounts receivable	-	-	-	229
Non-depreciable:				
Land	7,956	1,227	9,183	-
Construction in progress	6,006	9,904	15,910	3,210
Depreciable:				
Buildings and improvements, net	28,741	16,065	44,806	25,629
Equipment, net	2,780	892	3,672	31,467
Total noncurrent assets	45,483	28,088	73,571	60,535
Total assets	145,573	34,121	179,694	217,235
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	1,997	994	2,991	19,595
Total deferred outflows of resources	1,997	994	2,991	19,595
LIABILITIES				
Current liabilities:				
Cash overdraft	-	-	-	790
Accounts payable	512	684	1,196	12,251
Salaries and benefits payable	116	7	123	1,147
Due to other funds	909	150	1,059	6,338
Due to other governmental units	-	-	-	3,863
Advances from other funds	-	293	293	-
Liability for self-insurance	-	-	-	18,960
Interest payable	-	80	80	-
Deposits and other liabilities	6,394	22	6,416	900
Loans payable	-	139	139	-
General obligation bonds payable	-	285	285	-
Unearned revenue	-	-	-	49
Compensated leave and absences	159	66	225	1,454
Accrued closure/post-closure liability	552	-	552	-
Total current liabilities	8,642	1,726	10,368	45,752
Noncurrent liabilities:				
Liability for self-insurance	-	-	-	72,018
Compensated leave and absences	187	68	255	2,127
General obligation bonds payable	-	1,740	1,740	-
Loans payable	-	4,524	4,524	-
Accrued closure/post-closure liability	50,722	-	50,722	-
Net pension liability	2,234	1,112	3,346	21,911
Total noncurrent liabilities	53,143	7,444	60,587	96,056
Total liabilities	61,785	9,170	70,955	141,808
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	2,929	1,458	4,387	28,738
Total deferred inflows of resources	2,929	1,458	4,387	28,738
NET POSITION				
Net investment in capital assets	45,483	28,088	73,571	60,306
Restricted for:				
Debt service	-	1,582	1,582	-
Unrestricted	37,373	(5,183)	32,190	5,978
Total net position	\$ 82,856	\$ 24,487	\$ 107,343	\$ 66,284

The notes to the basic 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, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	County Service Areas, Other	Total	Internal Service Funds
Operating revenues				
Charges for services	\$ 18,727	\$ 9,362	\$ 28,089	\$ 256,601
Other revenues	3,909	4,767	8,676	1,536
Total operating revenues	<u>22,636</u>	<u>14,129</u>	<u>36,765</u>	<u>258,137</u>
Operating expenses				
Salaries and benefits	3,586	1,772	5,358	34,118
Insurance	147	192	339	128,400
Professional services	3,242	5,232	8,474	19,856
General and administrative	5,708	2,600	8,308	44,146
Repairs and maintenance	718	7,315	8,033	5,642
Rents and leases	6	1	7	6,307
Parts and supplies	24	-	24	14,890
Accrued closure/post-closure costs	9,343	-	9,343	-
Utilities	109	1,011	1,120	14,513
Depreciation	1,519	851	2,370	3,387
Total operating expenses	<u>24,402</u>	<u>18,974</u>	<u>43,376</u>	<u>271,259</u>
Operating income (loss)	<u>(1,766)</u>	<u>(4,845)</u>	<u>(6,611)</u>	<u>(13,122)</u>
Non-operating revenues (expenses)				
Gain (Loss) on sale of capital assets	(2,785)	(14)	(2,799)	362
Use of money and property	(4,171)	186	(3,985)	(5,585)
Interest expense	-	221	221	-
Tax revenues	-	896	896	-
Insurance recoveries	-	-	-	3,606
Closure/post-closure expense/fees	3,025	-	3,025	-
Grants and other revenues	258	39	297	-
Total non-operating revenues (expenses)	<u>(3,673)</u>	<u>1,328</u>	<u>(2,345)</u>	<u>(1,617)</u>
Net income (loss) before transfers	<u>(5,439)</u>	<u>(3,517)</u>	<u>(8,956)</u>	<u>(14,739)</u>
Transfers in (out)				
Transfers in	324	141	465	14,454
Transfers (out)	(195)	(96)	(291)	(1,860)
Total transfers in (out)	<u>129</u>	<u>45</u>	<u>174</u>	<u>12,594</u>
Change in net position	<u>(5,310)</u>	<u>(3,472)</u>	<u>(8,782)</u>	<u>(2,145)</u>
Net position - beginning	88,166	33,233	121,399	68,429
Prior period adjustment	-	(5,274)	(5,274)	-
Net position - beginning restated	<u>88,166</u>	<u>27,959</u>	<u>116,125</u>	<u>68,429</u>
Net position - ending	<u>\$ 82,856</u>	<u>\$ 24,487</u>	<u>\$ 107,343</u>	<u>\$ 66,284</u>

The notes to the basic 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, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	County			Internal Service Funds
	Solid Waste	Service Areas, Other	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from users	\$ 22,177	\$ 14,638	\$ 36,815	\$ 252,415
Cash paid to suppliers	(12,839)	(12,856)	(25,695)	(203,463)
Cash paid to employees	(5,480)	(2,726)	(8,206)	(53,846)
Cash paid for claims	-	-	-	(20,747)
Net cash provided by (used in) operating activities	<u>3,858</u>	<u>(944)</u>	<u>2,914</u>	<u>(25,641)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Tax revenues	-	896	896	-
Grant revenues	258	-	258	-
Transfers from other funds	324	141	465	14,454
Transfers to other funds	(195)	(96)	(291)	(1,860)
Advances paid to/returned to other funds	-	4,585	4,585	-
Cash paid to closure/post-closure liability	(2,956)	-	(2,956)	-
Net cash provided by (used in) noncapital financing activities	<u>(2,569)</u>	<u>5,526</u>	<u>2,957</u>	<u>12,594</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sales of capital assets	666	-	666	5,847
Purchases of capital assets	(2,658)	(8,749)	(11,407)	(7,800)
Insurance recoveries	-	-	-	3,606
Interest paid on capital debt	-	221	221	-
Net cash provided by (used in) capital and related financing activities	<u>(1,992)</u>	<u>(8,528)</u>	<u>(10,520)</u>	<u>1,653</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Use of money and property received	(3,859)	(191)	(4,050)	(5,111)
Net cash provided by (used in) investing activities	<u>(3,859)</u>	<u>(191)</u>	<u>(4,050)</u>	<u>(5,111)</u>
Net increase (decrease) in cash and cash equivalents	(4,562)	(4,137)	(8,699)	(16,505)
Cash and cash equivalents - beginning	100,746	9,103	109,849	147,188
Cash and cash equivalents - ending	\$ 96,184	\$ 4,966	\$ 101,150	\$ 130,683
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	\$ 51,049	\$ 3,384	\$ 54,433	\$ 127,272
Restricted cash and investments	<u>45,135</u>	<u>1,582</u>	<u>46,717</u>	<u>3,411</u>
Total	\$ 96,184	\$ 4,966	\$ 101,150	\$ 130,683

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

County of Fresno
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	County			Internal Service Funds
	Solid Waste	Service Areas, Other	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,766)	\$ (4,845)	\$ (6,611)	\$ (13,122)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Landfill closure and post-closure costs	9,343	-	9,343	-
Pension expense	(1,026)	(511)	(1,537)	(10,068)
Depreciation expense	1,519	851	2,370	3,387
Decrease (increase) in accounts receivable	738	5	743	431
Decrease (increase) in due from other funds	(377)	(101)	(478)	(3,979)
Decrease (increase) in due from other governmental units	-	605	605	(990)
Decrease (increase) in inventory of supplies	(2,683)	4,271	1,588	5,654
(Decrease) increase in accounts payable	(303)	(873)	(1,176)	2,227
(Decrease) increase in salaries and benefits payable	32	5	37	211
(Decrease) increase in unearned revenue	(820)	-	(820)	62
(Decrease) increase in deposits held for others	-	-	-	(1,246)
(Decrease) increase in due to other funds	101	97	198	2,274
(Decrease) increase in due to other governmental units	-	-	-	(3,486)
(Decrease) increase in deferred outflows pensions	715	356	1,071	7,590
(Decrease) increase in deferred inflows pensions	2,590	1,289	3,879	25,342
(Decrease) increase in net pension liability	(4,205)	(2,093)	(6,298)	(42,633)
(Decrease) increase in liabilities for self-insurance	-	-	-	2,705
Total adjustments	<u>5,624</u>	<u>3,901</u>	<u>9,525</u>	<u>(12,519)</u>
Net cash provided by (used in) operating activities	<u>\$ 3,858</u>	<u>\$ (944)</u>	<u>\$ 2,914</u>	<u>\$ (25,641)</u>
Sales (Purchase) of capital assets	<u>\$ (1,992)</u>	<u>\$ (8,749)</u>	<u>\$ (10,741)</u>	<u>\$ 10,047</u>

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

County of Fresno
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022
(amounts expressed in thousands)

	Custodial Funds		
	Pension Trust	External Investment Pool	Other Custodial Funds
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Cash and investments	\$ 702,667	\$ 4,621,966	\$ 187,694
Receivables, net:			
Accounts	201,417	334	3,682
Taxes	-	196	1
Interest	9,965	15,237	816
Loans	-	654	-
Due from other governmental units	-	71,479	15
Prepaid expense	176	93	-
Property held by public administrator	-	-	3,533
Investments, at fair value	5,221,349	-	-
Capital assets, net	12,593	-	-
Total assets	<u>6,148,167</u>	<u>4,709,959</u>	<u>195,741</u>
Deferred outflows of resources			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 6,148,167</u>	<u>\$ 4,709,959</u>	<u>\$ 195,741</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION			
Liabilities			
Accounts payable	\$ 524,768	\$ -	\$ 762
Due to other governmental units	<u>-</u>	<u>-</u>	<u>8,514</u>
Total liabilities	<u>524,768</u>	<u>-</u>	<u>9,276</u>
Deferred inflows of resources			
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for:			
Pensions	5,623,399	-	-
Pool participants	-	4,709,959	-
Individuals & other governments	<u>-</u>	<u>-</u>	<u>186,465</u>
Total net position	<u>5,623,399</u>	<u>4,709,959</u>	<u>186,465</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,148,167</u>	<u>\$ 4,709,959</u>	<u>\$ 195,741</u>

The notes to the basic 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, 2022
(amounts expressed in thousands)

	Custodial Funds		
	Pension Trust	External Investment Pool	Other Custodial Funds
ADDITIONS			
Contributions:			
Employers	\$ 251,733	\$ -	\$ -
Plan members	42,038	-	-
Contributions to pooled investments	-	16,227,706	-
Total contributions	293,771	16,227,706	-
Investment income (loss):			
Net investment income (loss), before securities lending	(623,706)	-	-
Net income from securities lending activities	1,819	-	-
Net increase (decrease) in fair value of investments	-	(304,496)	(3,986)
Net investment income (loss)	(621,887)	(304,496)	(3,986)
Property tax collections	-	-	1,501,574
Other tax collections	-	-	15
Custodial fund collections	-	-	2,909,367
Total additions	(328,116)	15,923,210	4,406,970
DEDUCTIONS			
Benefits paid to plan members and beneficiaries	320,673	-	-
Refunds of member contributions	4,175	-	-
Administrative expenses	6,460	-	-
Distributions from pooled investments	-	15,220,324	-
Property & other tax distributions	-	-	1,496,497
Custodial fund distributions	-	-	2,882,802
Other	99	-	-
Total deductions	331,407	15,220,324	4,379,299
Change in fiduciary net position	(659,523)	702,886	27,671
Fiduciary net position - beginning	6,282,922	4,007,073	158,794
Fiduciary net position - ending	\$ 5,623,399	\$ 4,709,959	\$ 186,465

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

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County of Fresno
Notes to the Basic Financial Statements
June 30, 2022
(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 Governmental 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 in substance, are 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 Districts, Maintenance Districts, and Waterworks Districts, are blended as Special Revenue funds and Enterprise funds since they are an integral part of the County, their governing bodies are comprised of the Board, and there is potential that the organizations 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's Debt Service Fund. 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, 2022
(amounts expressed in thousands)

financial statements be blended into the County's financial statements. A five-member board, appointed by the Board, determines the FCFA's policies.

The Fresno County Tobacco Funding Corporation (FCTFC) is reported in the County's Debt Service Fund. The FCTFC was formed for the purpose of securitizing the payments to be received by the County from the nation-wide Tobacco Settlement Agreement (the Payments) for such purposes as, but not limited to, the issuance, sale, execution, and delivery of bonds secured by those Payments or the lending of money based on thereof, or to securitize, sell, purchase or otherwise dispose of some or all of such Payments of the County. The FCTFC's board consists of members of the Board or members appointed by the Board. The FCTFC provides services only to the County. 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 entities' governing boards are substantially different from the Board. As of June 30, 2022, the County had 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

County of Fresno
Notes to the Basic Financial Statements
June 30, 2022
(amounts expressed in thousands)

funds are separately aggregated and combined into one column for reporting as nonmajor 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 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 five 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 culture and recreation.
- The *Disaster Claiming Fund* accounts for revenues and expenditures from Federal and State funding used in providing relief to County citizens and businesses as a result of any ongoing or preceding catastrophic events (such as the Creek Fire or the COVID-19 pandemic).
- 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 *Local Health and Welfare Fund* is used to account for proceeds of sales tax and vehicle license fees designated for State & local programs that were realigned to counties in 1991 (1991 Realignment). In addition, the fund is used to deposit County general fund revenues to satisfy the mandated Maintenance of Effort (MOE) county contribution for mental health and health programs.
- The *2011 Realignment Fund* is utilized to account for revenues provided by the State pursuant to Assembly Bill 118, which required counties to use 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 County Service Areas (CSAs), Lighting Districts, Waterworks Districts, and one administrative fund.

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, information services, the County's financial software, centralized facility

County of Fresno
Notes to the Basic Financial Statements
June 30, 2022
(amounts expressed in thousands)

services, and security. In addition, the County's Risk Management Fund accounts for the County's self-insurance programs – worker's compensation; long-term disability; employee benefits; personal injury; and property damage – on a cost-reimbursement basis.

Pension Trust Fund accounts for resources held in trust for the members and beneficiaries of a defined benefit pension plan. Refer to Note 12 for more information on Fresno County Employees' Retirement Association (FCERA).

Custodial Funds account for assets held by the County in a custodial capacity for various local governments. These include the External Investment Pool, Property Tax Collection, Public Administrator-Guardian, and San Joaquin Valley Insurance Authority. The remaining Custodial Funds are combined in Other Custodial Funds. The External Investment Pool 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; regional boards; and authorities. The External Investment Pool also accounts for tax collections passed through to cities within the County.

(B) Basis of Accounting

The Government-Wide, Proprietary, and Internal Service Funds are reported using the economic resources measurement focus and the accrual basis of accounting. The Investment Trust Fund and other Custodial 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, 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 are reported as other financing sources.

Generally, the effect of interfund 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 County's enterprise funds and the various other funds of the County.

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

County of Fresno
Notes to the Basic Financial Statements
June 30, 2022
(amounts expressed in thousands)

with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(C) Budgeting

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

A balanced operating budget is adopted each fiscal year for the General and Special Revenue Funds and the Debt Service Fund on the modified accrual basis of accounting with some exceptions. The FCTFC 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. The Board must also approve supplemental appropriations financed by unanticipated revenues.

The General, Disaster Claiming, Local Health and Welfare, and 2011 Realignment Funds' Budgetary Comparison Schedules are part of Required Supplementary Information on pages 68-71.

(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 General Fund, Debt Service Fund, Capital Projects Fund, and the Enterprise Funds. Amounts reported in the Debt Service Fund and CSA, Other Enterprise Fund are restricted for debt service payments. Amounts reported in the Capital Projects Fund are restricted for future projects. The amount reported in the Solid Waste Enterprise Fund is money set aside based on estimates 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, 2022
(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.

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 Code along with Revenue and Taxation Code. 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 2021-22, the County recorded \$300,507 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) Prepaid Items

Prepaid items consist primarily of cash aid provided by social services programs for various public support and care needs, such as Electronic Benefit Transfers (EBTs). Issuances are calculated at fiscal month end and recorded as prepaid items for the following period.

County of Fresno
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(I) Capital Assets

Capital assets, including infrastructure, are recorded at historical cost, or at estimated historical cost, if the actual cost is not available. Capital assets received by the County in a service concession arrangement, and donated capital assets, including works of arts and similar items, are recorded at the estimated acquisition value at the date of donation.

The County defines capital assets as assets with an initial, individual, cost of more than \$5 for equipment and \$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 using the straight-line method over the asset's estimated life 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 Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources represents a consumption of net assets by the government that is applicable to a future reporting period.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources represents an acquisition of net assets 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 Statement of Net Position date. This liability is based on the probability that the County will eventually compensate employees for these benefits through paid time off or some other means, such as annual leave cash-outs or cash payments at termination or retirement. The liability is calculated based on pay or salary rates in effect at the Statement of Net Position date and includes amounts for salary-related payments, such as Social Security and Medicare taxes. The County has included the liability within the government-wide financial statements and the proprietary fund financial statements.

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(L) Allocation of Pension and 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) Leases

The County is a lessee for noncancellable lease of buildings and equipment. It recognizes a lease liability and an intangible right to use leased asset (leased asset) in the government-wide financial statements. It recognizes lease liabilities with an initial, individual value of \$10,000 or more annually.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

(N) Bond Issuance Costs and Discounts

In the government-wide financial statements and the proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond discounts, as well as issuance costs, due to the implementation 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.

County of Fresno
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(amounts expressed in thousands)

In the fund financial statements, governmental 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.

(O) 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 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. Please refer to Note 14 for more information on fund balance.

(P) Special Assessments

The total amount of special assessments for special districts collected for the year ended June 30, 2022, was \$77,222. 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, the County 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 several State codes as mentioned herein such as Proposition 218.

(Q) 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.

(R) Recently Issued Accounting Pronouncements

During the fiscal year ended June 30, 2022, the County implemented the following GASB Statements:

The GASB has issued Statement No. 87 – *Leases*. The requirements of the statement are effective for reporting periods beginning after June 15, 2021.

The GASB has issued Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

The GASB has issued Statement No. 92 – *Omnibus 2020*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

The GASB has issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

The GASB has issued Statement No. 97 – *Certain Component Units Criteria, and Accounting and Financial Reporting of Internal Revenue Code Section 457 Deferred Compensation Plans – an*

County of Fresno
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Amendment to GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32. The requirements in paragraph 4 as it applies to defined contribution plans, defined other postemployment benefit (OPEB) plans, and other employee benefit plans, and paragraph 5 are effective immediately. All other requirements are applicable for reporting periods beginning after June 15, 2021.

The following GASB Statements will be implemented and are currently being analyzed to determine the potential impact on the County's future financial statements:

The GASB has issued Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

The GASB has issued Statement No. 94 – *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

The GASB has issued Statement No. 96 – *Subscription-Based Information Technology Arrangements (SBITAs)*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

The GASB has issued Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective as follows: The requirements related to extension of the use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions disclosure of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB has issued Statement No. 100 – *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The requirements of this statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB has issued Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

County of Fresno
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NOTE 3 - Cash and Investments

Cash and investments as of June 30, 2022, are classified in the accompanying basic financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 1,124,771
Restricted cash and investments	62,009
Fiduciary Funds, excluding the Pension Trust Fund:	
Cash and investments	4,809,660
Total cash and investments	<u>\$ 5,996,440</u>

See the Pension Trust Fund’s cash and investment disclosures at Fresno County Employees’ Retirement Association’s (FCERA), stand-alone financial report. FCERA’s stand-alone financial report can be reviewed at the FCERA website: <https://fresnocountyretirement.org/financial/> or FCERA’s office, located at 7772 North Palm Avenue, Fresno CA 93711.

Cash and investments as of June 30, 2022, consist of the following:

Cash on hand	\$ 40,420
Imprest cash	119
Postage funds	800
Total cash & cash equivalents	<u>\$ 41,339</u>
Deposits with financial institutions	72,045
Investments (pooled)	5,848,328
Total pooled cash and investments	<u>5,961,712</u>
Debt investments (fiscal agents)	12,486
External investments (fiscal agents)	22,242
Total cash, investments, and investments with fiscal agents	<u>\$ 5,996,440</u>

County of Fresno
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The following represents a condensed statement of net position for the Treasury Investment Pool as of June 30, 2022.

Cash and investments	\$	6,012,425
Less: transitory items/warrants payable		(50,713)
Net position held in trust for pool participants	\$	5,961,712

Equity of internal pool participants	\$	1,152,052
Equity of external pool participants (voluntary and involuntary)		4,809,660
	\$	5,961,712

The following represents a condensed statement of changes in net position for the Treasury Investment Pool as of June 30, 2022.

Statement of Changes in Net Position

Net position at July 1, 2021	\$	5,172,611
Net change in investments by pool participants		789,101
Net position held in trust for pool participants at June 30, 2022	\$	5,961,712

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

The following table identifies the investment types that are authorized for the County by CGC, or the IP, where more restrictive. The table also identifies the more restrictive provisions 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 trustees 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	100%	5 Years
U.S. Government Agency Obligations	100%	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	\$65,000	Daily Liquidity
Medium Term Notes	30%	5 Years
Mutual Funds	20%	Daily Liquidity
Mortgage-Backed Securities	10%	5 Years

County of Fresno
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Investment Authorized by Debt Agreements

The County and its component units have \$12,486 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.

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:

	<u>Totals</u>	<u>Remaining Maturity (in months)</u>			
		<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 36 months</u>	<u>37 to 60 months</u>
U.S. Government Agency Obligations	\$ 2,379,607	\$ 380,205	\$ 434,163	\$ 650,242	\$ 914,997
Medium-Term Corporate Notes	893,117	158,478	206,704	203,615	324,320
U.S. Treasury Notes	1,216,660	20,010	23,139	-	1,173,511
Commercial Paper	149,520	149,520	-	-	-
Negotiable Certificates of Deposit	49,927	49,927	-	-	-
Municipal Bonds	236,549	45,060	22,700	56,506	112,283
Mutual Fund	300,000	300,000	-	-	-
Money Market Funds	715,000	715,000	-	-	-
Total	<u>\$ 5,940,380</u>	<u>\$ 1,818,200</u>	<u>\$ 686,706</u>	<u>\$ 910,363</u>	<u>\$ 2,525,111</u>
Less: Outstanding Warrants Still Invested	(50,713)				
Total Financial Statement Pooled Investments	<u>\$ 5,889,667</u>				

Investments with Fiscal Agents:

Cash Balance	\$ 3,569	\$ 3,569	\$ -	\$ -	\$ -
Federated Government Obligation Fund	425	425	-	-	-
Money Market Mutual Funds	8,492	8,492	-	-	-
Total	<u>\$ 12,486</u>	<u>\$ 12,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Fresno
Notes to the Basic Financial Statements
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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, the IP, or debt agreements, and the actual rating as of year-end for each investment type.

Pooled Investments in County Treasury:

<u>Investment Type</u>	<u>Total</u>	Ratings as of the Year End 6/30/2022					
		Minimum	Exempt				
		Legal	from	A1/P1	B-BBB	C-CCC	Not Rated
		Rating	Disclosure	A-AAA	B-BBB	C-CCC	Not Rated
U.S. Government Agency Obligations	\$ 2,379,608	N/A	\$ -	\$ 2,379,608	\$ -	\$ -	\$ -
Medium-Term Corporate Notes	893,116	A3	-	888,116	5,000	-	-
U.S. Treasury Notes	1,216,660	N/A	-	1,216,660	-	-	-
Commercial Paper	149,520	A-1	-	149,520	-	-	-
Negotiable Certificates of Deposit	49,927	A-1	-	49,927	-	-	-
Municipal Bonds	236,549	N/A	-	236,549	-	-	-
Mutual Fund	300,000	N/A	-	225,000	-	-	75,000
Money Market Funds	715,000	N/A	-	-	-	-	715,000
Total	\$ 5,940,380		\$ -	\$ 5,145,380	\$ 5,000	\$ -	\$ 790,000

Investments with Fiscal Agents:

<u>Investment Type</u>	<u>Total</u>	Ratings as of the Year End 6/30/2022					
		Minimum	Exempt				
		Legal	from	A1/P1	B-BBB	C-CCC	Not Rated
		Rating	Disclosure	A-AAA	B-BBB	C-CCC	Not Rated
Cash Balance	\$ 3,569	N/A	\$ -	\$ 3,569	\$ -	\$ -	\$ -
Federated Government Obligation Fund	425	N/A	-	425	-	-	-
Money Market Mutual Funds	8,492	N/A	-	8,492	-	-	-
Total	\$ 12,486		\$ -	\$ 12,486	\$ -	\$ -	\$ -

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 County's total investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	Federal Agency Securities	\$ 799,663
Federal Home Loan Bank	Federal Agency Securities	696,671
Federal National Mortgage Association	Federal Agency Securities	729,971

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Custodial Credit Risk

Custodial credit risk for deposits is the risk that the County will not be able to recover its deposits or will not be able to recover collateral securities in the possession of an outside party if a depository institution fails. The custodial credit risk for *investments* is the risk that the County will not be able to recover the value of its investment or collateral securities held by another party if the counterparty (e.g., broker-dealer) to a transaction fails. The CGC and IP do not contain legal or policy requirements that would limit exposure to custodial credit risk for deposits or investments, other than the following provision applicable to *deposits*: to guarantee the safety of the public funds, any deposits must be collateralized in accordance with CGC Section 53652 et.al.

As of June 30, 2022, all of the County's deposits with financial institutions in excess of Federal Depository Insurance Corporation (FDIC) limits were held in fully collateralized accounts, as permitted by the CGC. As of June 30, 2022, all of the County's investments were held with the County's custodian 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 might 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 due to 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 measurements under accounting principles generally accepted in the United States of America (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.

The County judges its investment pricing based upon Interactive Data with the exception of Commercial Paper, which is priced from the US Bank statement. Both entities use evaluated pricing models to determine values.

County of Fresno
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The County's pooled investments have the following recurring fair value measurements as of June 30, 2022:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
U.S. Government Agency Obligations	\$ 2,379,607	\$ -	\$ 2,379,607	\$ -
Medium-Term Corporate Notes	893,117	-	893,117	-
U.S. Treasury Notes	1,216,660	-	1,216,660	-
Commercial Paper	149,520	-	149,520	-
Negotiable Certificates of Deposit - IDC or Union Bank	49,927	-	49,927	-
Municipal Bonds	236,549	-	236,549	-
	<u>\$ 4,925,380</u>	<u>\$ -</u>	<u>\$ 4,925,380</u>	<u>\$ -</u>
Investments at Net Asset Value:				
Mutual Fund	\$ 300,000			
Money Market Funds	715,000			
	<u>\$ 5,940,380</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:	
General Fund:	
EBT/other social services accounts	\$ 23
Letter of credit	-
Debt Service:	
Bond repayment	11,638
Capital Projects:	220
Internal Service Funds:	3,411
Total	<u>\$ 15,292</u>
Business-type activities:	
Enterprise funds:	
Solid Waste Enterprise:	
American Avenue post-closure care - other	\$ 2
Corrective action	45,133
Subtotal	<u>45,135</u>
CSAs:	
Bond repayment/construction	<u>1,582</u>
Subtotal	<u>1,582</u>
Total	<u>\$ 46,717</u>

County of Fresno
Notes to the Basic Financial Statements
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NOTE 5 – Receivables

Taxes and accounts receivable balances for the General, Debt Service, Nonmajor Governmental, Internal Service, and Proprietary Funds are stated net of allowances for uncollectible accounts.

At June 30, 2022, the General Fund had a HARP loans allowance of \$795, while the Internal Services Risk Management Fund had an allowance of \$115, and American Avenue Solid Waste Fund had an allowance of \$1. The total allowance for uncollectible accounts was \$911.

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 affordable housing programs and housing assistance rehabilitation 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 inflows of resources in the fund financial statements. The amount not expected to be collected within the next fiscal year is \$38,953.

The County Board approved a loan for \$5,000 from the General Fund to the San Joaquin Valley Insurance Authority (SJVIA) to assist with cash flow needs. The borrowed funds, including accrued interest at the County Treasury pool rate, were paid in December 2021.

The County established a County Service Area (CSA) Revolving Fund to provide temporary financial assistance to CSAs that have or are projected to have short-term financial deficits.

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.

County of Fresno
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The composition of interfund balances as of June 30, 2022 was as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>									<u>Total</u>
	General Fund	Debt Service	Disaster Claiming	Health and Welfare	2011 Realignment	Nonmajor Governmental	Solid Waste	CSAs	Internal Service	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 2,934	\$ 2,181	\$ 6	\$ 2	\$ 11,706	\$ 16,829
Debt Service	-	-	-	-	-	-	-	-	-	-
Disaster Claiming	12,907	-	-	-	-	1,037	94	38	1,777	15,853
Local Health and Welfare	59	-	-	-	-	-	-	-	-	59
2011 Realignment Fund	16,820	-	-	-	-	-	-	-	-	16,820
Nonmajor Governmental	450	-	-	-	-	-	-	-	1,145	1,595
Solid Waste Enterprise	66	-	-	-	-	-	607	-	236	909
CSAs	47	-	-	-	-	-	-	61	42	150
Internal Service Funds	3,379	-	-	-	-	-	360	-	2,599	6,338
Totals	<u>\$ 33,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,934</u>	<u>\$ 3,218</u>	<u>\$ 1,067</u>	<u>\$ 101</u>	<u>\$ 17,505</u>	<u>\$ 58,553</u>

The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2022:

<u>Transfers From</u>	<u>Transfers To</u>									
	General Fund	Debt Service	Disaster Claiming	Health and Welfare	2011 Realignment	Nonmajor Governmental	Solid Waste	CSAs	Internal Service	Total
General Fund	\$ -	\$ 32,733	\$ -	\$ 11,360	\$ -	\$ 20,684	\$ 230	\$ 103	\$ 2,675	\$ 67,785
Debt Service	-	-	-	-	-	-	-	-	-	-
Disaster Claiming	23,598	-	-	-	-	1,052	94	38	9,930	34,712
Local Health and Welfare	269,017	-	-	-	-	-	-	-	-	269,017
2011 Realignment Fund	210,873	-	-	-	-	-	-	-	-	210,873
Nonmajor Governmental	192	1,850	-	-	-	-	-	-	1,849	3,891
Solid Waste Enterprise	-	195	-	-	-	-	-	-	-	195
CSAs	-	96	-	-	-	-	-	-	-	96
Internal Service Funds	-	1,860	-	-	-	-	-	-	-	1,860
Totals	<u>\$ 503,680</u>	<u>\$ 36,734</u>	<u>\$ -</u>	<u>\$ 11,360</u>	<u>\$ -</u>	<u>\$ 21,736</u>	<u>\$ 324</u>	<u>\$ 141</u>	<u>\$ 14,454</u>	<u>\$ 588,429</u>

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

The following schedule briefly summarizes the County's advances between funds for the fiscal year ended June 30, 2022:

	<u>To Other Funds</u>	<u>From Other Funds</u>
General Fund	\$ 293	\$ -
CSAs	-	293
	<u>\$ 293</u>	<u>\$ 293</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.

County of Fresno
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NOTE 7 – Tax Abatements

The County provides property tax abatements through the California Land Conservation (Williamson) Act of 1965. The program enrolls land in Williamson Act or Farmland Security Zone contracts within established agricultural preserves whereby the land is restricted to agricultural or qualified recreational uses in exchange for reduced property tax assessments. Participation in the program is voluntary. Enrollment of new land in the Williamson Act or the Farmland Security Zone programs has been placed on hold until such time that the State of California re-instates full subvention payment for partial replacement of local property tax revenue foregone resulting from the participation in the Williamson Act Program. The Williamson Act Program is administered according to the statute and the County of Fresno's Interim Program Guidelines adopted by the Board of Supervisors. The Development Services Division of the Public Works and Planning Department is responsible for administering the County's Williamson Act Program.

The Fresno County Assessor administers the property tax reduction that parcels enrolled in the program receive. Parcels enrolled in the Williamson Act Program are assessed for property tax purposes at a rate consistent with their actual use, rather than the market value of the property. The minimum contract term for the Williamson Act is ten years and for the Farmland Security Zone is twenty years. Both the Williamson Act and the Farmland Security Zone contracts automatically renew until a notice of non-renewal or a certificate of cancellation is recorded. Under the non-renewal process, the annual tax assessment gradually increases over a defined period until the assessment reflects the market value of the property. Under the cancellation process, a onetime cancellation fee is assessed based upon a certain percentage of the unrestricted, current fair market value of the property.

No other commitments were made by the County as part of the Williamson Act or Farmland Security Zone contracts. For the fiscal year ended June 30, 2022, the Williamson Act Program tax abatements were \$54,363.

County of Fresno
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NOTE 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 16,878	\$ -	\$ -	\$ -	\$ 16,878
Land easements	41,838	-	-	-	41,838
Construction in progress	119,367	23,111	(8,915)	1	133,564
Infrastructure in progress	18,458	28,036	(859)	-	45,635
Total capital assets, not being depreciated	<u>196,541</u>	<u>51,147</u>	<u>(9,774)</u>	<u>1</u>	<u>237,915</u>
Capital assets, being depreciated/amortized					
Buildings and improvements	709,007	8,661	(6)	(25,490)	692,172
Equipment	127,920	8,769	(5,312)	(8,047)	123,330
Infrastructure	677,627	9,519	-	440	687,586
Intangible	45,861	-	-	(440)	45,421
Right to use leased assets	-	249,275	-	-	249,275
Total capital assets, being depreciated/amortized	<u>1,560,415</u>	<u>276,224</u>	<u>(5,318)</u>	<u>(33,537)</u>	<u>1,797,784</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(253,174)	(20,269)	-	1,060	(272,383)
Equipment	(85,314)	(10,365)	4,991	6,764	(83,924)
Infrastructure	(337,957)	(11,097)	-	(15)	(349,069)
Intangible	(45,498)	(27)	-	274	(45,251)
Right to use leased assets (amortization)	-	(16,203)	-	-	(16,203)
Total accumulated depreciation/amortization	<u>(721,943)</u>	<u>(57,961)</u>	<u>4,991</u>	<u>8,083</u>	<u>(766,830)</u>
Total capital assets, being depreciated/amortized, net	<u>838,472</u>	<u>218,263</u>	<u>(327)</u>	<u>(25,454)</u>	<u>1,030,954</u>
Governmental activities capital assets, net	<u>\$ 1,035,013</u>	<u>\$ 269,410</u>	<u>\$ (10,101)</u>	<u>\$ (25,453)</u>	<u>\$ 1,268,869</u>
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 9,183	\$ -	\$ -	\$ -	\$ 9,183
Construction in progress	17,498	2,684	(3,830)	(442)	15,910
Total capital assets, not being depreciated	<u>26,681</u>	<u>2,684</u>	<u>(3,830)</u>	<u>(442)</u>	<u>25,093</u>
Capital assets, being depreciated					
Buildings and improvements	99,361	3,738	(6)	(8)	103,085
Equipment	20,512	234	(54)	437	21,129
Total capital assets, being depreciated	<u>119,873</u>	<u>3,972</u>	<u>(60)</u>	<u>429</u>	<u>124,214</u>
Less accumulated depreciation for:					
Buildings and improvements	(56,831)	(1,455)	6	1	(58,279)
Equipment	(16,590)	(915)	54	(6)	(17,457)
Total accumulated depreciation	<u>(73,421)</u>	<u>(2,370)</u>	<u>60</u>	<u>(5)</u>	<u>(75,736)</u>
Total capital assets being depreciated, net	<u>46,452</u>	<u>1,602</u>	<u>-</u>	<u>424</u>	<u>48,478</u>
Business-type activities capital assets, net	<u>\$ 73,133</u>	<u>\$ 4,286</u>	<u>\$ (3,830)</u>	<u>\$ (18)</u>	<u>\$ 73,571</u>

County of Fresno
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Depreciation/Amortization

Depreciation and amortization expense was charged to governmental functions as follows:

General government	\$ 9,801
Public protection	6,022
Public ways and facilities	10,019
Health, sanitation, and public assistance	21,682
Education	1,050
Culture and recreation	9
Depreciation/amortization on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	9,378
Total depreciation/amortization expense - governmental functions	\$ 57,961

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

Solid waste enterprise	\$ 1,519
County service areas, other	851
Total depreciation expense - business-type functions	\$ 2,370

NOTE 9 – Lease Payables

Leases as Lessee

For the fiscal year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right to use leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

There was no financial restatement for GASB Statement No. 87 lease implementation as it was impractical and immaterial to the financial statements as a whole.

County of Fresno
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For this fiscal year, the County of Fresno has 23 existing building leases and 10 existing vehicle leases. Three new building leases were added within the year. The current year lease financing principal and interest expense totaled \$12,864 and \$2,848, respectively. For additional information, refer to the table below.

Buildings

Lease Identifier	Lease Liability 7/1/2021	Lease Liability 6/30/2022	Annual Payments	Interest Rate	Value of the Right to Use 6/30/2022	Accumulated Amortization
L-012	\$ 640	\$ 189	\$ 451	0.245%	\$ 640	\$ 452
L-312	972	829	158	0.560%	972	162
L-127	475	97	378	0.245%	475	380
L-176	701	54	648	0.245%	701	647
L-289	336	205	132	0.411%	336	135
L-073	75	50	25	0.411%	75	26
L-260	5,323	4,720	651	0.947%	5,323	639
L-308	312	249	64	0.815%	312	57
Agreement No. 19-331	31,196	30,005	1,650	1.635%	31,196	1,649
L-289	331	202	131	0.411%	331	133
L-327	29,418	28,264	1,580	1.612%	29,418	1,619
L-003	19	9	10	3.080%	19	10
L-347	50,670	49,774	1,307	1.635%	50,670	1,555
L-337	4,612	4,436	242	1.612%	4,612	248
L-128	195	134	62	0.411%	195	63
Agreement No. 22-059	25,309	24,510	880	1.305%	25,309	844
L-316	694	281	414	0.308%	694	416
L-324	41,001	39,193	2,376	1.577%	41,001	2,448
L-320	566	168	382	0.245%	566	400
L-326	51,911	49,806	2,856	1.612%	51,911	2,925
L-333	159	84	75	0.308%	159	78
L-065	240	121	119	0.411%	240	120
L-286	495	406	92	0.687%	495	96
L-263	579	497	174	0.947%	579	89
L-261	2,823	1,906	878	0.411%	2,823	953

County of Fresno
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Vehicles

Leased Asset	Lease Liability 7/1/2021	Lease Liability 6/30/2022	Annual Payments	Interest Rate	Value of the Right to Use 6/30/2022	Accumulated Amortization	Guaranteed Residual Value
Vehicle - 20 Chrysler Voyager #01704	\$ 22	\$ 16	\$ 6	0.56%	\$ 22	\$ 6	\$ 6
Vehicle - 20 Chrysler Voyager #01705	22	16	6	0.56%	22	6	6
Vehicle - 20 Toyota Tacoma #02001	19	14	5	0.56%	19	5	5
Vehicle - 20 Toyota Tacoma #02002	19	14	5	0.56%	19	5	5
Vehicle - 20 Ford Explorer #01720	23	17	6	0.56%	23	6	6
Vehicle - 20 Ford Explorer #02308	26	19	7	0.56%	26	7	6
Vehicle - 20 Chev Silverado 1500 #02301	28	20	9	0.41%	28	8	7
Vehicle - 20 Chrysler Voyager #01701	22	16	7	0.56%	22	6	6
Vehicle - 20 Chrysler Voyager #01702	22	16	7	0.56%	22	6	6
Vehicle - 20 Chrysler Voyager #01703	22	16	6	0.56%	22	6	6

The future principal and interest lease payments as of June 30, 2022, are as follows:

Governmental Activities Fiscal Year Ended June 30	Total Payments	Imputed Interest	Net Present Value of Minimum Lease Payments
2023	\$ 17,222	\$ 3,565	\$ 13,657
2024	16,335	3,388	12,947
2025	15,377	3,209	12,168
2026	15,749	3,025	12,724
2027	15,895	2,832	13,063
2028-2032	80,061	11,051	69,010
2033-2037	73,660	5,711	67,949
2038-2042	35,627	793	34,834
Total	\$ 269,926	\$ 33,574	\$ 236,352

County of Fresno
Notes to the Basic Financial Statements
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NOTE 10 – 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 GASB Statement No. 60, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

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

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

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

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2023	\$ 15,587	\$ 7,606	\$ 23,193
2024	14,744	7,467	22,211
2025	14,782	7,336	22,118
2026	14,864	7,197	22,061
2027	15,020	7,396	22,416
2028-2032	69,174	37,769	106,943
2033-2037	104,375	17,557	121,932
2038-2042	18,500	1,133	19,633
2043-2047	-	-	-
2048-2052	19,496	-	19,496
2053-2057	19,519	-	19,519
Subtotal	306,061	93,461	399,522
Less: Original issue premium	3,634	-	3,634
Original issue discount	(444)	-	(444)
Total	\$ 309,251	\$ 93,461	\$ 402,712

The following is a schedule of future tenant improvements liability for governmental activities:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2023	\$ 644	\$ 2,027	\$ 2,671
2024	701	1,970	2,671
2025	763	1,908	2,671
2026	831	1,840	2,671
2027	904	1,767	2,671
2028-2032	5,872	7,485	13,357
2033-2037	8,968	4,389	13,357
2038-2040	5,453	557	6,010
Total	\$ 24,136	\$ 21,943	\$ 46,079

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 governmental 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 matured 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.

County of Fresno
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In March 2004, the County issued Series 2004A and 2004B 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 2004A Pension Obligation Bonds include current interest bonds, term bonds, and capital appreciation bonds. The Series 2004B bonds were issued as auction rate bonds. The debt matures between 2005 and 2033. In September 2006, the Series 2004B 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 2012A Refunding Lease Revenue Bonds.

The FCFA issued \$14,375 of lease revenue bonds October 1, 2004 to fund the County's Energy Project. The majority of the debt issued was to fund a gas energy generating plant, which will produce energy for the County Jail and other facilities. The remaining portion was used to upgrade lighting and electrical fixtures. These bonds were refunded from the issuance of Series 2012A 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 2012A Refunding Lease Revenue Bonds, maturing between 2013 and 2022. The Series 2012A 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.

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

Capital Appreciation and Series Bonds

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

The following schedule represents the capital appreciation bonds issued by the County and the California County Tobacco Securitization Agency:

Pension Obligation Bonds

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Initial Principal Amount</u>	<u>Accreted Value June 30, 2022</u>	<u>Accreted Value at Maturity</u>
2004A	August 15, 2033	1.3% to 5.67%	\$ 327,898	\$ 582,348	\$ 711,250
			Less principal	(327,898)	
			Less interest	(35,808)	
			Accreted interest	<u>\$ 218,642</u>	

Tobacco Securitization Tax Bonds

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Initial Principal Amount</u>	<u>Accreted Value June 30, 2022</u>	<u>Accreted Value at Maturity</u>
2006A	June 1, 2046	6.50%	\$ 16,606	\$ 46,619	\$ 216,420
2006B	June 1, 2046	6.65%	2,890	8,304	39,920
2006C	June 1, 2055	7.00%	9,757	29,615	286,800
2006D	June 1, 2055	7.75%	9,762	33,305	409,500
	Total		<u>\$ 39,015</u>	<u>\$ 117,843</u>	<u>\$ 952,640</u>
			Less principal	(39,015)	
			Accreted interest	<u>\$ 78,828</u>	
			Total accreted	<u>\$ 297,470</u>	

Limited Obligation Improvement Bonds

In September of 1997, the FCFA 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 Lake, 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.

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

Fiscal Year Ended June 30	Principal	Interest	Total Payment
2023	\$ 285	\$ 126	\$ 411
2024	305	106	411
2025	325	85	410
2026	345	63	408
2027	370	39	409
2028	395	13	408
Total	\$ 2,025	\$ 432	\$ 2,457

Loans Payable

CSA No. 49, as part of funding for a Surface Water Treatment Plant, received a \$80 loan payable from the California Department of Public Health. The note is to be repaid in semi-annual installments beginning in fiscal year 2015. As of June 30, 2022, the special district's unpaid loan balance was \$53.

Waterworks District No. 38 was issued a loan of \$599 from the State Water Resources Control Board Revolving Fund. In addition, loans payable in the amount of \$4,158 was issued to County Service Area No. 44 from the State Water Resources Control Board Revolving fund. Both loans are to be repaid over a period of thirty (30) years in yearly payments, with interest. As of June 30, 2022. The special districts' unpaid loan balances were \$578 and \$4,032, respectively.

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 was certified closed in January 2000 and began post-closure activities, which are still ongoing as of June 30, 2022. Coalinga completed its closure activities during fiscal year 2017 and began post-closure activities in fiscal year 2018.

The \$51,274 reported as landfill closure and post-closure care liability at June 30, 2022, 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 \$32,948 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, 2022. 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.

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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:

<u>Landfill</u>	<u>Capacity used at June 30, 2022</u>	<u>Estimated Years Remaining</u>	<u>Total Estimated Liability June 30, 2022</u>	<u>Liability Recognized June 30, 2022</u>	<u>Remaining Liability to be Recognized</u>
American Avenue	57.89%	30	\$ 78,247	\$ 45,299	\$ 32,948
Coalinga	49.30%	-	3,167	3,167	-
Southeast Regional	100.00%	-	2,808	2,808	-
Total			<u>\$ 84,222</u>	<u>\$ 51,274</u>	<u>\$ 32,948</u>

The increase from fiscal year 2020-2021 in the closure and post-closure care liability for American Avenue was reported as an operating expense in 2021-2022. Closure and post-closure costs for Southeast Regional and Coalinga Disposal Sites 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 life 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 assurance. 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 for \$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, 2022, does not expect to incur a liability.

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NOTE 12 - Pensions

Plan Description - The County of Fresno provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plan (pension plan) administered by the Fresno County Employees' Retirement Association (FCERA). FCERA is governed by the Board of Retirement under the County Employees Retirement Law of 1937 (CERL). Readers should refer to CERL 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 pension plan established on January 1, 1945 under the provisions of CERL 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 boards 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: <https://fresnocountyretirement.org/financial/> or FCERA's office, located at 7772 North Palm Avenue, Fresno, CA 93711.

FCERA administers nine (9) pension tiers for General and Safety members. Due to 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 pensionable compensation. The cumulative effect of PEPRA changes will 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 per elective bargaining agreements. |
| 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 tiers provide benefits in accordance with CERL or PEPRA 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 five (5) years of service credit 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) years of retirement service credit, may leave their contributions on deposit and elect to take a deferred retirement. The 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, 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 Annual Comprehensive Financial Report (ACFR). The FCERA ACFR is available at <https://fresnocountyretirement.org/financial/>.

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 of Fresno Board of Supervisors. Employee contribution rates vary according to age and classification (safety or general) and, depending on Tier, are designed to provide funding for approximately one-fourth to one-half of the regular retirement benefits and one-half of all cost of living benefits. Members are required to contribute between 8.62% and 16.18% of

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their annual covered salary. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of CERL. Employer contribution rates are determined pursuant to Section 31453 of CERL 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:

<u>Retirement Plan</u>	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Active Members</u>
General Tier I	55.39%	10.34%	2,277
General Tier II	51.93%	7.15%	92
General Tier III	52.37%	8.38%	522
General Tier IV	43.75%	7.75%	230
General Tier V	41.22%	8.00%	3,575
Safety Tier I	79.46%	13.06%	357
Safety Tier II	80.06%	11.81%	47
Safety Tier IV	66.34%	11.08%	60
Safety Tier V	62.28%	13.26%	500
All Categories	51.89%	9.61%	7,660

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

At June 30, 2022, the County reported a pension liability of \$436,078 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2021, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The County's proportion of the NPL was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan (FCERA) participants, actuarially determined.

For the fiscal year ended June 30, 2022, the County recognized a credit to pension expense of \$200,375. 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, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,547	\$ 13,915
Experience changes in assumptions	134,754	21,481
Net difference between projected and actual earnings on retirement plan investments	-	535,933
Changes in proportion and differences between County contributions and proportionate share of contributions	3,219	606
Contributions by County subsequent to the actuarial measurement date	235,448	-
	<u>\$ 389,968</u>	<u>\$ 571,935</u>

Deferred outflows of resources of \$389,968 and deferred inflows of resources of \$571,935 above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$235,448 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year	Amount
<u>Ending June 30</u>	<u>Amount</u>
2023	\$ (89,014)
2024	(75,334)
2025	(85,743)
2026	(167,325)
Thereafter	-
	<u>\$ (417,416)</u>

Actuarial Assumptions

The total pension liability as of June 30, 2022, based on an actuarial valuation in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-Amendment of GASB Statement No. 27*, was based on the June 30, 2021 measurement date, and determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Inflation	2.50% per year.
Employee Contribution	
Crediting Rate	2.50% compounded semi-annually.

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Administrative Expenses	1.30% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
Salary Increases	General Members: 4.10% to 11.50%; and Safety Members: 4.50% to 11.50%, varying by service, including inflation.
COLA Increases	Investment rate of return 3.00% maximum for retiree COLA increase applicable to General Member Tiers I, II and III and Safety Member Tiers I and II.
Post-Retirement Mortality: Healthy	<p>For General Members and all Beneficiaries: Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table times 110% projected generationally with the two-dimensional mortality improvement scale MP-2018.</p> <p>For Safety Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected generationally with two-dimensional mortality improvement scale MP-2018.</p>
Disabled	<p>For General Members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2018.</p> <p>For Safety Members: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2018.</p>
Contribution Rates	<p>For General Members and all Beneficiaries: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table times 110%, projected 30 years with the two-dimensional mortality improvement scale MP-2018, weighted 35% male and 65% female.</p> <p>For Safety Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table, projected 30 years with the two-dimensional mortality improvement scale MP-2018, weighted 80% male and 20% female.</p>
Actuarial Cost Method	Entry Age Cost Method. Entry Age is age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation, with Normal Cost determined as if the current benefit formula for each individual has always been in effect (i.e., "replacement life within a tier").

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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 information and analysis used in selecting each assumption that has a significant effect on the actuarial valuation is shown in the July 1, 2015 through June 30, 2018 Actuarial Experience Study dated April 9, 2019 and the Review of Economic Actuarial Assumptions report dated June 8, 2021. Unless otherwise noted, all actuarial assumptions and methods shown apply to members for all tiers.

The long-term expected rate of return on pension plan investments (6.50%) 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 through weighting the expected future real rates of return by the targeted 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	22.50%	5.39%
Small Cap U.S. Equity	5.50%	6.58%
Developed International Large Cap Equity	12.50%	6.39%
Developed International Small Cap Equity	3.00%	5.64%
Emerging Markets Equity	5.50%	8.60%
Core Bonds	15.00%	0.83%
High Yield Bonds	2.00%	3.06%
Bank Loan	2.00%	2.73%
Global Sovereign	4.00%	-0.73%
Local Emerging Market Debt	3.00%	2.72%
Core Real Estate	4.00%	5.01%
Private Credit	8.00%	5.02%
Private Equity	6.00%	10.00%
Value Add Real Estate	1.50%	7.10%
Opportunistic Real Estate	1.50%	9.80%
Infrastructure	4.00%	7.60%
Total	<u>100.00%</u>	

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Discount Rate

The discount rate used to measure the total pension liability (TPL) was 6.50%. 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 both June 30, 2021 and 2020.

Sensitivity of the 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, 2022, which is allocated to all employers and is calculated using the discount rate of 6.50%. Additionally, the table reflects the County’s proportionate share of net pension liability should it be calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate.

	5.50%	6.50%	7.50%
County's proportionate share of the NPL	\$ 1,312,131	\$ 436,078	\$ (279,031)

Pension Fund Fiduciary Net Position

Detailed information about the pension fund’s fiduciary net position is available in the separately issued FCERA GASB 68 Actuarial Valuation Report.

NOTE 13 - 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 self-insured up to a maximum of \$750 per claim. Coverage above \$750, up to a maximum amount of \$25,000, is provided through a risk pool agreement with the Public Risk Innovation Solutions and Management (“PRISM”) Program. PRISM was formerly known as the California State Association of Counties Excess Insurance Authority (the “CSAC-EIA”). The risk pool is reinsured through commercial companies from \$5,000 to \$25,000 per claim.

Master Crime bond coverage is self-insured up to a maximum of \$2.5 per occurrence and excess coverage of \$15,000 per occurrence is provided through a risk pool agreement with PRISM.

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Pollution liability coverage is self-insured for \$250 per claim and excess coverage up to a maximum of \$10,000 is provided through a risk pool agreement with PRISM.

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 PRISM.

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 All Risk excess coverage per annual occurrence, and \$225,000 in Flood limits per annual occurrence. Earthquake coverage has maximums in excess insurance of \$25,000. Excess insurance is provided through a risk pool agreement with PRISM.

Cyber liability coverage is self-insured up to a maximum of \$250 per claim. Coverage above \$250, up to \$12,000, is provided through a risk pool agreement with PRISM. Policy limits vary based on the type of loss.

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

Watercraft coverage is self-insured up to a deductible of \$1, up to \$750.

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, general liability, and medical malpractice assume a long-term annual rate of return of 1.5 percent. The undiscounted actuarial liability for these programs is \$89,302. 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 \$90,976 reported in the Risk Management Fund at June 30, 2022 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, 2022 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, 2022</u>	<u>June 30, 2021</u>
Beginning of fiscal year liability	\$ 88,270	\$ 87,964
Current year claims provision and changes in estimates	23,480	20,895
Claim payments	<u>(20,774)</u>	<u>(20,589)</u>
Balance at fiscal year-end	<u><u>\$ 90,976</u></u>	<u><u>\$ 88,270</u></u>

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NOTE 14 – 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, 2022, fund balance for governmental 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, such as prepaid items and amounts available for loans.
- 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, which is achieved by the County’s Board approving the commitment with a 4/5 majority vote.
- 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 (a) 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. The County Administrative Officer (CAO) has been delegated this authority for the County of Fresno.
- Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

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

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Fund balances for all the major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

	<u>General</u> <u>Fund</u>	<u>Disaster</u> <u>Claiming</u>	<u>Debt</u> <u>Service</u>	<u>Local Health</u> <u>and Welfare</u>	<u>2011</u> <u>Realignment</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Nonspendable:							
Postage/impres cash	\$ 557	\$ -	\$ -	\$ -	\$ -	\$ 36	\$ 593
Prepaid items	13,656	-	-	-	-	-	13,656
CSA loans	293	-	-	-	-	-	293
Subtotal	<u>14,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>14,542</u>
Restricted for:							
General government	77,953	-	-	-	-	138	78,091
Public protection	30,544	-	-	-	106,340	11,460	148,344
Public ways and facilities	19,477	-	-	-	-	25,322	44,799
Health, sanitation & public assistance	161,196	-	-	78,006	-	101	239,304
Education	-	-	-	-	-	65,256	65,256
Capital projects	-	-	-	-	-	52,683	52,683
Debt service	-	-	63,823	-	-	-	63,823
Subtotal	<u>289,170</u>	<u>-</u>	<u>63,823</u>	<u>78,006</u>	<u>106,340</u>	<u>154,961</u>	<u>692,300</u>
Committed to:							
General government:							
Reserve	54,000	-	-	-	-	-	54,000
Third party	-	-	-	-	-	-	-
SJVIA	3,000	-	-	-	-	-	3,000
Public protection:							
Sheriff vehicle replacement	600	-	-	-	-	-	600
Rowell lease payoff	10,000	-	-	-	-	-	10,000
Eagle 2 replacement	200	-	-	-	-	-	200
CSA revolving fund	368	-	-	-	-	-	368
Subtotal	<u>68,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,168</u>
Unassigned	<u>98,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,225</u>
Total	<u>\$ 470,069</u>	<u>\$ -</u>	<u>\$ 63,823</u>	<u>\$ 78,006</u>	<u>\$ 106,340</u>	<u>\$ 154,997</u>	<u>\$ 873,235</u>

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NOTE 15 – Net Position

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

- Net Investment in Capital Assets groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted Net Position reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable enabling legislation restriction is one 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 16 - Contingent Liabilities and Commitments

The County of Fresno is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of County operations. Together, these claims can seek monetary damages in significant amounts. Under GAAP, contingent liabilities must be reported in the financial statements if it is possible to estimate their value and if the liability has more than a 50% chance of being realized. The outcome of litigations has not been determined and the probability of it being unfavorable for the County cannot be expressed. The County intends to vigorously defend itself against these lawsuits. This represents the County's best estimate and therefore is not accrued in the government-wide Statement of Net Position. Refer to Note 11 for more information on these and other long-term liabilities.

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.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2022
(amounts expressed in thousands)

NOTE 17 – 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 Statement No. 68.

<u>Internal Service Funds</u>	<u>Deficit Net Position</u>
Information Technology Services	\$391
Security Services	\$4,513

NOTE 18 – Joint Venture

A joint venture is defined by GASB Statement No. 14, *The Financial Reporting Entity*, as “a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain either (a) an ongoing financial interest, or (b) an ongoing financial responsibility.” The County participates in the following joint venture:

San Joaquin Valley Insurance Authority (SJVIA) - On September 29, 2009, the Counties of Tulare and Fresno entered into a Joint Exercise of Powers Agreement by which they created the SJVIA as a separate public agency charged with the responsibility of providing health and medical benefits for over 9,000 Fresno and Tulare County employees. Independently audited financial statements can be obtained from the Fresno County Auditor-Controller’s Office, 2281 Tulare Street #105, Fresno, California 93721.

NOTE 19 – Prior Period Adjustments

A prior period adjustment, increasing net position by \$16,161, was made in the governmental activities for the General Fund. The adjustment recognizes the reclassification of funds previously reported as unearned revenue. In addition, a prior period adjustment, decreasing net position by \$25,140, was made in the governmental activities related to tenant improvements expensed in the previous year for which a liability should have been recognized.

The business-type activities had additional prior period adjustments decreasing net position by \$5,274. These adjustments were due to adjusting beginning balances for various asset related adjustments and to properly record loan liability taken on by two special districts.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2022
(amounts expressed in thousands)

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

	Governmental Activities	Business- Type Activities	Totals
Net position, stated at June 30, 2021	\$ 474,840	\$ 121,399	\$ 596,239
General trust funds - unearned revenue reclassification	16,161	-	16,161
General government - tenant improvements	(25,140)	-	(25,140)
Enterprise funds - CSA's assets and loan	-	(5,274)	(5,274)
Net position, restated at June 30, 2021	465,861	116,125	581,986
Change in net position	248,828	(8,782)	240,046
Net position at June 30, 2022	<u>\$ 714,689</u>	<u>\$ 107,343</u>	<u>\$ 822,032</u>

NOTE 20 - Subsequent Events

In accordance with accounting standards generally accepted in the United States, subsequent events have been evaluated through December 30, 2022, the date in which the financial statements have been issued.

During the week of September 12, 2022, the County's recommended budget for the fiscal year 2022-23 were submitted to the Board and were approved.

On October 25, 2022, the County reclassified expenditures from Internal Services Department – Facility Services Org 8935 and Information Technology Services Org 8905 to Capital Assets. The amounts of the assets are \$10,174 and \$25, respectively.

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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, 2022
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Resources (inflows):				
Taxes	\$ 300,577	\$ 300,577	\$ 325,826	\$ 25,249
Licenses and permits	12,756	12,756	15,328	2,572
Fines, forfeitures and penalties	5,628	5,628	6,697	1,069
Use of money and property	4,360	4,364	(13,850)	(18,214)
Aid from other governmental agencies:				
State	351,431	359,235	415,679	56,444
Federal	514,606	524,978	476,633	(48,345)
Other	7,459	7,504	6,092	(1,412)
Charges for services	73,188	74,142	68,903	(5,239)
Other revenues	42,997	52,666	40,957	(11,709)
Total resources	<u>1,313,002</u>	<u>1,341,850</u>	<u>1,342,265</u>	<u>415</u>
Charges to appropriations (outflows):				
General government -				
Salaries and benefits	42,602	42,602	35,592	7,010
Services and supplies	24,731	28,459	17,412	11,047
Other charges	4,463	4,463	3,273	1,190
Capital assets	30,400	30,400	386	30,014
Public protection -				
Salaries and benefits	370,918	371,787	345,189	26,598
Services and supplies	151,434	169,573	152,299	17,274
Other charges	16,031	16,031	15,658	373
Capital assets	2,441	4,560	1,212	3,348
Public ways and facilities -				
Salaries and benefits	3,981	3,981	3,332	649
Services and supplies	605	605	410	195
Health, sanitation and public assistance -				
Salaries and benefits	416,304	417,263	355,789	61,474
Services and supplies	454,839	467,261	372,379	94,882
Other charges	491,780	522,692	457,479	65,213
Capital assets	15,150	15,527	11,993	3,534
Education -				
Salaries and benefits	277	277	273	4
Culture and recreation -				
Salaries and benefits	2,298	2,298	2,164	134
Services and supplies	1,551	1,551	1,548	3
Other charges	2	2	-	2
Capital outlay	-	-	80,226	(80,226)
Debt service:				
Principal	-	-	12,864	(12,864)
Interest and fiscal charges	-	-	2,848	(2,848)
Total charges to appropriations	<u>2,029,807</u>	<u>2,099,332</u>	<u>1,872,326</u>	<u>227,006</u>
Excess (deficiency) of resources over (under) appropriations	<u>(716,805)</u>	<u>(757,482)</u>	<u>(530,061)</u>	<u>227,421</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	204	253	49
Insurance recoveries	-	-	14	14
Transfers in	1,281,122	1,327,543	503,680	(823,863)
Transfers (out)	(798,457)	(807,459)	(67,785)	739,674
Lease liabilities issued	-	-	76,474	76,474
Total other financing sources (uses)	<u>482,665</u>	<u>520,288</u>	<u>512,636</u>	<u>(7,652)</u>
Net change in fund balance	(234,140)	(237,194)	(17,425)	219,769
Fund balance - beginning	<u>471,333</u>	<u>471,333</u>	<u>471,333</u>	<u>-</u>
Prior period adjustment	-	-	16,161	16,161
Fund balance - ending	<u>\$ 237,193</u>	<u>\$ 234,139</u>	<u>\$ 470,069</u>	<u>\$ 235,930</u>

See accompanying notes to budgetary comparison schedules.

County of Fresno
Budgetary Comparison Schedule
Disaster Claiming Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Use of money and property	\$ -	\$ -	\$ (3,298)	\$ (3,298)
Intergovernmental revenues	<u>112,032</u>	<u>112,032</u>	<u>41,850</u>	<u>(70,182)</u>
Total revenues	<u>112,032</u>	<u>112,032</u>	<u>38,552</u>	<u>(73,480)</u>
Expenditures				
Health, sanitation and public assistance -				
Services and supplies	<u>37,032</u>	<u>37,032</u>	<u>5,365</u>	<u>31,667</u>
Total expenditures	<u>37,032</u>	<u>37,032</u>	<u>5,365</u>	<u>31,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>75,000</u>	<u>75,000</u>	<u>33,187</u>	<u>(41,813)</u>
Other Financing Sources (Uses)				
Transfers (out)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(34,712)</u>	<u>40,288</u>
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(34,712)</u>	<u>40,288</u>
Net change in fund balance	-	-	(1,525)	(1,525)
Fund balance - beginning	<u>1,525</u>	<u>1,525</u>	<u>1,525</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,525</u>	<u>\$ 1,525</u>	<u>\$ -</u>	<u>\$ (1,525)</u>

See accompanying notes to budgetary comparison schedules.

County of Fresno
Budgetary Comparison Schedule
Local Health and Welfare Fund
For the Fiscal Year Ended June 30, 2022
(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	\$ 272	\$ 272	\$ (2,755)	\$ (3,027)
Intergovernmental revenues	<u>247,277</u>	<u>253,583</u>	<u>290,144</u>	<u>36,561</u>
Total revenues	<u>247,549</u>	<u>253,855</u>	<u>287,389</u>	<u>33,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>247,549</u>	<u>253,855</u>	<u>287,389</u>	<u>33,534</u>
Other Financing Sources (Uses)				
Transfers in	11,360	11,360	11,360	-
Transfers (out)	<u>(284,039)</u>	<u>(310,435)</u>	<u>(269,017)</u>	<u>41,418</u>
Total other financing sources (uses)	<u>(272,679)</u>	<u>(299,075)</u>	<u>(257,657)</u>	<u>41,418</u>
Net change in fund balance	(25,130)	(45,220)	29,732	74,952
Fund balance - beginning	<u>48,274</u>	<u>48,274</u>	<u>48,274</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 23,144</u></u>	<u><u>\$ 3,054</u></u>	<u><u>\$ 78,006</u></u>	<u><u>\$ 74,952</u></u>

See accompanying notes to budgetary comparison schedules.

County of Fresno
Budgetary Comparison Schedule
2011 Realignment Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Use of money and property	\$ 686	\$ 686	\$ (4,446)	\$ (5,132)
Intergovernmental revenues	<u>198,094</u>	<u>202,783</u>	<u>227,864</u>	<u>25,081</u>
Total revenues	<u>198,780</u>	<u>203,469</u>	<u>223,418</u>	<u>19,949</u>
Expenditures				
General government -				
Services and supplies	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
Total expenditures	<u>50</u>	<u>50</u>	<u>50</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>198,730</u>	<u>203,419</u>	<u>223,368</u>	<u>19,949</u>
Other Financing Sources (Uses)				
Transfers (out)	<u>(231,783)</u>	<u>(236,964)</u>	<u>(210,873)</u>	<u>26,091</u>
Total other financing sources (uses)	<u>(231,783)</u>	<u>(236,964)</u>	<u>(210,873)</u>	<u>26,091</u>
Net change in fund balance	(33,053)	(33,545)	12,495	46,040
Fund balance - beginning	<u>93,845</u>	<u>93,845</u>	<u>93,845</u>	<u>-</u>
Fund balance - ending	<u>\$ 60,792</u>	<u>\$ 60,300</u>	<u>\$ 106,340</u>	<u>\$ 46,040</u>

See accompanying notes to budgetary comparison schedules.

County of Fresno
Notes to the Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2022
(amounts expressed 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 of Fresno (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 June of each year, the County Administrative Officer (CAO) prepares and submits a temporary recommended budget document to the County Board. In September of that year, the CAO submits the recommended budget to the Board, and public hearings are held at that time 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 late September 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 CAO 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 governmental funds and proprietary funds. Governmental funds that are budgeted include the general fund, special revenue funds, and the debt service fund but do not include the capital projects fund. Proprietary funds include the enterprise 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 CAO 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 CAO 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 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, 2022
(amounts expressed 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; reimbursements for amounts disbursed on behalf of other governmental funds are reported as resources and related expenditures as charges to the appropriation; certain transactions are accounted for in different periods between budgetary and GAAP reporting basis; and securities lending activities and transactions from sub-funds reclassified from County Agency funds are reported in GAAP reporting basis.

County of Fresno
Required Supplementary Information
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

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

Last 10 Fiscal Years*

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
County's portion of the net pension liability (asset)	93.451%	93.200%	93.330%	93.145%	92.747%	92.992%	93.078%	92.930%
County's proportionate share of the net pension liability (asset)	\$ 436,078	\$ 1,296,105	\$ 1,054,510	\$ 1,100,961	\$ 1,211,572	\$ 1,425,569	\$ 1,010,008	\$ 815,975
County's covered payroll	\$ 423,529	\$ 419,772	\$ 393,997	\$ 373,992	\$ 357,538	\$ 343,435	\$ 325,382	\$ 324,102
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	102.96%	308.76%	267.64%	294.38%	338.87%	415.09%	310.41%	251.760%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	78.01%	81.35%	79.87%	77.11%	72.31%	78.77%	82.14%

*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*

	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Actuarially determined contribution	\$ 256,031	\$ 230,646	\$ 210,452	\$ 196,103	\$ 184,077	\$ 178,107	\$ 171,462	\$ 153,622	\$ 147,009
Contributions in relation to actuarially determined contribution	<u>256,035</u>	<u>231,058</u>	<u>210,712</u>	<u>196,073</u>	<u>184,317</u>	<u>178,220</u>	<u>171,577</u>	<u>153,542</u>	<u>147,091</u>
Contribution deficiency (excess)	<u>\$ (4)</u>	<u>\$ (412)</u>	<u>\$ (260)</u>	<u>\$ 30</u>	<u>\$ (240)</u>	<u>\$ (113)</u>	<u>\$ (115)</u>	<u>\$ 80</u>	<u>\$ (82)</u>
County's covered payroll	\$ 423,529	\$ 419,772	\$ 393,997	\$ 373,992	\$ 357,538	\$ 343,435	\$ 325,382	\$ 324,102	\$ 319,905
Contributions as a percentage of covered payroll	60.45%	55.04%	53.48%	52.43%	51.55%	51.89%	52.73%	47.37%	45.98%

*Amounts presented above were determined as of 6/30.

Additional years will be presented as they become available.

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

County of Fresno Nonmajor Governmental Funds

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 (CAO) Indian Gaming

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

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 expenditures include reimbursing physicians and hospitals for emergency treatment performed on individuals who are unable to pay.

County of Fresno
Nonmajor Governmental Funds

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.

County of Fresno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022
(amounts expressed in thousands)

	Capital Projects Fund	Special Revenue Funds	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Cash and investments	\$ 48,731	\$ 99,875	\$ 148,606
Restricted cash and investments	220	-	220
Receivables, net:			
Accounts	-	9,616	9,616
Interest	-	346	346
Due from other funds	2,164	1,054	3,218
Due from other governmental units	4,615	2,547	7,162
Prepaid expense	-	104	104
Total assets	<u>55,730</u>	<u>113,542</u>	<u>169,272</u>
Deferred outflows of resources			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 55,730</u>	<u>\$ 113,542</u>	<u>\$ 169,272</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES			
Liabilities			
Accounts payable	\$ 2,931	\$ 7,035	\$ 9,966
Salaries and benefits payable	-	2,411	2,411
Due to other governmental units	-	18	18
Due to other funds	116	1,479	1,595
Deposits and other liabilities	-	241	241
Unearned revenue	-	44	44
Total liabilities	<u>3,047</u>	<u>11,228</u>	<u>14,275</u>
Deferred inflows of resources			
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	-	36	36
Restricted	<u>52,683</u>	<u>102,278</u>	<u>154,961</u>
Total fund balances	<u>52,683</u>	<u>102,314</u>	<u>154,997</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 55,730</u>	<u>\$ 113,542</u>	<u>\$ 169,272</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Capital Projects Fund	Special Revenue Funds	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ -	\$ 53,295	\$ 53,295
Licenses and permits	-	492	492
Fines, forfeitures and penalties	-	504	504
Use of money and property	(2,767)	(4,266)	(7,033)
Aid from other governmental agencies:			
State	6,112	48,131	54,243
Federal	-	11,984	11,984
Other	-	1	1
Charges for services	-	7,138	7,138
Other revenues	<u>2,478</u>	<u>897</u>	<u>3,375</u>
Total revenues	<u>5,823</u>	<u>118,176</u>	<u>123,999</u>
Expenditures			
General government	2,558	23	2,581
Public ways and facilities	-	83,661	83,661
Health, sanitation, and public assistance	-	344	344
Education	-	29,751	29,751
Capital outlay	<u>17,440</u>	<u>318</u>	<u>17,758</u>
Debt service:			
Total expenditures	<u>19,998</u>	<u>114,097</u>	<u>134,095</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,175)</u>	<u>4,079</u>	<u>(10,096)</u>
Other Financing Sources (Uses)			
Transfers in	20,155	1,581	21,736
Transfers (out)	<u>(109)</u>	<u>(3,782)</u>	<u>(3,891)</u>
Total other financing sources (uses)	<u>20,046</u>	<u>(2,201)</u>	<u>17,845</u>
Net change in fund balances	5,871	1,878	7,749
Fund balances - beginning	<u>46,812</u>	<u>100,436</u>	<u>147,248</u>
Fund balances - beginning restated	<u>46,812</u>	<u>100,436</u>	<u>147,248</u>
Fund balances - ending	<u>\$ 52,683</u>	<u>\$ 102,314</u>	<u>\$ 154,997</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022
(amounts expressed in thousands)

	Road Fund	CAO Indian Gaming	County Free Library	Fish and Game	Off-Highway License	Emergency Medical Services	County Service Areas, Other	Total Special Revenue Funds
ASSETS & DEFERRED OUTFLOWS OF RESOURCES								
Assets								
Cash and investments	\$ 26,368	\$ 138	\$ 61,314	\$ 6	\$ 141	\$ 342	\$ 11,566	\$ 99,875
Receivables, net:								
Accounts	7,009	-	2,602	-	5	-	-	9,616
Interest	113	-	205	-	-	2	26	346
Due from other funds	492	-	562	-	-	-	-	1,054
Due from other governmental units	450	-	2,097	-	-	-	-	2,547
Prepaid expense	-	-	104	-	-	-	-	104
Total assets	<u>34,432</u>	<u>138</u>	<u>66,884</u>	<u>6</u>	<u>146</u>	<u>344</u>	<u>11,592</u>	<u>113,542</u>
Deferred outflows of resources								
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 34,432</u>	<u>\$ 138</u>	<u>\$ 66,884</u>	<u>\$ 6</u>	<u>\$ 146</u>	<u>\$ 344</u>	<u>\$ 11,592</u>	<u>\$ 113,542</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES								
Liabilities								
Accounts payable	\$ 6,608	\$ -	\$ 328	\$ 2	\$ -	\$ 63	\$ 34	\$ 7,035
Salaries and benefits payable	1,368	-	1,043	-	-	-	-	2,411
Due to other governmental units	18	-	-	-	-	-	-	18
Due to other funds	1,156	-	240	-	-	74	9	1,479
Deposits and other liabilities	83	-	-	-	-	106	52	241
Unearned revenue	27	-	17	-	-	-	-	44
Total liabilities	<u>9,260</u>	<u>-</u>	<u>1,628</u>	<u>2</u>	<u>-</u>	<u>243</u>	<u>95</u>	<u>11,228</u>
Deferred inflows of resources								
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balances								
Nonspendable	-	-	36	-	-	-	-	36
Restricted	25,172	138	65,220	4	146	101	11,497	102,278
Total fund balances	<u>25,172</u>	<u>138</u>	<u>65,256</u>	<u>4</u>	<u>146</u>	<u>101</u>	<u>11,497</u>	<u>102,314</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,432</u>	<u>\$ 138</u>	<u>\$ 66,884</u>	<u>\$ 6</u>	<u>\$ 146</u>	<u>\$ 344</u>	<u>\$ 11,592</u>	<u>\$ 113,542</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Road Fund	CAO Indian Gaming	County Free Library	Fish and Game	Off-Highway License	Emergency Medical Services	County Service Areas, Other	Total Special Revenue Funds
Revenues								
Taxes	\$ 12,922	\$ -	\$ 40,304	\$ -	\$ -	\$ -	\$ 69	\$ 53,295
Licenses and permits	492	-	-	-	-	-	-	492
Fines, forfeitures and penalties	-	-	-	2	-	502	-	504
Use of money and property	(1,150)	(6)	(2,579)	(1)	(7)	(16)	(507)	(4,266)
Aid from other governmental agencies:								
State	47,868	-	260	-	3	-	-	48,131
Federal	11,984	-	-	-	-	-	-	11,984
Other	1	-	-	-	-	-	-	1
Charges for services	3,903	-	1,551	-	-	-	1,684	7,138
Other revenues	609	-	197	-	-	-	91	897
Total revenues	<u>76,629</u>	<u>(6)</u>	<u>39,733</u>	<u>1</u>	<u>(4)</u>	<u>486</u>	<u>1,337</u>	<u>118,176</u>
Expenditures								
General government	10	-	11	2	-	-	-	23
Public ways and facilities	82,716	-	-	-	-	-	945	83,661
Health, sanitation, and public assistance	-	-	2	-	-	342	-	344
Education	-	-	29,751	-	-	-	-	29,751
Capital outlay	318	-	-	-	-	-	-	318
Total expenditures	<u>83,044</u>	<u>-</u>	<u>29,764</u>	<u>2</u>	<u>-</u>	<u>342</u>	<u>945</u>	<u>114,097</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,415)</u>	<u>(6)</u>	<u>9,969</u>	<u>(1)</u>	<u>(4)</u>	<u>144</u>	<u>392</u>	<u>4,079</u>
Other Financing Sources (Uses)								
Transfers in	888	-	693	-	-	-	-	1,581
Transfers (out)	(2,824)	-	(884)	-	-	(74)	-	(3,782)
Total other financing sources (uses)	<u>(1,936)</u>	<u>-</u>	<u>(191)</u>	<u>-</u>	<u>-</u>	<u>(74)</u>	<u>-</u>	<u>(2,201)</u>
Net change in fund balances	(8,351)	(6)	9,778	(1)	(4)	70	392	1,878
Fund balances - beginning	<u>33,523</u>	<u>144</u>	<u>55,478</u>	<u>5</u>	<u>150</u>	<u>31</u>	<u>11,105</u>	<u>100,436</u>
Fund balances - beginning restated	<u>33,523</u>	<u>144</u>	<u>55,478</u>	<u>5</u>	<u>150</u>	<u>31</u>	<u>11,105</u>	<u>100,436</u>
Fund balances - ending	<u>\$ 25,172</u>	<u>\$ 138</u>	<u>\$ 65,256</u>	<u>\$ 4</u>	<u>\$ 146</u>	<u>\$ 101</u>	<u>\$ 11,497</u>	<u>\$ 102,314</u>

County of Fresno
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Taxes	\$ 11,622	\$ 11,622	\$ 12,922	\$ 1,300
Licenses and permits	630	630	492	(138)
Use of money and property	336	336	(1,150)	(1,486)
Intergovernmental revenues	81,245	81,245	59,853	(21,392)
Charges for services	18,410	18,410	3,903	(14,507)
Other revenues	<u>410</u>	<u>410</u>	<u>609</u>	<u>199</u>
Total revenues	<u>112,653</u>	<u>112,653</u>	<u>76,629</u>	<u>(36,024)</u>
General government -				
Salaries and benefits	-	-	10	(10)
Public ways and facilities -				
Salaries and benefits	31,176	31,176	24,310	6,866
Services and supplies	83,494	83,494	58,406	25,088
Capital outlay	<u>2,995</u>	<u>3,037</u>	<u>318</u>	<u>2,719</u>
Total expenditures	<u>117,665</u>	<u>117,707</u>	<u>83,044</u>	<u>34,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,012)</u>	<u>(5,054)</u>	<u>(6,415)</u>	<u>(1,361)</u>
Transfers in	1,051	1,093	888	(205)
Transfers (out)	<u>(2,200)</u>	<u>(2,200)</u>	<u>(2,824)</u>	<u>(624)</u>
Total other financing sources (uses)	<u>(1,149)</u>	<u>(1,107)</u>	<u>(1,936)</u>	<u>(829)</u>
Net change in fund balance	(6,161)	(6,161)	(8,351)	(2,190)
Fund balance - beginning	<u>33,523</u>	<u>33,523</u>	<u>33,523</u>	<u>-</u>
Fund balances - beginning, as restated	<u>33,523</u>	<u>33,523</u>	<u>33,523</u>	<u>-</u>
Fund balance - ending	<u>\$ 27,362</u>	<u>\$ 27,362</u>	<u>\$ 25,172</u>	<u>\$ (2,190)</u>

County of Fresno
Budgetary Comparison Schedule
CAO Indian Gaming Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Original Budget	Actual Amount	Final Budget	Variance with Final Budget
Revenues				
Use of money and property	\$ -	\$ -	\$ (6)	\$ (6)
Total revenues	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(6)</u>
Expenditures				
General government -	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(6)</u>
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(6)	(6)
Fund balance - beginning	<u>144</u>	<u>144</u>	<u>144</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 144</u></u>	<u><u>\$ 144</u></u>	<u><u>\$ 138</u></u>	<u><u>\$ (6)</u></u>

County of Fresno
Budgetary Comparison Schedule
County Free Library Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Taxes	\$ 35,698	\$ 35,698	\$ 40,304	\$ 4,606
Use of money and property	211	211	(2,579)	(2,790)
Intergovernmental revenues	159	159	260	101
Charges for services	1,439	1,439	1,551	112
Other revenues	322	322	197	(125)
Total revenues	<u>37,829</u>	<u>37,829</u>	<u>39,733</u>	<u>1,904</u>
Expenditures				
General government -				
Salaries and benefits	-	-	9	(9)
Services and supplies	4	4	2	2
Health, sanitation, and public assistance -				
Services and supplies	-	-	2	(2)
Education -				
Salaries and benefits	21,761	21,761	19,586	2,175
Services and supplies	13,788	13,688	9,965	3,723
Other charges	214	214	200	14
Capital outlay	-	100	-	100
Total expenditures	<u>35,767</u>	<u>35,767</u>	<u>29,764</u>	<u>6,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,062</u>	<u>2,062</u>	<u>9,969</u>	<u>7,907</u>
Other Financing Sources (Uses)				
Transfers in	143	143	693	550
Transfers (out)	<u>(22,835)</u>	<u>(22,835)</u>	<u>(884)</u>	<u>21,951</u>
Total other financing sources (uses)	<u>(22,692)</u>	<u>(22,692)</u>	<u>(191)</u>	<u>22,501</u>
Net change in fund balance	(20,630)	(20,630)	9,778	30,408
Fund balance - beginning	<u>55,478</u>	<u>55,478</u>	<u>55,478</u>	<u>-</u>
Fund balance - ending	<u>\$ 34,848</u>	<u>\$ 34,848</u>	<u>\$ 65,256</u>	<u>\$ 30,408</u>

County of Fresno
Budgetary Comparison Schedule
Fish & Game Fund
For the Fiscal Year Ended June 30, 2022
(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	\$ 2	\$ 2	\$ -
Use of money and property	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Total revenues	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>
Expenditures				
General government -				
Services and supplies	<u>4</u>	<u>4</u>	<u>2</u>	<u>2</u>
Total expenditures	<u>4</u>	<u>4</u>	<u>2</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2)</u>	<u>(2)</u>	<u>(1)</u>	<u>1</u>
Net change in fund balance	(2)	(2)	(1)	1
Fund balance - beginning	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 3</u></u>	<u><u>\$ 3</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 1</u></u>

County of Fresno
Budgetary Comparison Schedule
Off-Highway License Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>Amount</u>	<u>Variance with</u> <u>Final Budget</u>
Revenues				
Use of money and property	\$ 1	\$ 1	\$ (7)	\$ (8)
Intergovernmental revenues	<u>5</u>	<u>5</u>	<u>3</u>	<u>(2)</u>
Total revenues	<u>6</u>	<u>6</u>	<u>(4)</u>	<u>(10)</u>
Expenditures				
General government - Services and supplies	-	-	-	-
Capital outlay	<u>-</u>	<u>55</u>	<u>-</u>	<u>55</u>
Total expenditures	-	55	-	55
Excess (deficiency) of revenues over (under) expenditures	<u>6</u>	<u>(49)</u>	<u>(4)</u>	<u>45</u>
Net change in fund balance	6	(49)	(4)	45
Fund balance - beginning	<u>150</u>	<u>150</u>	<u>150</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 156</u></u>	<u><u>\$ 101</u></u>	<u><u>\$ 146</u></u>	<u><u>\$ 45</u></u>

County of Fresno
Budgetary Comparison Schedule
Emergency Medical Services Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Fines, forfeitures and penalties	\$ 409	\$ 409	\$ 502	\$ 93
Use of money and property	17	17	(16)	(33)
Total revenues	<u>426</u>	<u>426</u>	<u>486</u>	<u>60</u>
Expenditures				
Health, sanitation, and public assistance - Services and supplies	<u>361</u>	<u>361</u>	<u>342</u>	<u>19</u>
Total expenditures	<u>361</u>	<u>361</u>	<u>342</u>	<u>19</u>
Excess (deficiency) of revenues over (under) expenditures	<u>65</u>	<u>65</u>	<u>144</u>	<u>79</u>
Other Financing Sources (Uses)				
Transfers (out)	<u>(104)</u>	<u>(104)</u>	<u>(74)</u>	<u>30</u>
Total other financing sources (uses)	<u>(104)</u>	<u>(104)</u>	<u>(74)</u>	<u>30</u>
Net change in fund balance	(39)	(39)	70	109
Fund balance - beginning	<u>31</u>	<u>31</u>	<u>31</u>	<u>-</u>
Fund balance - ending	<u><u>\$ (8)</u></u>	<u><u>\$ (8)</u></u>	<u><u>\$ 101</u></u>	<u><u>\$ 109</u></u>

County of Fresno
Budgetary Comparison Schedule
County Service Areas, Other
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Taxes	\$ -	\$ 54	\$ 69	\$ 15
Use of money and property	-	76	(507)	(583)
Intergovernmental revenues	-	-	-	-
Charges for services	-	1,678	1,684	6
Other revenues	-	94	91	(3)
Total revenues	<u>-</u>	<u>1,902</u>	<u>1,337</u>	<u>(565)</u>
Expenditures				
General government -				
Services and supplies	-	-	-	-
Public ways and facilities -				
Services and supplies	-	3,365	945	2,420
Capital outlay	-	500	-	500
Total expenditures	<u>-</u>	<u>3,865</u>	<u>945</u>	<u>2,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,963)</u>	<u>392</u>	<u>2,355</u>
Other Financing Sources (Uses)				
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(1,963)	392	2,355
Fund balance - beginning	<u>11,105</u>	<u>11,105</u>	<u>11,105</u>	<u>-</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ 11,105</u>	<u>\$ 9,142</u>	<u>\$ 11,497</u>	<u>\$ 2,355</u>

County of Fresno
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Resources (inflows):				
Use of money and property	\$ -	\$ -	\$ (2,459)	\$ (2,459)
Intergovernmental revenues	2,084	2,084	2,084	-
Other revenues	<u>-</u>	<u>-</u>	<u>3,836</u>	<u>3,836</u>
Total resources	<u>2,084</u>	<u>2,084</u>	<u>3,461</u>	<u>1,377</u>
Charges to appropriations (outflows):				
General government -				
Services and supplies	2	2	1	1
Debt service:				
Principal	37,340	37,340	35,340	2,000
Interest & fiscal charges	<u>5,351</u>	<u>9,911</u>	<u>5,446</u>	<u>4,465</u>
Total charges to appropriations	<u>42,693</u>	<u>47,253</u>	<u>40,787</u>	<u>6,466</u>
Excess (deficiency) of resources over (under) appropriations	<u>(40,609)</u>	<u>(45,169)</u>	<u>(37,326)</u>	<u>7,843</u>
Other financing sources (uses)				
Transfers in	38,673	38,673	36,734	(1,939)
Transfers (out)	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>
Total other financing sources (uses)	<u>38,673</u>	<u>35,673</u>	<u>36,734</u>	<u>1,061</u>
Net change in fund balance	(1,936)	(9,496)	(592)	8,904
Fund balance - beginning	<u>64,415</u>	<u>64,415</u>	<u>64,415</u>	<u>-</u>
Fund balance - ending	<u>\$ 62,479</u>	<u>\$ 54,919</u>	<u>\$ 63,823</u>	<u>\$ 8,904</u>

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County of Fresno Internal Service Funds

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 (ITS) 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. As of June 30, 2017, the operations of Graphic Communications Services and Communications were absorbed into this ISF. Therefore, ITS provides printing, duplicating, and mailing services along with the administration, design, installation, and maintenance of the County's telephone system.

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.

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.

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.

County of Fresno
Combining Statement of Net Position
Internal Service Funds
June 30, 2022
(amounts expressed in thousands)

	Fleet Services	Information Technology Services	Facility Services	Security Services	Risk Management	PeopleSoft Operations	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 20,168	\$ 1,414	\$ -	\$ -	\$ 104,296	\$ 1,394	\$ 127,272
Restricted cash and cash equivalents	-	-	-	-	3,411	-	3,411
Accounts receivable (net of allowance)	-	43	24	9	316	1	393
Interest receivable	63	8	-	-	379	6	456
Due from other funds	1,600	6,255	6,546	806	2,037	261	17,505
Due from other governmental units	-	-	-	-	7,663	-	7,663
Total current assets	21,831	7,720	6,570	815	118,102	1,662	156,700
Noncurrent assets:							
Accounts receivable	-	-	-	-	229	-	229
Non-depreciable:							
Construction in progress	-	-	3,210	-	-	-	3,210
Depreciable:							
Buildings and improvements, net	-	2,349	23,280	-	-	-	25,629
Equipment, net	18,641	8,877	3,945	4	-	-	31,467
Intangible net	-	-	-	-	-	-	-
Total noncurrent assets	18,641	11,226	30,435	4	229	-	60,535
Total assets	40,472	18,946	37,005	819	118,331	1,662	217,235
DEFERRED OUTFLOWS OF RESOURCES							
Deferred pensions	1,402	9,338	4,614	2,493	1,748	-	19,595
Total deferred outflows of resources	1,402	9,338	4,614	2,493	1,748	-	19,595
LIABILITIES							
Current liabilities:							
Cash overdraft	-	-	421	369	-	-	790
Accounts payable	1,011	2,158	3,050	171	5,861	-	12,251
Salaries and benefits payable	100	316	332	292	82	25	1,147
Due to other funds	94	104	2,607	99	3,256	178	6,338
Due to other governmental units	-	-	-	62	3,801	-	3,863
Liability for self-insurance	-	-	-	-	18,960	-	18,960
Deposits and other liabilities	1	11	5	-	883	-	900
Unearned revenue	-	-	20	-	29	-	49
Compensated leave and absences	104	699	313	192	146	-	1,454
Total current liabilities	1,310	3,288	6,748	1,185	33,018	203	45,752
Noncurrent liabilities:							
Liability for self-insurance	-	-	-	-	72,018	-	72,018
Compensated leave and absences	135	1,250	352	197	193	-	2,127
Net pension liability	1,568	10,442	5,159	2,787	1,955	-	21,911
Total noncurrent liabilities	1,703	11,692	5,511	2,984	74,166	-	96,056
Total liabilities	3,013	14,980	12,259	4,169	107,184	203	141,808
DEFERRED INFLOWS OF RESOURCES							
Deferred pensions	2,056	13,695	6,767	3,656	2,564	-	28,738
Total deferred inflows of resources	2,056	13,695	6,767	3,656	2,564	-	28,738
NET POSITION							
Net investment in capital assets	18,641	11,226	30,435	4	-	-	60,306
Unrestricted	18,164	(11,617)	(7,842)	(4,517)	10,331	1,459	5,978
Total net position	\$ 36,805	\$ (391)	\$ 22,593	\$ (4,513)	\$ 10,331	\$ 1,459	\$ 66,284

County of Fresno
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Information						
	Fleet Services	Technology Services	Facility Services	Security Services	Risk Management	PeopleSoft Operations	Total
Operating revenues							
Charges for services	\$ 17,657	\$ 56,691	\$ 37,797	\$ 9,782	\$ 131,834	\$ 2,840	\$ 256,601
Other revenues	-	45	1,417	71	3	-	1,536
Total operating revenues	<u>17,657</u>	<u>56,736</u>	<u>39,214</u>	<u>9,853</u>	<u>131,837</u>	<u>2,840</u>	<u>258,137</u>
Operating expenses							
Salaries and benefits	2,467	14,897	8,791	4,990	2,973	-	34,118
Insurance	14	396	857	188	126,945	-	128,400
Professional services	165	2,548	7,201	372	7,526	2,044	19,856
General and administrative	5,636	30,300	5,829	579	282	1,520	44,146
Repairs and maintenance	1,800	1,139	1,681	816	206	-	5,642
Rents and leases	329	5,619	66	293	-	-	6,307
Parts and supplies	6,029	8,586	196	79	-	-	14,890
Utilities	90	378	13,986	20	39	-	14,513
Depreciation	-	2,265	1,113	8	1	-	3,387
Total operating expenses	<u>16,530</u>	<u>66,128</u>	<u>39,720</u>	<u>7,345</u>	<u>137,972</u>	<u>3,564</u>	<u>271,259</u>
Operating income (loss)	<u>1,127</u>	<u>(9,392)</u>	<u>(506)</u>	<u>2,508</u>	<u>(6,135)</u>	<u>(724)</u>	<u>(13,122)</u>
Non-operating revenues (expenses)							
Gain (loss) on sale of capital assets	362	-	-	-	-	-	362
Insurance recoveries	-	-	-	-	3,606	-	3,606
Use of money and property	(891)	(34)	4	(11)	(4,596)	(57)	(5,585)
Total non-operating revenues (expenses)	<u>(529)</u>	<u>(34)</u>	<u>4</u>	<u>(11)</u>	<u>(990)</u>	<u>(57)</u>	<u>(1,617)</u>
Net income (loss) before transfers	<u>598</u>	<u>(9,426)</u>	<u>(502)</u>	<u>2,497</u>	<u>(7,125)</u>	<u>(781)</u>	<u>(14,739)</u>
Transfers in (out)							
Transfers in	3,276	8,967	1,465	73	350	323	14,454
Transfers (out)	(134)	(829)	(470)	(264)	(163)	-	(1,860)
Total transfers in (out)	<u>3,142</u>	<u>8,138</u>	<u>995</u>	<u>(191)</u>	<u>187</u>	<u>323</u>	<u>12,594</u>
Change in net position	<u>3,740</u>	<u>(1,288)</u>	<u>493</u>	<u>2,306</u>	<u>(6,938)</u>	<u>(458)</u>	<u>(2,145)</u>
Net position - beginning	33,065	897	22,100	(6,819)	17,269	1,917	68,429
Net position - ending	<u>\$ 36,805</u>	<u>\$ (391)</u>	<u>\$ 22,593</u>	<u>\$ (4,513)</u>	<u>\$ 10,331</u>	<u>\$ 1,459</u>	<u>\$ 66,284</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Fleet Services	ITSD	Facility Services	Security Services	Risk Management	PeopleSoft Operations	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from users	\$ 18,377	\$ 55,136	\$ 37,336	\$ 9,478	\$ 129,260	\$ 2,828	\$ 252,415
Cash paid to suppliers	(14,490)	(48,981)	(20,051)	(2,202)	(114,336)	(3,403)	(203,463)
Cash paid to employees	(4,003)	(23,595)	(13,210)	(8,355)	(4,683)	-	(53,846)
Cash paid for claims	-	-	-	-	(20,747)	-	(20,747)
Net cash provided by (used in) operating activities	<u>(116)</u>	<u>(17,440)</u>	<u>4,075</u>	<u>(1,079)</u>	<u>(10,506)</u>	<u>(575)</u>	<u>(25,641)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	3,276	8,967	1,465	73	350	323	14,454
Transfers to other funds	(134)	(829)	(470)	(264)	(163)	-	(1,860)
Net cash provided by (used in) noncapital financing activities	<u>3,142</u>	<u>8,138</u>	<u>995</u>	<u>(191)</u>	<u>187</u>	<u>323</u>	<u>12,594</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Sales of capital assets	2,562	1,106	-	1,281	898	-	5,847
Purchases of capital assets	-	-	(7,800)	-	-	-	(7,800)
Insurance recoveries	-	-	-	-	3,606	-	3,606
Net cash provided by (used in) capital and related financing activities	<u>2,562</u>	<u>1,106</u>	<u>(7,800)</u>	<u>1,281</u>	<u>4,504</u>	<u>-</u>	<u>1,653</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Use of money and property received	(858)	17	4	(11)	(4,211)	(52)	(5,111)
Net cash provided by (used in) investing activities	<u>(858)</u>	<u>17</u>	<u>4</u>	<u>(11)</u>	<u>(4,211)</u>	<u>(52)</u>	<u>(5,111)</u>
Net increase (decrease) in cash and cash equivalents	4,730	(8,179)	(2,726)	-	(10,026)	(304)	(16,505)
Cash and cash equivalents - beginning	<u>15,438</u>	<u>9,593</u>	<u>2,726</u>	<u>-</u>	<u>117,733</u>	<u>1,698</u>	<u>147,188</u>
Cash and cash equivalents - ending	<u>\$ 20,168</u>	<u>\$ 1,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,707</u>	<u>\$ 1,394</u>	<u>\$ 130,683</u>
Reconciliation of cash and cash equivalents to the statement of net position:							
Cash and cash equivalents	\$ 20,168	\$ 1,414	\$ -	\$ -	\$ 104,296	\$ 1,394	\$ 127,272
Restricted cash and investments	-	-	-	-	3,411	-	3,411
Total	<u>\$ 20,168</u>	<u>\$ 1,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,707</u>	<u>\$ 1,394</u>	<u>\$ 130,683</u>

County of Fresno
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Fleet Services	ITSD	Facility Services	Security Services	Risk Management	PeopleSoft Operations	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 1,127	\$ (9,392)	\$ (506)	\$ 2,508	\$ (6,135)	\$ (724)	\$ (13,122)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Pension expense	(720)	(4,798)	(2,371)	(1,281)	(898)	-	(10,068)
Depreciation expense	-	2,265	1,113	8	1	-	3,387
Decrease (increase) in accounts receivable	390	(10)	25	(6)	31	1	431
Decrease (increase) in due from other funds	230	(1,590)	(653)	(369)	(1,584)	(13)	(3,979)
Decrease (increase) in due from other governmental units	100	-	-	-	(1,090)	-	(990)
Decrease (increase) in inventory of supplies	-	-	5,654	-	-	-	5,654
(Decrease) increase in accounts payable	5	39	1,666	144	373	-	2,227
(Decrease) increase in salaries and benefits payable	20	92	52	26	21	-	211
(Decrease) increase in unearned revenue	-	-	-	-	62	-	62
(Decrease) increase in deposits held for others	-	-	(1,250)	-	4	-	(1,246)
(Decrease) increase in due to other funds	(432)	(54)	2,445	3	151	161	2,274
(Decrease) increase in due to other governmental units	-	-	421	(593)	(3,314)	-	(3,486)
(Decrease) increase in deferred outflows pensions	638	3,196	1,945	1,155	656	-	7,590
(Decrease) increase in deferred inflows pensions	1,801	12,129	5,948	3,200	2,264	-	25,342
(Decrease) increase in net pension liability	(3,275)	(19,317)	(10,414)	(5,874)	(3,753)	-	(42,633)
(Decrease) increase in liabilities for self-insurance	-	-	-	-	2,705	-	2,705
Total adjustments	(1,243)	(8,048)	4,581	(3,587)	(4,371)	149	(12,519)
Net cash provided by (used in) operating activities	<u>\$ (116)</u>	<u>\$ (17,440)</u>	<u>\$ 4,075</u>	<u>\$ (1,079)</u>	<u>\$ (10,506)</u>	<u>\$ (575)</u>	<u>\$ (25,641)</u>
Sales (Purchase) of capital assets	<u>\$ 2,562</u>	<u>\$ 1,106</u>	<u>\$ (7,800)</u>	<u>\$ 1,281</u>	<u>\$ 898</u>	<u>\$ -</u>	<u>\$ (1,953)</u>

County of Fresno Custodial Funds

Custodial Funds

The County, in a fiduciary capacity, maintains various custodial 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, external investment pool used to account for the investments made by the County, property taxes collected on behalf of other governmental units, monies held by the Public Administrator-Guardian, San Joaquin Valley Insurance Authority, and other custodial funds.

External Investment Pool

This fund is used to account for the investments made by the County on behalf of the schools and special districts.

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 custodial 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 custodial capacity.

Other Custodial Funds

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

County of Fresno
Combining Statement of Fiduciary Net Position
Other Custodial Funds
June 30, 2022
(amounts expressed in thousands)

	Property Tax Collection	Public Administrator - Guardian	San Joaquin Valley Insurance Authority	Other Custodial	Total Other Custodial Funds
ASSETS & DEFERRED OUTFLOWS OF RESOURCES					
Assets					
Cash and investments	\$ 70,984	\$ 22,071	\$ 36,015	\$ 58,624	\$ 187,694
Receivables, net:					
Accounts	-	-	3,665	17	3,682
Taxes	1	-	-	-	1
Interest	627	-	100	89	816
Due from other governmental units	-	-	-	15	15
Property held by public administrator	-	3,533	-	-	3,533
Total assets	<u>71,612</u>	<u>25,604</u>	<u>39,780</u>	<u>58,745</u>	<u>195,741</u>
Deferred outflows of resources					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 71,612</u>	<u>\$ 25,604</u>	<u>\$ 39,780</u>	<u>\$ 58,745</u>	<u>\$ 195,741</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & NET POSITION					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 762	\$ -	\$ 762
Due to other governmental units	-	-	8,514	-	8,514
Total liabilities	<u>-</u>	<u>-</u>	<u>9,276</u>	<u>-</u>	<u>9,276</u>
Deferred inflows of resources					
Total deferred inflows of resources	-	-	-	-	-
Net Position					
Restricted for:					
Individuals & other governments	<u>71,612</u>	<u>25,604</u>	<u>30,504</u>	<u>58,745</u>	<u>186,465</u>
Total net position	<u>71,612</u>	<u>25,604</u>	<u>30,504</u>	<u>58,745</u>	<u>186,465</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 71,612</u>	<u>\$ 25,604</u>	<u>\$ 39,780</u>	<u>\$ 58,745</u>	<u>\$ 195,741</u>

County of Fresno
Combining Statement of Changes in Fiduciary Net Position
Other Custodial Funds
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

	Property Tax Collection	Public Administrator - Guardian	San Joaquin Valley Insurance Authority	Other Custodial	Total Other Custodial Funds
ADDITIONS					
Investment income (loss):					
Net increase (decrease) in fair value of investments	\$ 23	\$ -	\$ (1,297)	\$ (2,712)	\$ (3,986)
Net investment income (loss)	23	-	(1,297)	(2,712)	(3,986)
Property tax collections	1,501,574	-	-	-	1,501,574
Other tax collections	15	-	-	-	15
Custodial fund collections	-	24,395	119,062	2,765,910	2,909,367
Total additions	<u>1,501,612</u>	<u>24,395</u>	<u>117,765</u>	<u>2,763,198</u>	<u>4,406,970</u>
DEDUCTIONS					
Property & other tax distributions	1,496,497	-	-	-	1,496,497
Custodial fund distributions	-	12,492	110,131	2,760,179	2,882,802
Total deductions	<u>1,496,497</u>	<u>12,492</u>	<u>110,131</u>	<u>2,760,179</u>	<u>4,379,299</u>
Change in fiduciary net position	5,115	11,903	7,634	3,019	27,671
Fiduciary net position - beginning	<u>66,497</u>	<u>13,701</u>	<u>22,870</u>	<u>55,726</u>	<u>158,794</u>
Fiduciary net position - ending	<u>\$ 71,612</u>	<u>\$ 25,604</u>	<u>\$ 30,504</u>	<u>\$ 58,745</u>	<u>\$ 186,465</u>



STATISTICAL SECTION

County of Fresno Statistical Section

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 activities it performs.

Sources:

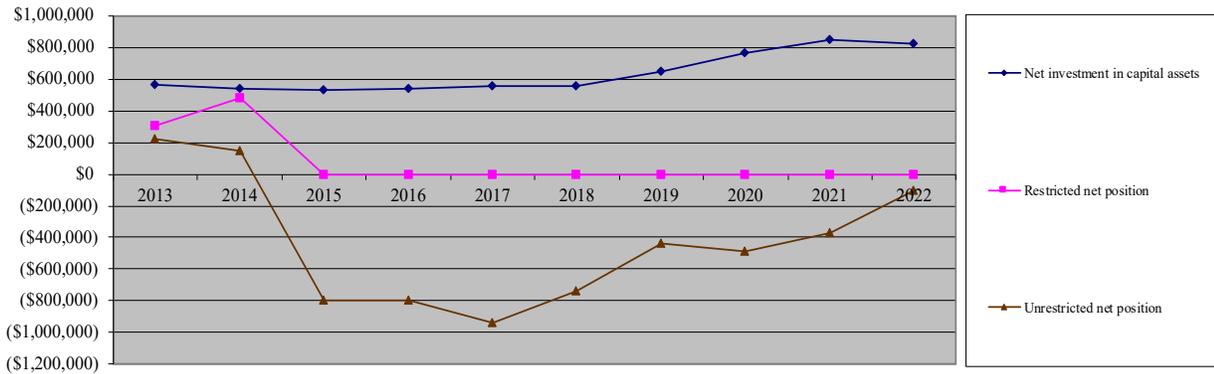
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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

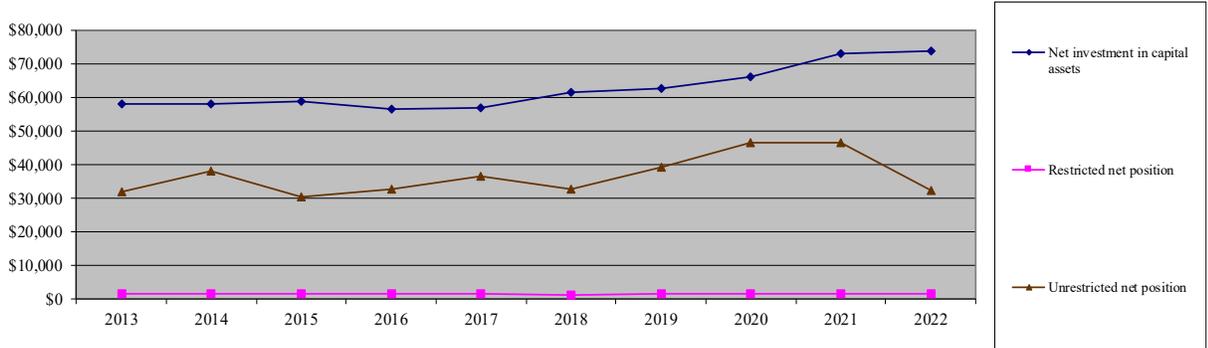
	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 560,544	\$ 537,359	\$ 533,674	\$ 539,314	\$ 556,268	\$ 558,579	\$ 647,516	\$ 763,973	\$ 842,665	\$ 818,555
Restricted net position	301,425	482,088	-	-	-	-	-	-	-	-
Unrestricted net position	223,627	142,637	(793,620)	(795,311)	(939,690)	(735,368)	(434,745)	(488,332)	(367,826)	(103,866)
Total governmental activities net position	1,085,596	1,162,084	(259,946)	(255,997)	(383,422)	(176,789)	212,771	275,641	474,839	714,689
Business-type activities										
Net investment in capital assets	57,836	58,001	58,661	56,353	56,970	61,569	62,473	66,208	73,133	73,571
Restricted net position	1,690	1,646	1,588	1,588	1,589	1,178	1,596	1,590	1,582	1,582
Unrestricted net position	32,032	38,104	30,583	32,533	36,358	32,543	39,216	46,567	46,684	32,190
Total business-type activities net position	91,558	97,751	90,832	90,474	94,917	95,290	103,285	114,365	121,399	107,343
Primary government										
Net investment in capital assets	618,380	595,360	592,335	595,667	613,238	620,148	709,989	830,181	915,798	892,126
Restricted net position	303,115	483,734	1,588	1,588	1,589	1,178	1,596	1,590	1,582	1,582
Unrestricted net position	255,659	180,741	(763,037)	(762,778)	(903,332)	(702,825)	(395,529)	(441,765)	(321,142)	(71,676)
Total primary government net position	\$ 1,177,154	\$ 1,259,835	\$ (169,114)	\$ (165,523)	\$ (288,505)	\$ (81,499)	\$ 316,056	\$ 390,006	\$ 596,238	\$ 822,032

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)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 18,258	\$ 15,712	\$ 22,475	\$ 31,721	\$ 33,698	\$ 36,083	\$ 35,067	\$ 38,620	\$ 41,504	\$ 51,939
Public protection	38,244	31,486	26,476	23,462	19,745	27,462	27,279	26,556	32,134	33,851
Public ways and facilities	10,782	8,121	2,227	6,903	15,345	9,569	6,074	7,334	10,299	6,287
Health, sanitation and public assistance	16,032	22,045	20,771	16,329	18,669	29,412	16,716	24,994	82,951	28,708
Education	3,378	2,574	1,808	1,879	1,761	6,606	3,034	1,962	1,466	1,748
Culture and recreation	1,353	899	1,023	771	957	1,014	855	867	1,089	1,677
Operating grants and contributions	690,028	770,108	812,333	622,116	652,321	910,527	919,835	960,735	1,214,344	1,237,692
Capital grants and contributions	187	-	-	-	-	-	-	-	-	-
Subtotal Governmental activities program revenues	<u>778,262</u>	<u>850,945</u>	<u>887,113</u>	<u>703,181</u>	<u>742,496</u>	<u>1,020,673</u>	<u>1,008,860</u>	<u>1,061,068</u>	<u>1,383,787</u>	<u>1,361,902</u>
Business-type activities:										
Charges for services										
Water and sewer	3,456	3,478	4,001	3,980	5,897	5,032	6,761	5,885	8,233	9,362
Landfill	9,861	13,814	16,379	15,337	13,615	14,037	18,278	15,997	20,303	18,727
Operating grants and contributions	-	625	494	304	-	452	367	485	542	258
Capital grants and contributions	-	-	-	509	336	-	-	-	-	39
Subtotal Business-type activities program revenues	<u>13,317</u>	<u>17,917</u>	<u>20,874</u>	<u>20,130</u>	<u>19,848</u>	<u>19,521</u>	<u>25,406</u>	<u>22,367</u>	<u>29,078</u>	<u>28,386</u>
Total primary government program revenues	<u>791,579</u>	<u>868,862</u>	<u>907,987</u>	<u>723,311</u>	<u>762,344</u>	<u>1,040,194</u>	<u>1,034,266</u>	<u>1,083,435</u>	<u>1,412,865</u>	<u>1,390,288</u>
General Revenues										
Governmental activities:										
Taxes										
Property taxes	209,419	216,038	232,374	233,408	254,804	260,350	262,330	271,007	293,027	300,504
Sales taxes	154,998	161,119	186,747	216,434	195,316	51,043	58,264	62,561	67,670	78,617
Franchise taxes	4,784	14,070	22,736	17,946	17,558	10,756	16,192	17,110	15,231	15,820
Motor vehicle in-lieu taxes	34,077	37,713	58,964	230,264	223,883	215,224	258,594	265,955	255,054	290,144
Tobacco settlement proceeds	13,213	6,657	-	-	-	-	-	-	-	-
Other	4,832	18,110	13,970	23,531	7,066	(11,695)	2,934	8,474	10,169	7,215
Gain (loss) on bond refunding and sale of capital assets	338	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings (loss)	14,159	14,776	9,344	14,407	2,804	561	32,538	33,511	3,473	(33,841)
Subtotal governmental activities general revenues	<u>435,820</u>	<u>468,483</u>	<u>524,135</u>	<u>735,990</u>	<u>701,431</u>	<u>526,239</u>	<u>630,852</u>	<u>658,618</u>	<u>644,624</u>	<u>658,459</u>
Business-type activities:										
Property taxes	-	671	711	744	773	765	796	819	855	896
Other	2,326	1,446	1,870	1,891	1,918	3,803	3,202	9,745	5,163	8,676
Gain/(loss) on sale of capital assets	(19)	-	-	-	145	(402)	(2,529)	-	-	-
Unrestricted investment earnings (loss)	974	1,732	638	1,837	316	172	4,007	4,614	431	(3,985)
Subtotal business-type activities general revenues	<u>3,281</u>	<u>3,849</u>	<u>3,219</u>	<u>4,472</u>	<u>3,152</u>	<u>4,338</u>	<u>5,476</u>	<u>15,178</u>	<u>6,449</u>	<u>5,587</u>
Total primary government general revenues	<u>439,101</u>	<u>472,332</u>	<u>527,354</u>	<u>740,462</u>	<u>704,583</u>	<u>530,577</u>	<u>636,328</u>	<u>673,796</u>	<u>651,073</u>	<u>664,046</u>
Total primary government revenues	<u>\$ 1,230,680</u>	<u>\$ 1,341,194</u>	<u>\$ 1,435,341</u>	<u>\$ 1,463,773</u>	<u>\$ 1,466,927</u>	<u>\$ 1,570,771</u>	<u>\$ 1,670,594</u>	<u>\$ 1,757,231</u>	<u>\$ 2,063,938</u>	<u>\$ 2,054,334</u>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 52,919	\$ 45,280	\$ 34,673	\$ 72,302	\$ 72,551	\$ 247,100	\$ 235,530	\$ 266,452	\$ 352,695	\$ 283,771
Public protection	304,365	319,197	291,148	343,711	362,779	253,532	266,178	403,010	426,547	373,108
Public ways and facilities	41,895	43,145	45,635	78,926	127,525	51,304	36,765	69,231	73,319	84,820
Health, sanitation, and public assistance	686,767	787,234	760,840	869,387	940,554	710,821	659,419	853,749	911,730	983,096
Education	24,191	25,073	23,918	26,510	27,342	27,565	18,288	26,118	26,029	26,916
Culture and recreation	2,712	2,933	2,380	2,868	3,370	3,450	2,122	2,818	2,858	2,860
Interest on long-term debt	42,519	40,030	40,219	41,782	36,571	36,402	35,302	35,820	35,695	16,787
Subtotal governmental activities expenses	<u>1,155,368</u>	<u>1,262,892</u>	<u>1,198,813</u>	<u>1,435,486</u>	<u>1,570,692</u>	<u>1,330,174</u>	<u>1,253,604</u>	<u>1,657,198</u>	<u>1,828,873</u>	<u>1,771,358</u>
Business-type activities:										
Solid waste enterprise	14,063	6,162	5,652	6,572	7,453	9,350	8,265	12,274	12,451	18,767
County service areas, other	6,139	17,783	21,451	17,402	16,722	17,219	14,726	18,260	15,009	24,162
Subtotal business-type activities expenses	<u>20,202</u>	<u>23,945</u>	<u>27,103</u>	<u>23,974</u>	<u>24,175</u>	<u>26,569</u>	<u>22,991</u>	<u>30,534</u>	<u>27,460</u>	<u>42,929</u>
Total primary government expenses	<u>1,175,570</u>	<u>1,286,837</u>	<u>1,225,916</u>	<u>1,459,460</u>	<u>1,594,867</u>	<u>1,356,743</u>	<u>1,276,595</u>	<u>1,687,732</u>	<u>1,856,333</u>	<u>1,814,287</u>
Extraordinary item - RDA dissolution transaction										
	(274)	-	-	-	-	-	-	-	-	-
Excess (deficiency) before transfers										
- governmental activities	164,060	58,714	240,358	3,685	(126,765)	216,738	386,108	62,488	199,538	249,002
Transfers	271	302	(2,724)	297	(645)	240	252	15	11	(174)
Excess (deficiency) before transfers										
- business-type activities	1,564	(2,969)	(2,501)	628	(1,175)	(2,710)	7,891	7,011	8,067	(8,956)
Transfers	(271)	(302)	2,724	(297)	645	(240)	(252)	(15)	(11)	174
Change in net position										
Governmental activities	164,057	59,016	237,634	3,982	(127,410)	216,978	386,360	62,503	199,549	248,828
Business-type activities	1,293	(3,271)	223	331	(530)	(2,950)	7,639	6,996	8,056	(8,782)
Total primary government	<u>\$ 165,350</u>	<u>\$ 55,745</u>	<u>\$ 237,857</u>	<u>\$ 4,313</u>	<u>\$ (127,940)</u>	<u>\$ 214,028</u>	<u>\$ 393,999</u>	<u>\$ 69,499</u>	<u>\$ 207,605</u>	<u>\$ 240,046</u>

Note 1: Accrual basis of accounting

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

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 3,939	\$ 4,110	\$ 43,092	\$ 47,208	\$ 49,736
Restricted	199,306	49,932	4,985	9,398	4,255
Committed	-	-	18,724	21,024	63,602
Assigned	57,176	23,035	77,493	83,021	8,654
Unassigned	47,117	72,338	46,239	39,520	85,193
Total General Fund	<u>\$ 307,538</u>	<u>\$ 149,415</u>	<u>\$ 190,533</u>	<u>\$ 200,171</u>	<u>\$ 211,440</u>
Other Governmental Funds					
Nonspendable	\$ 683	\$ 775	\$ 736	\$ 816	\$ 702
Restricted	123,153	391,338	443,609	529,190	586,978
Committed	-	-	-	-	-
Assigned	33,597	37,391	37,009	36,560	-
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 157,433</u>	<u>\$ 429,504</u>	<u>\$ 481,354</u>	<u>\$ 566,566</u>	<u>\$ 587,680</u>
General Fund					
	Fiscal Year				
	2018	2019	2020	2021	2022
Nonspendable	\$ 8,971	\$ 5,840	\$ 5,803	\$ 5,780	\$ 14,506
Restricted	-	6,205	7,590	310,747	289,170
Committed	68,410	91,380	91,417	91,440	68,168
Assigned	-	-	-	-	-
Unassigned	128,236	100,693	92,976	63,366	98,225
Total General Fund	<u>\$ 205,617</u>	<u>\$ 204,118</u>	<u>\$ 197,786</u>	<u>\$ 471,333</u>	<u>\$ 470,069</u>
All Other Governmental Funds					
Nonspendable	\$ 816	\$ 36	\$ 36	\$ 36	\$ 36
Restricted	570,404	597,722	558,996	355,271	403,130
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 571,220</u>	<u>\$ 597,758</u>	<u>\$ 559,032</u>	<u>\$ 355,307</u>	<u>\$ 403,166</u>

Note 1: Modified accrual basis of accounting

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

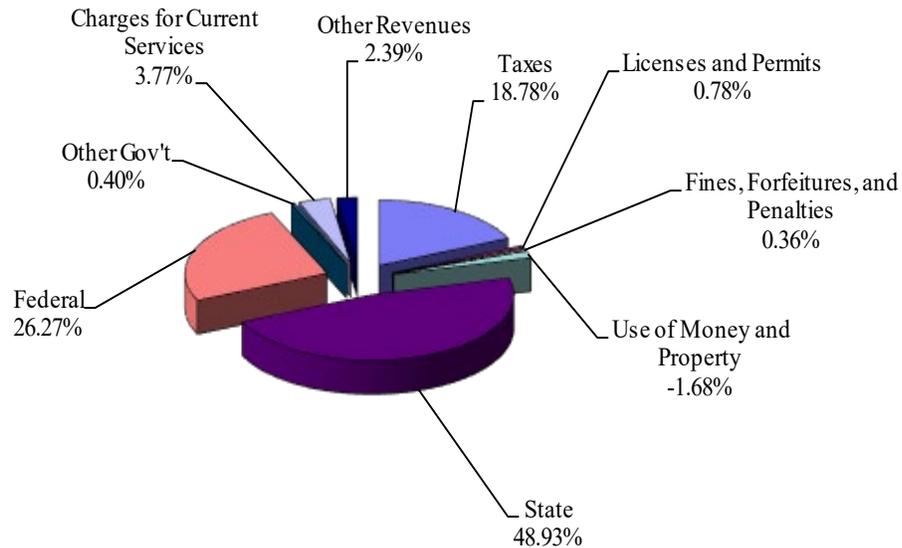
	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 380,541	\$ 394,370	\$ 422,029	\$ 449,842	\$ 450,120	\$ 311,405	\$ 320,594	\$ 331,781	\$ 360,697	\$ 379,121
Licenses and permits	8,872	14,070	17,272	17,946	17,558	10,756	16,192	18,896	15,231	15,820
Fines, forfeitures and penalties	9,529	14,657	13,866	13,015	11,944	10,061	10,408	8,473	9,368	7,201
Use of money and property	14,315	12,562	8,022	12,087	2,804	3,615	32,538	33,511	3,473	(33,841)
Aid from other governmental agencies	714,785	811,917	850,931	846,114	885,091	1,092,732	1,180,254	1,288,132	1,473,973	1,526,574
Charges for current services	66,491	68,274	55,541	56,305	63,611	64,043	62,995	68,887	70,596	76,041
Other revenues	24,358	29,554	26,690	25,386	26,932	46,324	26,030	31,447	98,847	48,168
Total revenues	<u>1,218,891</u>	<u>1,345,404</u>	<u>1,394,351</u>	<u>1,420,695</u>	<u>1,458,060</u>	<u>1,538,936</u>	<u>1,649,011</u>	<u>1,781,127</u>	<u>2,032,185</u>	<u>2,019,084</u>
Expenditures										
General government	32,976	38,715	37,014	40,860	59,083	45,764	46,135	54,559	96,329	59,295
Public protection	298,179	312,604	324,104	340,802	359,422	383,305	431,489	467,157	502,148	514,358
Public ways and facilities	32,807	31,106	36,880	33,901	34,876	46,448	40,017	67,730	71,633	87,403
Health, sanitation, and public assistance	682,001	779,890	798,019	832,667	854,187	931,587	903,032	969,670	1,077,440	1,203,349
Education	23,891	23,708	25,152	25,350	26,205	25,881	27,818	28,870	28,932	30,024
Culture and recreation	2,684	2,900	2,596	2,688	2,898	4,453	2,998	3,250	3,371	3,712
Capital outlay	16,594	18,378	21,714	30,097	31,362	35,849	106,715	124,462	108,079	97,984
Debt service:										
Principal	30,785	30,295	32,655	36,585	40,035	44,505	47,690	29,314	38,635	48,204
Interest	25,509	22,677	20,960	19,221	15,318	13,584	11,132	9,307	8,615	8,294
Total expenditures	<u>1,145,426</u>	<u>1,260,273</u>	<u>1,299,094</u>	<u>1,362,171</u>	<u>1,423,386</u>	<u>1,531,376</u>	<u>1,617,026</u>	<u>1,754,319</u>	<u>1,935,182</u>	<u>2,052,623</u>
Excess (deficiency) of revenues over (under) expenditures	<u>73,465</u>	<u>85,131</u>	<u>95,257</u>	<u>58,524</u>	<u>34,674</u>	<u>7,560</u>	<u>31,985</u>	<u>26,808</u>	<u>97,003</u>	<u>(33,539)</u>
Other financing sources (uses):										
Bond proceeds	23,587	-	-	64,525	-	-	-	-	-	-
Bond premiums	-	-	-	6,360	-	-	-	-	-	-
Payment to escrow agent	-	-	-	(43,630)	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	16	248	227	121	199	10	253
Insurance recoveries	-	-	-	-	-	-	-	-	801	14
Transfers in	353,820	848,216	917,133	852,206	888,482	1,008,110	1,012,413	1,142,770	557,584	573,510
Transfers (out)	(350,907)	(849,296)	(920,117)	(855,814)	(891,006)	(1,010,824)	(1,013,551)	(1,149,882)	(585,576)	(586,278)
Refunded bond principal	(26,160)	-	-	(26,765)	-	-	-	-	-	-
Refunding bond issue proceeds	(820)	-	-	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-	-	-	-	-	76,474
Total other financing sources (uses)	<u>(480)</u>	<u>(1,080)</u>	<u>(2,984)</u>	<u>(3,102)</u>	<u>(2,276)</u>	<u>(2,487)</u>	<u>(1,017)</u>	<u>(6,913)</u>	<u>(27,181)</u>	<u>63,973</u>
Net change in fund balances before extraordinary items	<u>72,985</u>	<u>84,051</u>	<u>92,273</u>	<u>55,422</u>	<u>32,398</u>	<u>5,073</u>	<u>30,968</u>	<u>19,895</u>	<u>69,822</u>	<u>30,434</u>
Extraordinary item										
Redevelopment Agency dissolution transaction	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 72,985</u>	<u>\$ 84,051</u>	<u>\$ 92,273</u>	<u>\$ 55,422</u>	<u>\$ 32,398</u>	<u>\$ 5,073</u>	<u>\$ 30,968</u>	<u>\$ (45,058)</u>	<u>\$ 69,822</u>	<u>\$ 30,434</u>
Debt service as a percentage of non-capital expenditures										
	4.91%	4.20%	4.13%	4.10%	3.89%	3.79%	3.64%	2.20%	2.44%	2.75%

Note 1: Modified accrual basis of accounting

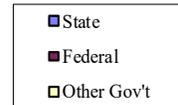
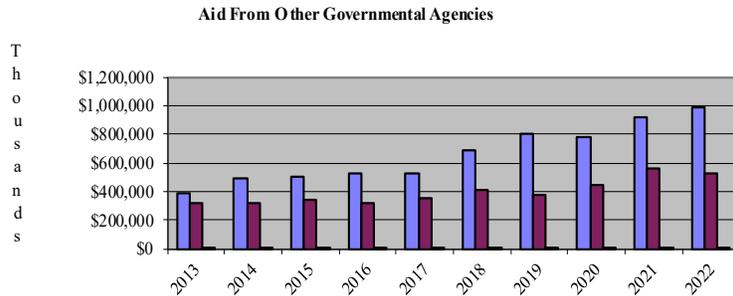
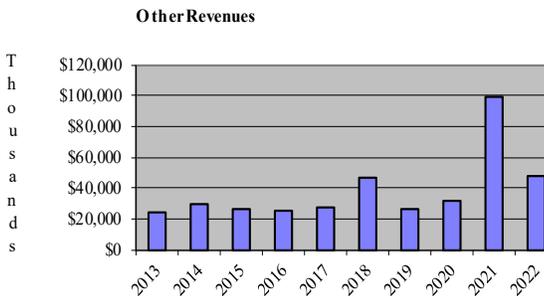
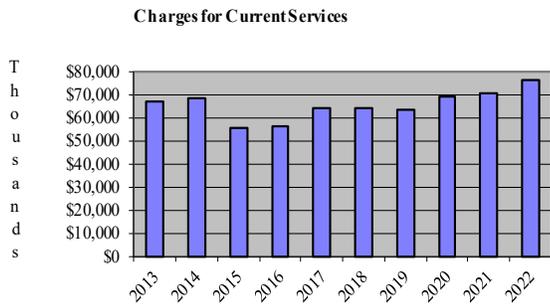
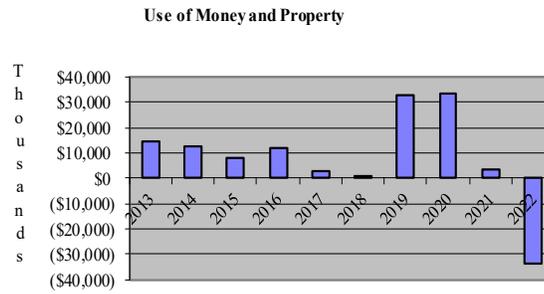
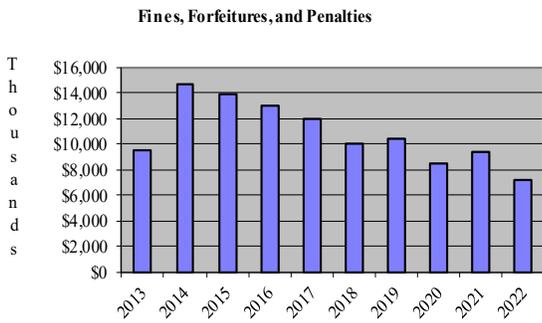
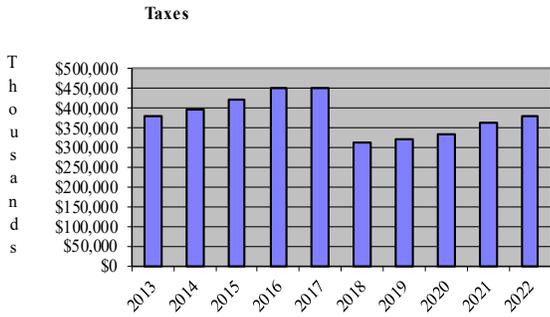
County of Fresno
Governmental Funds Revenue by Source
Last Ten Fiscal Years
(amounts expressed in thousands)

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		
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
2017	1,458,060	450,120	17,558	11,944	2,804	525,324	355,934	3,833	63,611	26,932
2018	1,536,075	311,393	10,756	10,049	561	681,841	407,703	3,188	64,043	46,541
2019	1,649,011	320,594	16,192	10,408	32,538	804,151	372,680	3,423	62,995	26,030
2020	1,716,174	331,781	18,896	8,473	33,511	778,589	439,783	4,807	68,887	31,447
2021	2,032,185	360,697	15,231	9,368	3,473	913,382	554,813	5,778	70,596	98,847
2022	2,019,084	379,121	15,820	7,201	(33,841)	987,930	530,467	8,177	76,041	48,168

For Fiscal Year 2022



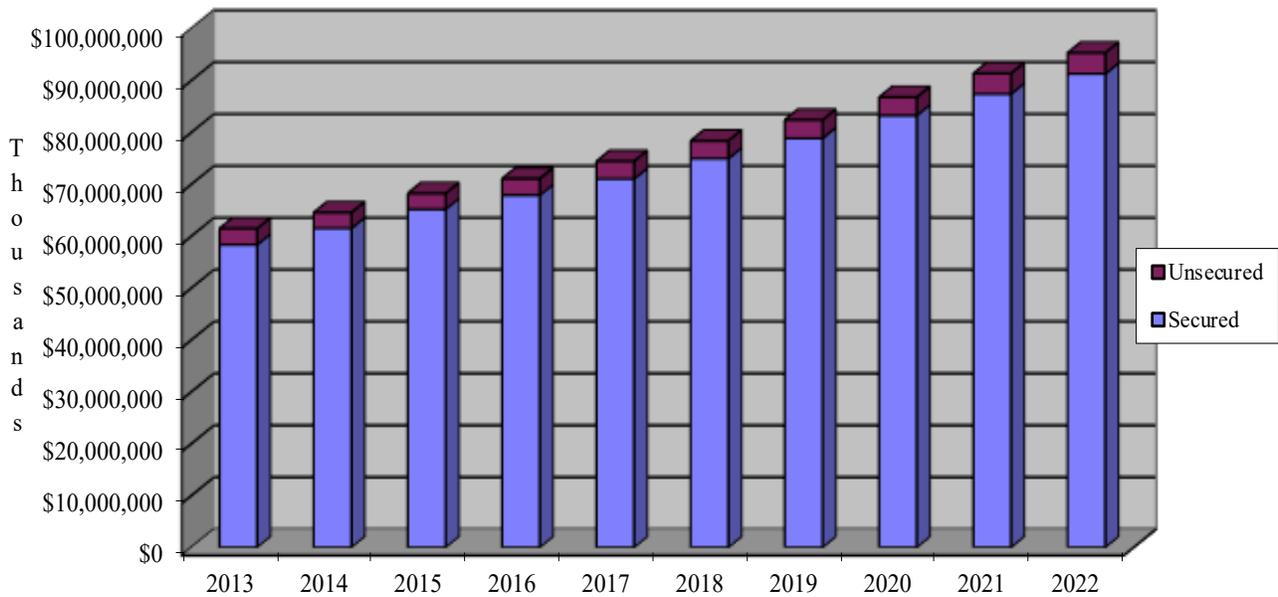
**County of Fresno
Governmental Funds Revenue by Source (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**



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

<u>Fiscal Year</u>	<u>Secured Estimated Actual</u>	<u>Unsecured Estimated Actual</u>	<u>Total Estimated Actual</u>	<u>Ratio of Assessed to Estimated Actual</u>	<u>Total Direct Tax Rate</u>
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	67,898,181	3,190,135	71,088,316	100%	1.00%
2017	71,057,076	3,376,707	74,433,783	100%	1.00%
2018	74,950,077	3,432,862	78,382,939	100%	1.00%
2019	78,876,831	3,519,686	82,396,517	100%	1.00%
2020	83,267,031	3,520,780	86,787,811	100%	1.00%
2021	87,403,882	3,959,891	91,363,773	100%	1.00%
2022	91,304,647	4,027,211	95,331,858	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>Fiscal Year</u>	<u>County Direct Rates</u>			<u>Overlapping Rates</u>		<u>Total Rates</u>
	<u>Fresno County General</u>	<u>City of Fresno</u>	<u>School Districts</u>			
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
2016 - 2017	1.00000	0.032438	0.197344			1.229782
2017 - 2018	1.00000	0.032438	0.214798			1.247236
2018 - 2019	1.00000	0.032438	0.211830			1.244268
2019 - 2020	1.00000	0.032438	0.214650			1.247088
2020 - 2021	1.00000	0.032438	0.239536			1.271974
2021 - 2022	1.00000	0.032438	0.231952			1.264390

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, County of Fresno

**County of Fresno
Principal Taxpayers
June 30, 2022
And June 30, 2013
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2022</u>			<u>2013</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>% of Total County Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>% of Total County Assessed Value</u>
Pacific Gas & Electric Co.	\$ 2,951,824	1	3.10%	\$ 1,861,458	1	3.03%
Southern California Edison Co.	674,469	2	0.71%	451,948	3	0.74%
Pacific Bell Telephone Company	151,096	3	0.16%	188,591	6	0.31%
Gap, Inc.	167,479	4	0.18%	115,759	10	0.19%
Panoche Energy Center, LLC	175,700	5	0.18%	321,000	4	0.52%
Gallo E & J Winery	151,611	6	0.16%	123,382	9	0.20%
Macerich Fresno Limited Partnership	144,508	7	0.15%	132,334	8	0.22%
Meganova LP	120,874	8	0.13%	-		N/A
Chevron USA, Inc.	128,309	9	0.13%	716,402	2	1.17%
Wal-Mart Real Estate Business Trust	110,042	10	0.12%	-		N/A
AERA Energy, LLC	-		N/A	254,747	5	0.41%
Del Rey Juice Company LLC	-		N/A	149,431	7	0.24%
Total	<u>\$ 4,775,912</u>		<u>5.02%</u>	<u>\$ 4,315,052</u>		<u>7.03%</u>

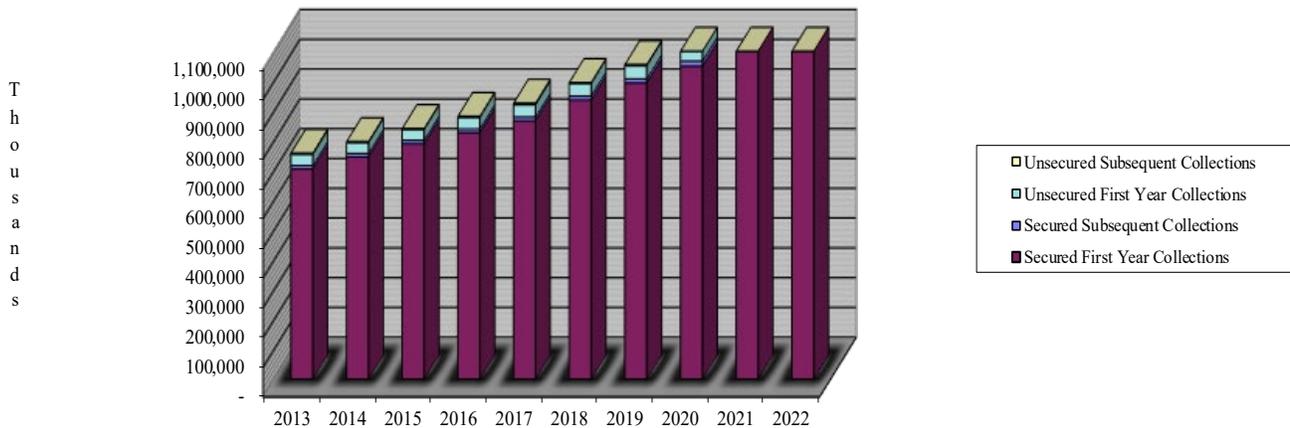
Source: Auditor-Controller/Treasurer-Tax Collector, County of Fresno

Note: Percentages based on estimated property values of \$95,331,858 in 2022 and \$61,467,876 in 2013.

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

Fiscal Year	Secured									Unsecured							
	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	Percent	Amount	Amount	Percent
2013	\$ 717,057	98.37%	\$ 11,701	1.63%	\$ 11,701	\$ 717,057	100.00%	\$ 41,027	\$ 37,482	91.36%	\$ 3,545	8.64%	\$ 3,545	\$ 41,027	100.00%		
2014	757,605	98.51%	11,314	1.49%	11,314	757,606	100.00%	38,947	35,944	92.29%	3,003	7.71%	3,003	38,947	100.00%		
2015	801,553	98.56%	11,550	1.44%	11,550	801,533	100.00%	38,950	36,263	93.10%	2,687	6.90%	2,687	38,950	100.00%		
2016	839,524	98.61%	11,688	1.39%	11,665	839,501	99.80%	41,729	38,931	93.29%	2,799	6.71%	2,793	41,724	99.80%		
2017	879,820	98.60%	12,299	1.40%	12,250	879,770	99.60%	45,719	40,764	89.16%	4,955	10.84%	4,935	45,699	99.60%		
2018	950,394	98.60%	13,332	1.40%	13,252	950,314	99.40%	44,286	41,949	94.72%	2,337	5.28%	2,323	44,272	99.40%		
2019	1,008,351	98.62%	13,937	1.38%	13,826	1,008,241	99.20%	46,957	43,515	92.67%	3,342	7.12%	3,315	46,830	99.20%		
2020	1,068,014	98.36%	17,471	1.64%	17,121	1,067,664	98.00%	50,925	48,611	95.46%	2,314	4.54%	2,268	50,879	98.00%		
2021	1,127,261	98.56%	16,195	1.44%	15,871	1,126,937	98.00%	52,822	50,074	94.80%	2,747	5.20%	2,692	52,766	98.00%		
2022	1,175,348	98.49%	17,725	1.51%	17,370	1,174,993	98.00%	53,046	50,376	94.97%	2,670	5.03%	2,617	52,993	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

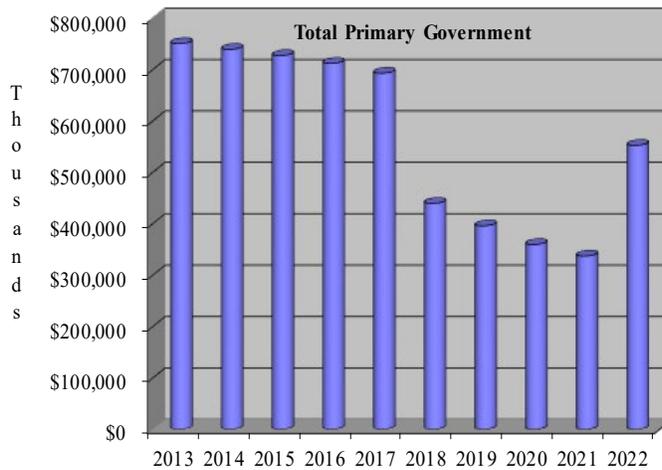
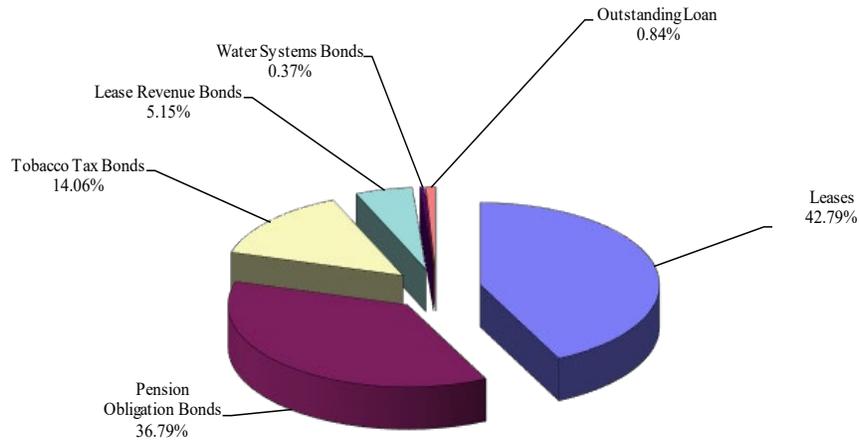
County of Fresno
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of	
	Leases	Pension Obligation Bonds	Tobacco Tax Bonds	Lease Revenue Bonds	Water Systems Bonds	Outstanding Loan	Leases	Personal Income ^a		Per Capita ^a	
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	503,666	142,114	58,704	3,400	73	-	711,883	2.06%	737	
2017	2,934	488,331	145,048	52,916	3,205	370	-	692,804	1.85%	711	
2018	3,258	294,069	96,584	42,435	3,000	67	-	439,413	1.18%	451	
2019	3,154	254,825	92,573	42,435	2,780	62	-	395,829	1.01%	404	
2020	2,805	227,602	88,596	37,857	2,545	59	-	359,464	0.89%	364	
2021	2,705	215,367	83,384	33,179	2,295	56	-	336,986	0.74%	337	
2022	236,352	203,168	77,648	28,434	2,025	4,663	-	552,290	1.14%	552	

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 2022



County of Fresno
Estimated Direct and Overlapping Bonded Debt
June 30, 2022
(amounts expressed in thousands)

Overlapping Tax and Assessment Debt:	Total Debt 6/30/22	% Applicable (1)	County's Share of Debt 6/30/22
Merced Community College District School Facilities Improvement District No. 2	\$ 4,870	2.903%	\$ 141
State Center Community College District	318,565	83.042%	\$ 264,543
West Hills Community College District and School Facilities Improvement Districts	61,133	26.426-99.481%	\$ 33,361
Central Unified School District	239,030	100%	\$ 239,030
Clovis Unified School District	357,256	100%	\$ 357,256
Fresno Unified School District	737,782	100%	\$ 737,782
Kings Canyon Joint Unified School District	75,257	90.171%	\$ 67,860
Sanger Unified School District	244,149	100%	\$ 244,149
Other Unified School Districts	347,465	Various	\$ 314,190
High School and School Districts	54,861	Various	\$ 46,214
City of Selma	3,665	100%	\$ 3,665
Hospital Districts	20,825	100%	\$ 20,825
Coalinga-Huron Recreation and Park District	14,400	100%	\$ 14,400
California Statewide Community Development Authority	4,050	100%	\$ 4,050
City Community Facilities Districts	2,450	100%	\$ 2,450
1915 Act Bonds (Estimated)	3,710	100%	\$ 3,710
Total Overlapping Tax and Assessment Debt			2,353,626
 Direct and Overlapping General Fund Debt:			
Fresno County General Fund Obligations	24,800	100.00%	24,800
Fresno County Pension Obligation Bonds	203,525	100.00%	203,525
Community College District General Fund Obligations	12,065	61.74%	7,449
Central Unified School District Certificates of Participation	27,168	100%	27,168
Clovis Unified School District General Fund Obligations	117,951	100%	117,951
Fresno Unified School District General Fund Obligations	5,835	100%	5,835
Sanger Unified School District Certificates of Participation	137,555	100%	137,555
Other School District General Fund Obligations	42,859	Various	25,593
City of Clovis General Fund Obligations	19,085	100%	19,085
City of Fresno General Fund Obligations	143,650	100%	143,650
City of Fresno Pension Obligation Bonds	88,640	100%	88,640
Other City General Fund Obligations	16,697	100%	16,697
Coalinga Regional Medical Center General Fund Obligations	3,600	100%	3,600
Clovis Memorial Water District General Fund Obligations	3,470	100%	3,470
Total Gross Overlapping General Fund Obligation Debt			825,018
Total Direct and Overlapping General Fund Debt			3,178,644
 Overlapping Tax Increment Debt:			
Successor Agencies	\$ 42,779	100%	\$ 42,779
Total Direct Debt			\$ 228,325
Total Overlapping Debt			2,993,099
Combined Total Debt			\$ 3,221,423
 Ratios to 2021-22 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt		2.47%	
Total Direct Debt (\$228,325)		0.24%	
Combined Total Debt		3.38%	
 Ratios to Redevelopment Incremental Valuation (\$6,770,121):			
Total Overlapping Tax Increment Debt		0.63%	

(1) The percentage of overlapping debt applicable to the County is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the County divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on the principal amount due at maturity. Excludes tobacco bonds.

Note: Amounts from this report published on the 2020 & 2021 ACFRs were unrounded.

Source: California Municipal Statistics, Inc.

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

Amount of Debt Applicable to Limit

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Debt Limit Percentage</u>	<u>Debt Limit</u>	<u>Bonds Payable</u>	<u>Less Resources Restricted to Paying Principal</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
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
2017	74,433,783	1.25%	930,422	-	-	-	930,422
2018	78,382,939	1.25%	979,787	-	-	-	979,787
2019	82,396,517	1.25%	1,029,956	389,833	47,690	342,143	687,813
2020	86,787,811	1.25%	1,084,848	354,055	35,335	318,720	766,128
2021	91,363,773	1.25%	1,142,047	331,930	21,682	310,249	831,798
2022	95,331,858	1.25%	1,191,648	309,251	22,331	286,920	904,729

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**

<u>Fiscal Year</u>	<u>Net General Bonded Debt per Capita*</u>	<u>Net General Bonded Debt to Assessed Value</u>	<u>General Debt Service to General Expenditures</u>
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%
2017	543.43	0.73%	3.51%
2018	514.02	0.66%	3.18%
2019	347.71	0.43%	3.38%
2020	345.97	0.41%	0.78%
2021	323.30	0.36%	1.41%
2022	305.80	0.32%	1.35%

**Updated amounts based on the revised population estimates for 2022 from Department of Finance as released on July 1, 2022.*

**County of Fresno
Pledged Revenue Coverage
For the Last Ten Fiscal Years**

CSA 47 Water/Sewer Revenue Bonds

<u>Fiscal Year</u>	<u>Charges</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	
2013	\$ 1,235,362	\$ 816,663	\$ 418,699	\$ 150,000	\$ 266,995	100%
2014	1,285,578	866,263	419,315	160,000	256,610	101%
2015	1,326,035	823,055	502,980	170,000	245,555	121%
2016	1,321,276	821,220	500,056	180,000	233,830	121%
2017	1,379,703	834,824	544,879	195,000	221,268	131%
2018	1,315,000	899,000	416,000	205,000	207,868	101%
2019	1,697,000	882,000	815,000	220,000	193,630	197%
2020	1,697,142	1,034,570	662,572	235,000	178,388	160%
2021	1,841,042	1,012,727	828,315	250,000	162,140	201%
2022	1,244,053	1,211,260	32,793	270,000	144,720	8%

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

<u>Year</u>	<u>Population</u>	<u>Personal Income*</u>	<u>Per Capita Personal Income</u>	<u>Median Family Income</u>	<u>Unemployment Rate</u>
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%
2017	995,975	37,360	38,323	59,900	8.30%
2018	1,007,229	39,295	40,101	59,900	7.60%
2019	1,018,241	40,583	41,137	64,800	7.40%
2020	1,023,358	42,843	43,084	70,700	14.50%
2021	1,026,681	45,446	45,487	70,700	9.50%
2022	1,011,273	48,539	48,495	80,300	5.90%

Sources: *Population data provided by the California State Controller. 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 California Department of Housing and Community Development.*

** Personal Income amounts in thousands*

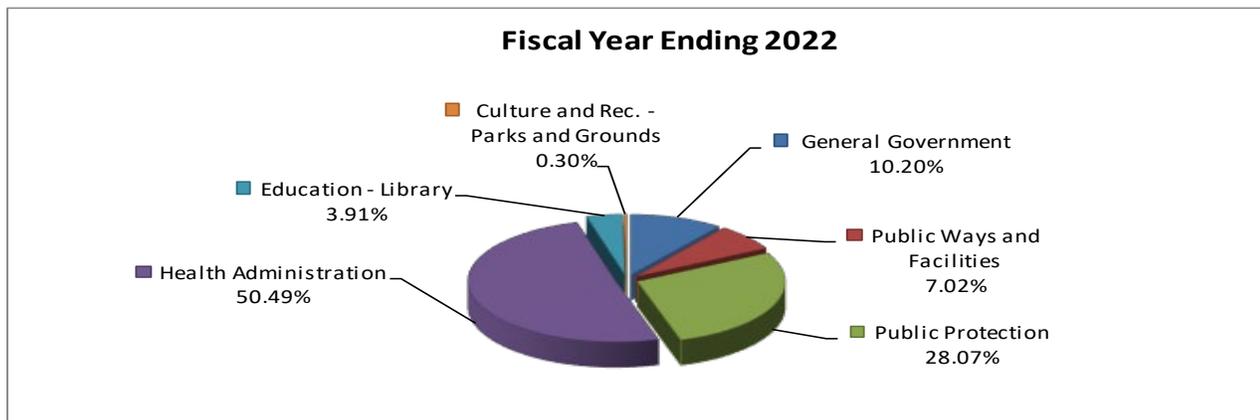
**County of Fresno
Principal Employers
Comparison of 2022 and 2013**

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Fresno Unified School District	13,511	1	2.99%	11,500	1	2.59%
Community Medical Centers	9,000	2	1.99%	4,090	3	0.92%
County of Fresno	8,870	3	1.96%	6,194	2	1.39%
Clovis Unified School District	7,652	4	1.69%	3,370	4	0.76%
California State University Fresno	4,657	5	1.03%	2,034	8	0.46%
City of Fresno	4,605	6	1.02%	3,100	5	0.70%
State Center Community College District	4,367	7	0.97%	2,784	6	0.63%
Children's Hospital of Central CA	4,170	8	0.92%	-	-	-
Saint Agnes Medical	2,867	9	0.63%	2,745	7	0.62%
Kaiser Permanente Medical	2,800	10	0.62%	1,934	10	0.44%
Pelco by Schneider Electric	-		-	1,970	9	0.44%
Total	<u>62,499</u>		<u>13.82%</u>	<u>39,721</u>		<u>8.95%</u>

Source: The 2022 employee counts are obtained from various entity websites. The 2013 employee count was obtained from the 2013 County of Fresno Annual Comprehensive Financial Report.

**County of Fresno
Employees by Function/Program
For the Last Ten Fiscal Years
Employees as of June 30, 2022**

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government										
Administration	53	56	57	62	62	62	61	61	62	69
County Counsel	28	31	32	32	32	33	34	36	34	40
Finance	212	218	225	237	238	233	231	231	243	245
Internal Service	346	340	374	383	383	408	418	447	454	460
Other	24	25	27	28	30	32	32	32	33	33
Total	663	670	715	742	745	768	776	807	826	847
Public Ways and Facilities										
Planning	105	110	120	137	144	159	161	166	166	192
Roads	198	196	196	203	206	223	246	247	247	265
Community Development	14	13	11	11	10	10	10	9	9	9
Solid Waste	21	21	21	15	15	16	16	17	20	22
Other	82	83	88	93	93	93	95	95	95	95
Total	420	423	436	459	468	501	528	534	537	583
Public Protection										
Sheriff - Coroner	1,038	1,067	1,071	1,139	1,182	1,231	1,254	1,247	1,247	1,257
Probation	546	572	585	639	641	650	659	660	642	654
District Attorney	238	256	254	260	255	247	252	249	252	250
Public Defender	84	88	105	111	112	120	144	162	162	170
Total	1,906	1,983	2,015	2,149	2,190	2,248	2,309	2,318	2,303	2,331
Health Administration										
Child and Family Services	231	239	239	239	239	224	224	278	278	307
Adult Services	514	542	542	584	584	616	641	742	747	746
Social Services	2,320	2,452	2,457	2,559	2,600	2,643	2,639	2,642	2,654	2,671
Community Health	481	368	368	394	394	404	405	409	446	450
In-Home Supportive Services	7	7	7	12	12	12	12	12	12	12
Veterans Services	5	5	6	6	7	7	7	7	7	7
Total	3,560	3,613	3,619	3,794	3,836	3,906	3,928	4,090	4,144	4,193
Education - Library	292	314	316	326	329	326	326	326	325	325
Culture and Rec. - Parks and Grounds	16	17	19	24	24	24	24	25	22	25
Grand Total	6,857	7,020	7,120	7,494	7,592	7,773	7,891	8,100	8,157	8,304



Source: 2022-2023 Recommended Budget

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Public protection										
<i>Child Support Services</i>										
Number of child support cases opened	58,444	56,755	57,388	58,556	59,934	60,152	59,943	58,992	56,925	56,970
Child support collected (in thousands) \$	\$ 82,529	\$ 82,525	\$ 85,345	\$ 86,430	\$ 88,016	\$ 90,658	\$ 92,071	\$ 108,960	\$ 107,875	\$ 100,613
<hr/>										
<i>Sheriff</i>										
Zone offices	4	4	4	4	4	4	4	4	4	4
Patrol units	240	242	237	281	280	263	294	304	307	302
Dispatched calls	215,403	188,672	115,649	109,997	101,022	96,365	92,945	107,276	141,328	130,418
Physical arrests	7,954	7,171	4,658	4,985	6,338	4,978	4,888	3,979	4,347	3,601
Traffic citations	737	917	959	995	834	760	700	521	447	431
Stolen vehicles	997	770	644	809	711	695	779	799	1,025	1,202
Jail bookings	41,696	44,321	34,245	29,693	29,350	30,358	30,256	25,422	22,713	22,992
Avg. daily jail population	2,867	2,978	2,725	2,748	2,849	3,030	3,046	2,837	2,494	2,646
<hr/>										
Public ways and facilities										
Street miles maintained	3,517	3,516	3,508	3,507	3,505	3,496	3,488	3,485	3,481	3,479
<hr/>										
Health, sanitation, and public assistance										
<i>Emergency Medical Services (EMS)</i>										
Number of 9-1-1 medical calls	107,039	101,982	111,501	122,868	130,451	135,237	136,445	144,040	164,588	190,421
<i>Department of Social Services</i>										
Number of client months served	7,032,774	7,336,435	8,147,153	8,688,471	8,571,695	8,305,266	8,695,715	8,903,966	8,977,837	9,507,903
<hr/>										
Education										
<i>Library</i>										
Number of branches	35	35	39	39	39	39	37	37	37	37
Number of volumes	3,656,593	2,188,608	2,357,614	982,245	982,245	750,420	734,929	671,985	670,108	660,414
Volumes borrowed	3,844,412	4,216,039	4,175,236	3,882,699	3,508,508	3,295,783	2,547,469	1,893,902	1,208,513	1,648,225
<hr/>										
Culture and recreation										
<i>Parks and Grounds</i>										
Acreage	2,120	2,000	1,089	1,089	1,409	1,290	1,578	1,578	1,578	1,578
Park passes issued	193	106	18	20	20	91	265	232	446	346

Sources: Various county departments

Note 1: The County's Department of Social Services had corrected their service description to client months served during 2013 for all periods presented above.

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Glossary

County of Fresno

Glossary for the Annual Comprehensive 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.

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 COMPREHENSIVE FINANCIAL REPORT (ACFR). A financial report that encompasses all funds and component units of the government. The Financial Report 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 Financial Report 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.

County of Fresno Glossary for the Annual Comprehensive Financial Report

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

BALANCE SHEET. The financial statement disclosing the assets, liabilities and equity of an entity at a specified date in conformity with Generally Accepted Accounting Principles (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.

County of Fresno

Glossary for the Annual Comprehensive Financial Report

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

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 Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable Financial Reports 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 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.

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.

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CONTRIBUTIONS. Additions to a pension plan's fiduciary net position for amounts from employers, non-employer 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 of resources, outflows of resources, 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.

CUSTODIAL FUNDS. Funds which are used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investment trust funds or private-purpose trust funds. The external portion of investment pools that are not held in a trust should be reported in a separate external investment pool fund column, under the custodial funds classification.

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 assets by the government that is applicable to a future reporting period.

DEFERRED OUTFLOWS OF RESOURCES. A consumption of net assets 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).

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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 of resources, outflows of resources, 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, encumbrances are not generally accepted accounting principles (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.

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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 of resources 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 prepaids (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*.

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.

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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 non-fiduciary component units. There are two basic government-wide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 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 (OPEB) 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 non-employer 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.

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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 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 Financial Report/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.

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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 United States' 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 meet the needs of all federal agencies.

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

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

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

SUBSTANTIVE PLAN. Terms of a other postemployment benefits (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.

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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.



County of Fresno

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

August 24, 2022

Sanja Bugay, Director
Department of Social Services
200 W. Pontiac Way
Clovis, CA 93612

RE: Department of Social Services Transition Report

Dear Ms. Bugay,

In conjunction with Government Code Section 24051 and the Fresno County Administrative Officer's Management Directives Section 418, our Financial Reporting & Audits Division conducted a transition review of the Department of Social Services (Department). The purpose of a transition review, which is limited in scope, is to account for selected property under the control of the exiting County officer, as well as to determine the Department's compliance with established internal controls, and policies and procedures in selected areas.

We conducted this review in conformance with the International Standards Framework for the Professional Practice of Internal Auditing, as promulgated by the Institute of Internal Auditors. Those standards require that auditors identify sufficient, reliable, relevant, and useful information to achieve the audit objectives.

The transition report included accounting for cash, capital assets, and inventorable assets, as well as reviewing conflict-of-interest filings, recalculating final compensation of the outgoing interim Department Head, and first compensation of the incoming Department Head.

Our procedures and findings are as follows:

Procedures

1. Examine cash and capital assets under the control of the exiting Department Head as of the date of departure.
2. Review statements subsequent to the date of departure for any County of Fresno credit card(s) held by the exiting Department Head.
3. Examine conflict of interest filings.

4. Check the exiting Department Head's final paycheck for accuracy and appropriateness.
5. Check the incoming Department Head's first paycheck for accuracy and appropriateness.
6. Ensure that, according to Government Code 24051 and Management Directive 418, the certification of all property under the control of the exiting Department Head has been signed by both, the exiting and incoming Department Heads.

Results:

Finding 1 – Cash Handling

Per DSS Policy and Procedure Guide, Departments are responsible for the secure management of any Petty Cash or Other Cash funds assigned to their divisions. During the cash count, auditors observed the custodian of the Admin Petty Cash Fund had left the cash box unattended on the desk looking for supporting documentation for the fund. Another instance occurred when the auditor observed the custodian of the Adult Protective Services Other Cash Fund. The custodian left the cash drawer open and unattended on the desk, and at one point the custodian had their back turned from the drawer.

Recommendation 1

We recommend that the Department review its processes and procedures for handling Petty Cash and Other Cash funds, along with providing training to staff to ensure safe and secure management of funds is being upheld. As a general rule, cash should never be unattended. If an employee leaves his or her work station/area for any reason, regardless of how briefly, cash must be appropriately secured in a locked place.

Finding 2 – Compliance

Certain County of Fresno officials and employees are required to complete FCAC-255, a County of Fresno Conflict of Interest Affidavit; Form A, County of Fresno Quarterly Report of Gifts/Gratuities; and/or the California Form 700, Statement of Economic Interests. Upon review of Form A, one of 30 employees selected for testing were not signed within 15 days of quarter ending. For Form 700, two of 30 employees selected for testing did not sign the form in a timely manner, and another four did not fill out the form completely.

Recommendation 2

We recommend that the Department review its processes and procedures for receiving and reviewing the required forms along with providing training to staff to ensure requirements for its periodic compliance filings are met consistently.

While still a matter of public record, this letter is intended solely for the informational use of members of the County of Fresno Audit Committee and management for the Department, and is not intended to be, nor should be, used by anyone other than these specified parties.

We would like to express our appreciation to the Department's staff for their assistance during our review. If you have any questions, please contact Karoll Diaz at (559) 600-1378.

Sincerely,


Oscar Garcia (Aug 22, 2022 15:33 PDT)

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



DATE: 10/5/22

TO: Oscar Garcia, CPA
Auditor-Controller/Treasurer-Tax Collector

FROM: Sanja Bugay, Director of Social Services

SUBJECT: Department of Social Services Transition Report Findings Responses

Please find the Department of Social Services (DSS) responses to the Transition Review findings and recommendations by the Auditor-Controller/Treasurer-Tax Collector Office.

Finding 1 – Cash Handling

The Department does not agree with the findings in the Transition Report that there was cash mishandling by the petty cash custodians. In both instances, the custodians were in the presence of the Auditor and left the cash box open while searching for documentation required by the Auditor. There was no instances of missing cash or documentation issues. The Department has an existing Policy and Procedure Guide (PPG) for Petty Cash Funds and will continue to follow the procedures set forth in the guidance.

Finding 2 – Compliance

The Department acknowledges the recommendations set forth in the Transition Review. Unfortunately, there were barriers with Form A as Main County Human Resources (HR) implemented a new process to complete and submit Form A through the website, NEOGOV, and implemented the change during the review period without clear instructions to the Department. The Department will collaborate with Main County HR to define the new processes and update internal PPGs to include recent changes made by Main County HR. The Department will put together a review process to ensure Form A and Form 700 are submitted complete and timely.

The Department of Social Services would like to thank the Auditor Controller's office and their staff for the time and resources they have allocated to the audit.

Office Location: 205 W. Pontiac Way – Clovis, CA - 93612

Phone: (559) 600-2300 ≈ FAX: (559) 600-2310

Mailing Address: P.O. Box 1912, Fresno, California 93718-1912

www.co.fresno.ca.us

The County of Fresno is an Equal Employment Opportunity Employer



County of Fresno

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

December 21, 2022

David Luchini, Director, Department of Public Health
 Fresno County Department of Public Health
 1221 Fulton Street
 Fresno CA, 93721

The Auditor Controller's office has performed the procedures enumerated below, which were agreed to by the Fresno County Department of Public Health Emergency Medical Services Agency (County) and California Health and Human Services Agency Emergency Medical Services Authority (State), solely to assist you in evaluating County's compliance with the requirements of State Revenue Agreement C21-006, dated August 10, 2021, for the period of July 1, 2021 through June 30, 2022.

The accuracy of the Emergency Medical Services Authority (EMSA) Report is the responsibility of the Department of Public Health (DPH). We conducted this engagement in conformance with the International Standards Framework for the Professional Practice of Internal Auditing, as promulgated by the Institute of Internal Auditors. The sufficiency of the procedures performed is solely the responsibility of the Department's management. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures (as provided by the EMSA) and findings were as follows:

- a. We verified all costs incurred have been in accordance with the contract and EMSA #104.
 - Exception was noted.
 - i. Per Revenue Agreement No. C21-006, personnel positions funded by the agreement did not include a budgeted amount for the staff analyst classification. However, the requested reimbursement amount for personnel labor expense, for quarters 2, 3 & 4, included a staff analyst position.
- b. We verified proper accounting records have been maintained for the administration of the multicounty Emergency Medical Services (EMS) agency and source documents have been filed.
 - No exceptions were noted.

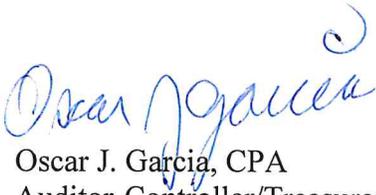
- c. We verified that all reimbursements have been proper and reflect actual and allowable costs.
 - No exceptions were noted.
- d. We verified that a physical inventory has been taken of all equipment/property purchased with State General Fund money.
 - No exceptions were noted. There was no equipment/property purchased with State General Fund money.
- e. We verified that provisions have been made to retain source documentation support costs incurred for the last three years after the applicant agency has received final payment or until any audit exceptions are resolved.
 - No exceptions were noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be, nor should it be used by anyone other than those specified parties.

We would like to express our appreciation to the Department's staff for their assistance during our review. If you have any questions, please contact Karoll Diaz at 559-600-1378.

Sincerely,



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



County of Fresno
DEPARTMENT OF PUBLIC HEALTH
David Luchini, Director
Dr. Rais Vohra, Interim Health Officer

January 13, 2023

Oscar J. Garcia
Auditor-Controller/Treasurer-Tax Collector
P.O. Box 1247
Fresno, CA 93715

Re: Response to the Compliance Review required by Health and Human Services Agency Medical Services Authority Revenue Agreement C21-006

Dear Oscar,

This letter is an official response to the finding and recommendation from the compliance review requested by the Fresno County Department of Public Health Emergency Medical Services Agency (County) and required under the State Revenue Agreement (C21-006). In response to the exception noted in numbered finding "a" of the final report, indicating that the staff analyst classification was not included in the budgeted amount, yet the department requested reimbursement amount for personnel labor expense for quarters 2, 3, and 4 for this position, the Department responds as follows:

Exception "a" – Analyst classification, was not part of the approved budget, but was claimed in quarters 2, 3, 4.

The Department concurs with the finding, and has been in communication with the State. We do, however, want to explain that the analyst support position provides direct support for this grant and the ongoing needs of the EMS Agency operated by County. Staff under one of the personnel budgeted positions under this grant went on an extended leave of absence (LOA) during the 2021-22 FY, showing a deficit in personnel costs and support activity for the grant. The staff analyst position was filled after the application was provided to the State EMS Authority, which is included in State Revenue Agreement C21-006. The analyst position was claimed for quarters 2, 3, and 4 to meet and maximize the budgeted personnel amount, as the position acted as administrative support to manage the grant.

The State concurs with the analyst support function being part of the grant. The Department has included the staff analyst classification into the FY 22-23 application that is included in the annual revenue agreement, passed by the Board of Supervisors on November 29, 2022, and fully executed by the State as of December 1st, 2022. This exception has been resolved going forward.

We would like to express our appreciation to your team's collaboration and constant willingness to communicate to address issues and get clarification. If you have any questions or concerns, please contact me at (559) 600-3200 or at dluchini@fresnocountyca.gov or Daniel Lynch at (559) 600-6460 or at dlynch@fresnocountyca.gov.

Sincerely,

David Luchini, RN, PHN
Director

Promotion, preservation and protection of the community's health

1221 Fulton Street / P. O. Box 11867, Fresno, CA 93775

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**CHILDREN AND FAMILIES COMMISSION
OF FRESNO COUNTY
FRESNO, CALIFORNIA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2022**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
 FINANCIAL STATEMENTS
 JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of
Children and Families Commission of Fresno County
Fresno, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Commission, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 7 to the financial statements, in 2022, the Commission adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 34-36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Supplemental Schedule of First 5 California (F5CA) Funding is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Supplemental Schedule of First 5 California (F5CA) Funding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022, on our consideration of the Commission'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 solely 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 the effectiveness of the Commission's 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 Commission's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
October 10, 2022

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

INTRODUCTION

On November 3, 1998, California voters approved Proposition 10, the California Children and Families Act (Act). The Act increased tobacco taxes to provide funds for early childhood development and smoking cessation programs. The passage of this Act created an unprecedented opportunity for Fresno County to mobilize its many resources and create an integrated, coordinated system of care that supports and enhances the lives of children from the prenatal stage up through age five and their families. The intent of the Act is for all California children to be healthy, live in a supportive and healthy family environment, and enter school ready to learn.

The Fresno County (the County) Board of Supervisors created the Children and Families Commission of Fresno County (the Commission) on December 8, 1998, under the provisions of the Act. The Commission consists of up to seven members appointed by the County Board of Supervisors. The Commission is a public entity legally separate and apart from the County.

This report contains a discussion of key program, management, financial, and performance information for fiscal year 2021-2022 and financial statements that discuss the Commission's financial condition, and the auditor's opinion, which is independent and objective and provides reasonable assurance about whether the financial statements are free from material misstatements. Finally, this comprehensive report contains other statutorily required information that demonstrates management accountability and financial and programmatic performance. As management of the Commission, we offer readers our financial statements and this narrative overview and analysis for the fiscal year ending June 30, 2022.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in its Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*, issued June 1999, and GASB Statement No. 37, *Basic Financial Statements – and Management and Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and Statement No. 34, issued in June 2001.

MISSION AND STRATEGIC GOALS

The Commission's mission is to be a catalyst for creating a seamless system of quality, accessible services by partnering with the community to support the well-being of every child and family.

Central to the Commission's mission are the strategic investment areas, outlined in the Commission's Strategic Plan, which aim to convert the Commission's commitment into action symbolically categorized into three tiers starting with the core: Families; surrounded by Communities, encircled by Systems.

FINANCIAL HIGHLIGHTS

- During fiscal year 2021-2022, the Commission allocated and received Proposition 10 revenues of \$7.3 million from the State of California as revenues collected under the Children and Families Act and \$2.4 million in backfill dollars from Proposition 56.
- The Commission disbursed approximately \$6.4 million to funded agencies in the reported period ending June 30, 2022.
- Over \$9.0 million was committed by the Commission towards the agency's Strategic Plan, which will be disbursed in the subsequent fiscal years to fund its programmatic investments.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts – the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The three sections together provide a comprehensive overview of the Commission. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the Commission's overall financial position.
- **Fund financial statements** focus on reporting the individual parts of the Commission's operations in more detail. The fund financial statements comprise the remaining statements.
 - **Government funds** statements tell how general governmental services were financed in the short-term as well as what remains for future spending.

The basic financial statements also include notes that explain some of the information within the statements and provide more detailed data. These are followed by a section of required supplementary information which further explains and supports the basic financial statements.

Government-Wide Statements

The government-wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as *net position*. Changes in net position may serve as a useful indicator of the financial position of the Commission.

The *statement of activities* presents information showing how the Commission's net position changed during the 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 the statement for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave).

The Government-Wide Statements combine financial information for both the Commission (General Fund) and for the Lighthouse for Children, Inc. (Lighthouse Special Revenue Fund)—see Note 1 to the Financial Statements for more information. Separately-issued Financial Statements for Lighthouse for Children, Inc. may be obtained from Lighthouse for Children, Inc. of Fresno County, 2405 Tulare Street, Fresno, California 93721.

Fund Financial Statements

The fund financial statements provide more detailed information about the Commission's most significant funds – not the Commission as a whole. Funds are accounting devices that the Commission uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Commission establishes other funds to control and manage money for particular purposes or to show that the Commission is meeting legal responsibility for using certain revenues.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The Commission's total assets were approximately \$46.3 million at the end of the fiscal year. The majority of the Commission's assets are in cash and investments of \$30.3 million along with the Lighthouse for Children building valued at \$13.1 million.

Cash and investments are maintained in the Commission's checking and savings accounts, the Fresno County investment pool where interest earned on the Commission's balance is apportioned to the Commission, and in an investment account. Types of investments and credit ratings can be found in this report starting on page 24. Another asset is the Commission's approximately \$635k receivable due from the State Commission for Proposition 10 (page 12). These receivables represent taxes remitted by the State but not received by the Commission as of June 30, 2022. The Commission also reports accounts payable of approximately \$2.2 million representing payments due on invoices.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF NET POSITION COMPARISON**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
ASSETS			
Cash and investments	\$ 30,263,328	\$ 26,369,840	\$ 3,893,488
Due from the state	634,896	637,706	(2,810)
Other receivables	1,073,299	1,147,530	(74,231)
Lease receivable	457,877	-	457,877
Prepaid assets	41,393	6,028	35,365
Capital assets, not being depreciated	676,530	676,530	-
Capital assets, net of accumulated depreciation	<u>13,118,344</u>	<u>13,526,091</u>	<u>(407,747)</u>
 Total assets	 <u>46,265,667</u>	 <u>42,363,725</u>	 <u>3,901,942</u>
LIABILITIES			
Current liabilities	2,197,070	2,233,451	(36,381)
Noncurrent liabilities	<u>38,016</u>	<u>23,087</u>	<u>14,929</u>
 Total liabilities	 <u>2,235,086</u>	 <u>2,256,538</u>	 <u>(21,452)</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related	<u>457,877</u>	<u>-</u>	<u>457,877</u>
 Total liabilities	 <u>457,877</u>	 <u>-</u>	 <u>457,877</u>
NET POSITION			
Net investment in capital assets	13,794,874	14,202,621	(407,747)
Restricted	1,176,443	-	1,176,443
Unrestricted	<u>28,601,387</u>	<u>25,904,566</u>	<u>2,696,821</u>
 Total net position	 <u>\$ 43,572,704</u>	 <u>\$ 40,107,187</u>	 <u>\$ 3,465,517</u>

In fiscal year 2021-2022, the Commission's net position increased by \$3.5 million, as seen above. The increase was due to an increase in cash and investments compared to prior year.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF ACTIVITIES COMPARISON**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
REVENUES			
Charges for services	\$ -	\$ 98,827	\$ (98,827)
Grants and contributions	11,247,371	11,957,302	(709,931)
General revenues (expenses)	<u>(160,076)</u>	<u>5,230,106</u>	<u>(5,390,182)</u>
 Total revenue	 <u>11,087,295</u>	 <u>17,286,235</u>	 <u>(6,198,940)</u>
 EXPENSES			
Child development services	<u>7,621,778</u>	<u>7,782,131</u>	<u>(160,353)</u>
 Total expenditures	 <u>7,621,778</u>	 <u>7,782,131</u>	 <u>(160,353)</u>
 Change in net position	 <u>\$ 3,465,517</u>	 <u>\$ 9,504,104</u>	 <u>\$ (6,038,587)</u>

FINANCIAL ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND

For the fiscal year, the Commission reported an ending fund balance of \$29,777,464, an increase of approximately \$3.9 million (see page 14).

Revenue and Expenditure Analysis – Governmental Funds

Total revenue consists of Proposition 10 funds, Proposition 56 funds, external grant revenues, investment earnings, and other revenues. As shown in the Governmental Fund Activities Comparison above, there was a decrease in total revenues from \$23.5 million, in the prior year, to approximately \$11 million for the fiscal year 2021-2022. The main reason for the difference is the removal of the long-term loan liability (other financing sources) in the prior year which was associated with the resolve of the New Markets Tax Credit requirements for the Lighthouse for Children facility. Program Revenues decreased, compared to the year ended June 30, 2021, by \$619K. This included Proposition 10 Revenue decreasing by \$669K and Proposition 56 backfill revenue increasing by \$51K. Additionally, unrealized investments saw a loss of \$520K to the portfolio compared to the prior year's gains on investment. Grant revenue from external sources such as First 5 California for IMPACT (Improve and Maximize Programs so All Children Thrive) and Quality Counts California efforts decreased by \$90K. Through this fiscal year's activity, the Commission's goal to support and enhance the early childhood service system and their commitment to serving the young children and families in Fresno County remained consistent with the prior year.

One example of program investments during the 2021-2022 fiscal year: The COVID-19 pandemic further illuminated the need to lift up and enhance the capacity and leadership advancement of African American-led community-based organizations (CBOs) who are historically underserved, under resourced, and underfunded. These valuable CBOs are trusted sources of vital medical, behavioral, and social supports and interventions for African American families within Fresno County, yet, according to a Bridespan report, unrestricted net assets of Black-led organizations are 76 percent smaller than their white-led counterparts. It was clear to the Commission that there stood a need for local funders to support organizational capacity-building opportunities that promote the sustained excellence of CBO leaders through racial healing and connections, while positioning these organizations for future investments from a diverse set of funders. Acknowledging that we are only one part of the system, the Commission partnered with United Way of Fresno and Madera Counties with a \$50,000 agreement for two years to launch a nine-month learning cohort to do just that. The first Building Black Program cohort launched in March 2022 with class session topics including executive coaching, grant reporting, organizational advancement, and resiliency. This leveraged investment directly aligns with the Commission's larger commitment to the prevention of infant mortality in the African American community. Intentionally supporting leaders of Fresno County's Black-led CBOs serving young children and families will increase organizational capacity and create better birth and health outcomes for all.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
GOVERNMENTAL FUND ACTIVITIES COMPARISON**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
REVENUES			
Program revenues	\$ 9,697,068	\$ 10,316,319	\$ (619,251)
Grant revenues	1,550,303	1,640,983	(90,680)
Interest and investment earnings	-	571,046	(571,046)
Other revenue	183,568	-	183,568
Other financing sources	-	10,956,060	(10,956,060)
	<u>11,430,939</u>	<u>23,484,408</u>	<u>(12,053,469)</u>
EXPENDITURES			
Program services	6,399,050	6,562,966	(163,916)
Evaluation services	430,178	443,920	(13,742)
Administrative costs	386,111	380,200	5,911
Interest and investment loss	343,644	-	343,644
Other financing uses	-	10,956,060	(10,956,060)
	<u>7,558,983</u>	<u>18,343,146</u>	<u>(10,784,163)</u>
Change in fund balance	<u>\$ 3,871,956</u>	<u>\$ 5,141,262</u>	<u>\$ (1,269,306)</u>

Fund Budgetary Highlights

This section contains an explanation of the significant differences between the Commission's final budget amounts and actual amounts, and original and final budget amounts recorded for revenues and expenditures for fiscal year 2021-2022 as detailed in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual (shown on pages 34-35). In fiscal year 2021-2022, the Commission received actual revenues of \$11.4 million compared to the budgeted amount of \$9.8 million. In preparing the budget, the Commission considered variables such as declining tobacco consumption, the effects of changes in legislation, and lower returns on investments. Actual total revenues were \$1.6 million more than budgeted, which was mainly due to receiving more than anticipated backfill revenue from Proposition 56 than anticipated and other revenues came in at \$67K more than expected.

In fiscal year 2021-2022, actual expenditures were \$8.6 million less than budgeted. This is due to the Commission committing roughly \$9.0 million of that amount to be spent out in subsequent fiscal years on programmatic investments.

A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses is provided on pages 34-35 in the audited financial report.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CAPITAL ASSETS AND LONG-TERM DEBT

Capital assets of \$13.8 million (net of accumulated depreciation) are for the Lighthouse for Children facility and equipment, the Huron land and child care facility, and the associated equipment purchased. Details of net capital assets are as follows:

	<u>Governmental Activities</u>		<u>Change</u>
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	
Capital assets not being depreciated	\$ 676,530	\$ 676,530	\$ -
Capital assets being depreciated	16,250,953	16,250,953	-
Accumulated depreciation	<u>(3,132,609)</u>	<u>(2,724,862)</u>	<u>407,747</u>
 Total capital assets, net	 <u>\$ 13,794,874</u>	 <u>\$ 14,202,621</u>	 <u>\$ 407,747</u>

At the end of the current fiscal year, the Commission did not have any outstanding long-term debt, however, the Commission does have one long-term obligation for compensated absences. See Note 9 for details.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

To develop the 2020-2025 Strategic Plan, a series of planning sessions were held to discuss, review, and provide staff direction on the Commission's financial resources and strategies for the five-year period of the Strategic Plan and the Long-Range Financial Plan (LRFP). For accountability, the Commission does an annual review of the agency's budget and LRFP. The Commission's commitment to continued collaboration with community partners and to leveraging resources to maximize funds remains. Due to reduced revenue and limited resources, it is increasingly important to rely on the available expertise and knowledge of the community and build on initiatives that have strong foundations of evidence. This unified approach not only allows for a more effective use of resources, but it also allows for enhanced focus and greater collective impact.

In development of its 2020-2025 Strategic Plan, the Commission collaborated with community entities to establish a joint early childhood community agenda for Fresno County from preconception to age 5 called the *Preconception to Age 5 Blueprint for Funding and Advocacy (Blueprint)*. The process included community engagement with parents, caregivers and service providers. The feedback received, complemented by the momentum of existing community efforts, formed the basis of the new 2020-2025 Strategic Plan which outlines the Commission's investments to address challenges our families are facing in responsive, collaborative, and innovative ways. Both the Blueprint and the Commission's 2020-2025 Strategic Plan can be found on the Commission's website at www.first5fresno.org.

The following approximate program allocations show the Commission's funding priorities for the upcoming year in the approved budget:

- Help Me Grow Fresno County – \$300k
- Thriving Families Service Programs – \$2.5 million
- Community Learning Center – \$335k
- Patient-Centered Prenatal Care – \$235k
- African American Infant Mortality Prevention – \$1.4 million
- Quality Rating Improvement System – \$1.6k
- Innovation & Learning – \$579k

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Commission's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Children and Families Commission of Fresno County, 2405 Tulare Street, Suite 200, Fresno, CA 93721.

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BASIC FINANCIAL STATEMENTS

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Cash and investments	\$ 30,263,328
Due from the state	634,896
Other receivables	1,073,299
Lease receivable	457,877
Prepaid assets	41,393
Capital assets not being depreciated:	
Land	676,530
Capital assets, net of accumulated depreciation:	
Buildings	13,113,010
Equipment	<u>5,334</u>
Total assets	<u>46,265,667</u>

LIABILITIES

Current liabilities:	
Accounts payable	2,181,175
Accrued payroll and related taxes	10,359
Noncurrent liabilities:	
Due in one year:	
Compensated absences	5,536
Due in more than one year:	
Compensated absences	<u>38,016</u>
Total liabilities	<u>2,235,086</u>

DEFERRED INFLOWS OF RESOURCES

Lease related	<u>457,877</u>
Total deferred inflows of resources	<u>457,877</u>

NET POSITION

Net investment in capital assets	13,794,874
Restricted	1,176,443
Unrestricted	<u>28,601,387</u>
Total net position	<u>\$ 43,572,704</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	<u>Program Revenues</u> Operating Grants and Contributions	Changes in Net Position
Child development services	\$ 7,621,778	\$ 11,247,371	\$ 3,625,593
Total	<u>\$ 7,621,778</u>	<u>\$ 11,247,371</u>	<u>3,625,593</u>
General revenues and (expenses):			
			(343,644)
			<u>183,568</u>
			Total general revenues (expenses): <u>(160,076)</u>
			Change in net position 3,465,517
			<u>40,107,187</u>
			Net position - beginning of year
			<u>\$ 43,572,704</u>
			Net position - end of year

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Lighthouse Special Revenue Fund	Total
ASSETS			
Cash and investments	\$ 30,218,906	\$ 44,422	\$ 30,263,328
Due from the state	634,896	-	634,896
Other receivables	1,073,299	-	1,073,299
Lease receivable	457,877	-	457,877
Prepaid expenses	41,393	-	41,393
	<u>32,426,371</u>	<u>44,422</u>	<u>32,470,793</u>
Total assets	<u>\$ 32,426,371</u>	<u>\$ 44,422</u>	<u>\$ 32,470,793</u>
LIABILITIES			
Accounts payable	\$ 2,180,671	\$ 504	\$ 2,181,175
Accrued payroll and related taxes	10,359	-	10,359
	<u>2,191,030</u>	<u>504</u>	<u>2,191,534</u>
Total liabilities	<u>2,191,030</u>	<u>504</u>	<u>2,191,534</u>
DEFERRED INFLOWS OF RESOURCES			
Lease related	457,877	\$ -	457,877
	<u>457,877</u>	<u>-</u>	<u>457,877</u>
Total deferred inflows of resources	<u>457,877</u>	<u>-</u>	<u>457,877</u>
FUND BALANCES			
Nonspendable	41,393	-	41,393
Restricted	1,176,443	-	1,176,443
Committed	9,322,027	-	9,322,027
Assigned	19,237,601	43,918	19,281,519
	<u>29,777,464</u>	<u>43,918</u>	<u>29,821,382</u>
Total fund balance	<u>29,777,464</u>	<u>43,918</u>	<u>29,821,382</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 32,426,371</u>	<u>\$ 44,422</u>	<u>\$ 32,470,793</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$ 29,821,382
Capital assets of \$16,927,483, net of accumulated depreciation of \$3,132,609, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.	13,794,874
Compensated absences liability is not due in the current period and, therefore, are not included in the governmental funds.	<u>(43,552)</u>
Total net position - governmental activities	<u>\$ 43,572,704</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Lighthouse Special Revenue Fund	Total
REVENUES			
Proposition 10 taxes	\$ 7,258,257	\$ -	\$ 7,258,257
Proposition 56 taxes	2,438,811	-	2,438,811
Grant revenue	1,550,303	-	1,550,303
Other revenue	183,559	9	183,568
	<u>11,430,930</u>	<u>9</u>	<u>11,430,939</u>
Total revenues			
EXPENDITURES			
Program services	6,399,050	-	6,399,050
Evaluation services	430,178	-	430,178
Administrative costs	379,226	6,885	386,111
Interest and investment loss	343,644	-	343,644
	<u>7,552,098</u>	<u>6,885</u>	<u>7,558,983</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>3,878,832</u>	<u>(6,876)</u>	<u>3,871,956</u>
Net change in fund balance	3,878,832	(6,876)	3,871,956
Fund balances - beginning of year	<u>25,898,632</u>	<u>50,794</u>	<u>25,949,426</u>
Fund balances - end of year	<u>\$ 29,777,464</u>	<u>\$ 43,918</u>	<u>\$ 29,821,382</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

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

Net change in fund balances - governmental funds	\$ 3,871,956
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. This is the amount by which capital outlays exceeded depreciation expense in the current period.	(407,747)
Compensated absences expense reported in the Statement of Activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds	<u>1,308</u>
Change in net position - governmental activities	<u>\$ 3,465,517</u>

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

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – ORGANIZATION

The Children and Families Commission of Fresno County (the Commission) was established by Fresno County Ordinance, Chapter 2.38, pursuant to the provision of Health and Safety Code Section 130140. The Commission was established for the support and improvement of early childhood development within Fresno County consistent with, and in furtherance of, the purposes of the California Children and Families Commission (the State), pursuant to Health and Safety Code Section 130125(b). The Commission consists of up to seven members appointed by the Fresno County Board of Supervisors.

The State of California implemented the “California Children and Families Act of 1998” which provides for the Commission to receive proceeds from tax and tobacco products. The monies are allocated to local Children and Families Commissions by the State based on the number of births in each county in proportion to the total number of births in all counties.

A. Reporting Entity

The governmental reporting entity consists of the Commission and its component unit, Lighthouse for Children, Inc. Component units are legally separate organizations for which the Commission is financially accountable or organizations whose nature and significant relationship are such that exclusion would cause the Commission’s financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and (i) either the Commission’s ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Commission. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method because it provides services exclusively or almost exclusively to the Commission and a financial benefit relationship exists between the Commission and the component unit.

The blended component unit, Lighthouse for Children, Inc., a non-profit, benefit corporation, is governed by a board whose majority comprises Fresno County First 5 Commissioners. The specific charitable purposes of this corporation are: 1) to provide the vision and means for the children of Fresno County to enter school in good health, ready and able to learn, and emotionally well-developed by providing culturally, individually, and developmentally-appropriate parenting and nurturing support and access to resources regarding health care, nutrition, and smoking prevention and cessation; 2) to serve as an incubator for knowledge in the community regarding child welfare and development; 3) to generally carry out the goals of the Children and Families Commission of Fresno County; and 4) to develop infrastructure that promotes the social welfare of Fresno County children and their parents, and enables the corporation to better accomplish the above-stated purposes, which may include acquiring, owning, operating, and leasing property within a low-income community to community charities and businesses. This corporation is also authorized to receive contributions and to make donations to, and otherwise aid and support, legally permissible undertakings consistent with the above-stated purposes. Separate financial statements are prepared for Lighthouse for Children, Inc. and may be obtained from the Lighthouse for Children, Inc., 2405 Tulare Street, Fresno, California 93721.

The basic financial statements included in this report are intended to present the financial position and results of operations of only the Commission. They are not intended to present the financial position and the results of operations of the County of Fresno taken as a whole. For additional information regarding the County of Fresno, please refer to the Comprehensive Annual Financial Report available from the County of Fresno.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The basic financial statements of the Commission are prepared on the basis of Governmental Accounting Standards Board (GASB) statement No. 34, *Basic Financial Statements – Management Discussion and Analysis – for State and Local Governments*, and related standards. GASB Statement No. 34 established standards for external financial reporting for all state and local government entities which includes a management’s discussions and analysis section, a statement of net position, a statement of activities, and if applicable, a statement of cash flows.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expense are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual include property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within 60 days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

The Commission reports the following major governmental funds:

The **General Fund** accounts for those operations that provide services to the public.

The **Lighthouse Special Revenue Fund** accounts for the activity of Lighthouse for Children, Inc., a blended component unit of the Commission.

Both the Commission and the Lighthouse for Children, Inc. adopt annual appropriated budgets. Budgetary comparison schedules have been provided for the funds to demonstrate compliance with the budgets.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Budgetary Procedures

The Commission is required to prepare a budget each year based on estimates of revenues and expected expenditures. The budget is adopted on a basis consistent with GAAP. Budgetary control is exercised at the major object level. All changes to the budget during the year require the approval of the Commission. All unencumbered annual appropriations lapse at the end of each fiscal year.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term debt obligations, which have not matured, are recognized when paid in the governmental fund as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental fund but are recognized in the governmental-wide statements.

Cash and Investments

The Commission is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchased or reverse repurchase agreements.

State statutes and the Commission's Investment Policy authorize the Commission to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchases agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer.

Accounts Receivable

The Commission utilizes the allowance method of accounting for and reporting uncollectible or doubtful accounts. At June 30, 2022, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of the asset are capitalized. The Commission does not possess any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation is computed using the straight-line method over the following estimated useful life:

Buildings	15-90 years
Building Improvements	10-80 years
Leasehold Improvements	5-20 years
Equipment.....	3-20 years

Accrued Liabilities and Long-Term Obligations

All current and long-term obligations are reported in the government-wide financial statements. Compensated absences that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment at year end.

Compensated Absences

The Commission maintains a Paid Time Off (PTO) program that combines vacation and sick leave benefits into a single PTO bank. Beginning with an eligible employee's first day of employment, PTO will accrue at a rate of 6.154 hours per pay period. After five years of continuous employment, the accrual rate will increase to 7.69 hours per pay period. Once 300 hours are accrued, PTO will no longer accrue until some of the previously accrued PTO is taken. After some PTO is taken, PTO, again, begins to accrue. Payment in lieu of PTO will not be made except at the time of employment status change, i.e., from a position that earns PTO to a position that does not earn vacation, or at the time of termination of employment. In the basic financial statements, these amounts are referred to as compensated absences.

In the governmental fund financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations or retirements prior to year-end, and payment of the liability is made subsequent to year-end. This is in accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Balance

Fund Balance Classification

The governmental fund financial statements present fund balances on classifications that comprise a hierarchy that is based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of the Children and Family Commission. These amounts cannot be used for any other purpose unless the Board of the Children and Family Commission remove or change the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* – This classification includes amounts that are constrained by the Commission’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of the Children and Families Commission. Further, the Commission may designate a body/committee or an official who can specify such purposes, such as through the budgetary process.
- *Unassigned* – This classification includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

The Commission establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved contracts. Assigned fund balance is established by the Commission through adoption or amendment of the budget, or future year budget, plan as intended for a specific purpose.

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

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Net Position

Net position represents the residual interest in the Commission's assets after liabilities are deducted. In the government-wide financial statement, net position is reported in three categories as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those.
- *Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of assets that do not meet the definition of "restricted" or "net investment in capital assets". The Commission's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Pronouncements

New Accounting Pronouncements Adopted

Governmental Accounting Standards Board Statement No. 87

For the year ended June 30, 2022, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the Commission's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Commission's June 30, 2022 financial statements and had no effect on the beginning net position of the General Fund.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – CASH AND INVESTMENTS

Cash and investments consisted of the following as of June 30, 2022:

Cash in banks	\$ 3,526,334
Investments	<u>26,736,994</u>
 Total cash and investments	 <u>\$ 30,263,328</u>

A. Policies and Practices

The Commission is authorized under California Government Code to make direct investments. Details regarding the types of allowable investments and any limitations are listed under General Authorization of this Note.

B. Investment in County Treasury

The Commission is considered to be a voluntary participant in an external investment pool as the Commission deposits many receipts and collections of monies with the Fresno County Treasurer. The fair value of the Commission's investment in the pool is reported in the financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by the Fresno County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Fresno County Treasurer, which is recorded on the amortized cost basis.

C. General Authorization

As per California Government Code and the Commission's Investment Policy, limitations to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	10%
Mutual Funds	n/a	20%	10%
Money Market Mutual Funds	n/a	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	n/a	None	None
Local Agency Investment Fund (LAIF)	n/a	None	None
Joint Power Agency (JPA) Pools (other investment pools)	n/a	None	None

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Interest Rate Risk

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

Information about the sensitivity of the fair values of the Commission’s investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the Commission’s Investments by maturity:

Investment Type	Amount	Remaining Maturity (in months)		
		12 months or less	13 to 24 months	25 to 60 months
U.S. Treasuries	\$ 5,918,538	\$ 501,477	\$ 1,513,664	\$ 3,903,397
Federal Agencies (non-callable)	1,143,839	73,085	441,687	629,067
Federal Agency Mortgage Backed Securities	316,559	33,931	102,588	180,040
Supranationals	395,827	60,638	77,058	258,131
Municipal Obligations	562,080	-	74,542	487,538
Corporate Notes	2,374,443	39,198	1,040,976	1,294,269
Asset-Backed Securities	407,810	-	2,412	405,398
Money Market Mutual Funds	72,318	72,318	-	-
County Pooled Investments Funds	15,545,580	15,545,580	-	-
Total	\$ 26,736,994	\$ 16,326,227	\$ 3,252,927	\$ 7,157,840

E. Credit Rate Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission’s Investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2022.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Year-End										
			AAA	AA+	AA	AA-	A+	A	A-	A-1+	BBB+	Not Rated	
U.S. Treasuries	\$ 5,918,538	N/A	\$ -	\$ 5,918,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agencies (non-callable)	1,143,839	N/A	-	1,143,839	-	-	-	-	-	-	-	-	-
Federal Agency Mortgage Backed Securities	316,559	N/A	-	316,559	-	-	-	-	-	-	-	-	-
Supranationals	395,827	AAA	395,827	-	-	-	-	-	-	-	-	-	-
Municipal Obligations	562,080	N/A	117,391	181,583	188,564	-	-	-	-	-	-	-	74,542
Corporate Notes	2,374,443	A-	-	70,570	61,833	71,271	616,639	406,052	718,707	-	450,609	-	-
Asset-Backed Securities	407,810	AA	358,591	-	-	-	-	-	-	-	-	-	49,219
Money Market Mutual Funds	72,318	AAA	-	-	-	-	-	-	-	-	-	-	72,318
County Pooled Investments Funds	15,545,580	N/A	-	-	-	-	-	-	-	-	-	-	15,545,580
Total	\$ 26,736,994		\$ 871,809	\$ 7,631,089	\$ 250,397	\$ 71,271	\$ 616,639	\$ 406,052	\$ 718,707	\$ -	\$ 450,609	\$ 15,741,659	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

The Commission’s Investment Policy contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represents 5% or more of the total investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Fresno County Investment Pool	Investment Pool	\$ 15,545,580	58.1%
U.S. Treasury	Treasury Securities	\$ 5,918,538	22.1%

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Commission’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Bank balances were \$3,526,298, the total amount of which was insured and/or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the Commission.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The Commission has no custodial credit risk exposure for investments because all the Commission’s investments are held in a third-party custodian bank in the name of the Commission.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – FAIR VALUE MEASUREMENTS

In accordance with generally accepted accounting principles, fair value is defined as the price that the Commission would receive upon selling an asset or have paid to transfer a liability at the reporting date. Generally accepted accounting principles established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are those that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the asset or liability developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and fair value is determined through the use of other valuation methodologies

Level 3 – Valuations based on inputs that are not observable and significant to the overall fair value measurements, including the Commission's own assumptions in determining the fair value of assets or liabilities.

The following is a summary of the inputs used as of June 30, 2022, in valuing the Commission's assets carried at fair value:

<u>Investments by fair value level</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasuries	\$ 5,918,538	\$ -	\$ 5,918,538	\$ -
Federal Agencies (non-callable)	1,143,839	-	1,143,839	-
Federal Agency Mortgage Backed Securities	316,559	-	316,559	-
Supranationals	395,827	-	395,827	-
Municipal Obligations	562,080	-	562,080	-
Corporate Notes	2,374,443	-	2,374,443	-
Asset-Backed Securities	<u>407,810</u>	<u>-</u>	<u>407,810</u>	<u>-</u>
 Total investments measured by fair value	 11,119,096	 <u>\$ -</u>	 <u>\$ 11,119,096</u>	 <u>\$ -</u>
 Investments not subject to fair value hierarchy				
Money Market Mutual Funds	72,318			
County Pooled Investments Funds	<u>15,545,580</u>			
 Total investments	 <u>\$ 26,736,994</u>			

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 – RECEIVABLES

Accounts receivable as of June 30, 2022, consisted of intergovernmental grants, entitlements, state apportionments and local sources. All receivables, other than lease receivable, consisted of the following:

State government:	
Proposition 10	\$ 630,280
Surplus Money Investment Fund	4,616
Other sources	<u>1,073,299</u>
 Total	 <u>\$ 1,708,195</u>

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Capital assets not being depreciated:				
Land	\$ 676,530	\$ -	\$ -	\$ 676,530
Total capital assets not being depreciated	<u>676,530</u>	<u>-</u>	<u>-</u>	<u>676,530</u>
Capital assets being depreciated:				
Equipment	119,310	-	-	119,310
Buildings and improvements	<u>16,131,643</u>	<u>-</u>	<u>-</u>	<u>16,131,643</u>
Total capital assets being depreciated	<u>16,250,953</u>	<u>-</u>	<u>-</u>	<u>16,250,953</u>
Less accumulated depreciation:				
Equipment	(109,520)	(4,456)	-	(113,976)
Buildings and improvements	<u>(2,615,342)</u>	<u>(403,291)</u>	<u>-</u>	<u>(3,018,633)</u>
Total accumulated depreciation	<u>(2,724,862)</u>	<u>(407,747)</u>	<u>-</u>	<u>(3,132,609)</u>
Total capital assets being depreciated, net	<u>13,526,091</u>	<u>(407,747)</u>	<u>-</u>	<u>13,118,344</u>
Total capital assets, net	<u>\$ 14,202,621</u>	<u>\$ (407,747)</u>	<u>\$ -</u>	<u>\$ 13,794,874</u>

Depreciation expense for the year ended June 30, 2022 was \$407,747.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 – LEASES

The Commission reported Leases Receivable of \$457,877 as of June 30, 2022. For the year ended June 30, 2022, the Commission reported \$99,902 in lease revenues and \$3,986 in lease interest revenues.

Office Space Lease - FCSS SELPA Department – On July 1, 2017, the Commission entered into a fourteen-year lease agreement with Fresno County Superintendent of Schools (FCSS), for the use of a portion (1,408 sq. ft.) of the third-floor office space at the Lighthouse for Children facility for their Special Education Local Plan Area (SELPA) Program staff. Based on this agreement, the Commission will receive monthly payments through June 2031. Either party may terminate the lease agreement for any reason with a ninety-day (90) written notice prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to an extension upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.9% interest rate, which was provided by the California State Controller’s Office.

Office Space Lease - FCSS Early Care & Education Department – On July 1, 2021, the Commission entered into a three-year lease agreement with Fresno County Superintendent of Schools (FCSS), Early Care & Education Department (ECE), for the use of a portion (23,427 sq. ft.) of the first floor and outdoor playground area at the Lighthouse for Children facility, to operate the Child Development Center. Based on this agreement, the Commission will receive monthly payments through June 2024. Either party may terminate the lease agreement for any reason with a written notice one-hundred twenty (120) days prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to the upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.2% interest rate, which was provided by the California State Controller’s Office.

Office Space Lease – Simpson Speech & Language – On March 1, 2021, the Commission entered into a two-year lease agreement with Simpson Speech and Language (SSL) for the use of a portion (719.75 sq. ft.) of the second-floor office space at the Lighthouse for Children facility. Based on this agreement, the Commission will receive monthly payments through June 2024. Either party may terminate the lease agreement for any reason with a ninety-day (90) written notice prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to the extension upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.2% interest rate, which was provided by the California State Controller’s Office.

The leases are summarized below by lease holder as follows:

<u>Lease Holder</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
FCSS - SELPA	\$ 438,307	\$ 80,771	\$ 3,932
FCSS - ECE	9,664	4,261	22
SSL	<u>9,906</u>	<u>14,870</u>	<u>32</u>
Total	<u>\$ 457,877</u>	<u>\$ 99,902</u>	<u>\$ 3,986</u>

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – LEASES (Continued)

Future lease principal and interest payments due to the Commission under non-cancelable agreements are as follows for the years ending June 30:

Fiscal Year Ended June 30	Principal	Interest
2023	\$ 92,070	\$ 3,650
2024	82,485	2,935
2025	39,390	2,388
2026	39,746	2,032
2027	40,106	1,672
2028-2031	<u>164,080</u>	<u>3,033</u>
Total	<u>\$ 457,877</u>	<u>\$ 15,710</u>

NOTE 8 – ACCOUNTS PAYABLE

Accounts payable consisted of the following as of June 30, 2022:

Program grantees and expenses	\$ 2,172,008
Vendors	<u>8,663</u>
Total	<u>\$ 2,180,671</u>

NOTE 9 – LONG-TERM OBLIGATIONS

Long term obligations activity for the year ended June 30, 2022 were as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022	Due within One Year
Governmental activities:					
Compensated absences	\$ 44,860	\$ 30,019	\$ (31,327)	\$ 43,552	\$ 5,536
Total	<u>\$ 44,860</u>	<u>\$ 30,019</u>	<u>\$ (31,327)</u>	<u>\$ 43,552</u>	<u>\$ 5,536</u>

A. Compensated Absences – Governmental Activities

Compensated absences, which combines vacation and sick leave benefits into a single PTO bank account, amounted to \$43,552 at June 30, 2022.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – POSTEMPLOYMENT BENEFITS

The Commission's 401(a) Plan (the Plan) is a defined contribution pension plan established by the Commissioners of the Commission and administered through MissionSquare Retirement, a non-profit independent financial services corporation. The provisions and contribution requirements of the Plan are established and may be amended by the Commissioners of the Commission. The Plan covers all full-time employees and provides for immediate 100% vesting for the participants. The Commission makes contributions of 8.74% of compensation to the Plan for employees. For the year ended June 30, 2022, the Commission made contributions to the Plan of \$57,995.

The Commission also offers its employees a deferred compensation plan created in accordance with IRC Section 457 and administered through MissionSquare Retirement, a non-profit independent financial services corporation. The Plan, available to all full-time Commission employees, permits them to defer a portion of their current salary until future years. The Commission is not required to make contributions to the plan, and all contributions made to the Plan are solely at the discretion of employees.

NOTE 11 – FUND BALANCE

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 2. A detailed schedule of fund balance as of June 30, 2022 is as follows:

Nonspendable:	
Prepaid vendor	\$ 41,393
Restricted:	
Outside grant funding	1,176,443
Committed:	
Awarded and unpaid grants	9,322,027
Assigned:	
First 5 Initiatives	19,237,601
Lighthouse Special Revenue Fund	<u>43,918</u>
Total fund balance	<u>\$ 29,821,382</u>

NOTE 12 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, employee's health and natural disasters. The Commission manages these various risks of loss by purchasing commercial insurance coverage. Their policy includes coverage for bodily injury, property damage, personal injury, automobile liability, directors' and officers' liability, public officials' errors and omissions, and non-owned and hired autos. In addition, the Commission maintains a workers' compensation insurance policy and a health benefits insurance package for its employees. Settlements have not exceeded covered amounts for the past three years.

NOTE 13 – EVALUATION EXPENDITURES

The Commission expended \$430,178 on program evaluation during the fiscal year ended June 30, 2022.

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – ECONOMIC DEPENDENCY

The Commission received the majority of its funding from one source, taxes imposed by Section 30131.2 of the California Tax and Revenue Code. This code imposes additional taxes on the sale of cigarettes and tobacco products. The total amount of funding the Commission received from the additional taxes for the year ended June 30, 2022 was \$9,697,068, or 87.46%, of the total revenue for the year. The Commission is thus subject to possible risk of reductions in services and/or closure due to potential future changes of Section 30131.2 of the California Tax and Revenue Code.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Commitments and contingencies, undeterminable in amount, include normal recurring pending claims and litigation.

A. Grantee Obligations

As of June 30, 2022, the Commission's remaining obligations to grantees of \$9,322,027 is included as committed fund balance.

B. Litigation

In the opinion of management, based upon discussion with legal counsel, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Commission.

NOTE 16 – UNCERTAINTY

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus, COVID-19, a pandemic. Accordingly, some functions of the Commission's operations have been limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated and concluded that there were no subsequent events that have occurred from June 30, 2022, through the date the financial statements were available to be issued at October 10, 2022 that would require disclosure or adjustment.

REQUIRED SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GENERAL FUND
(BUDGET TO ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Proposition 10 taxes	\$ 7,147,812	\$ 7,147,812	\$ 7,258,257	\$ 110,445
Proposition 56 taxes	787,229	787,229	2,438,811	1,651,582
Grant revenue	1,615,625	1,721,233	1,550,303	(170,930)
Interest and investment earnings	60,000	60,000	-	(60,000)
Other revenue	116,290	116,290	183,559	67,269
Total revenues	<u>9,726,956</u>	<u>9,832,564</u>	<u>11,430,930</u>	<u>1,598,366</u>
EXPENDITURES				
Salaries and employee benefits	1,078,491	1,061,972	821,873	240,099
Services and supplies	483,953	576,999	328,956	248,043
Evaluation services	450,000	450,000	377,694	72,306
Grant expenditures	7,714,512	14,124,505	5,679,931	8,444,574
Interest and investment loss	-	-	343,644	(343,644)
Total expenditures	<u>9,726,956</u>	<u>16,213,476</u>	<u>7,552,098</u>	<u>8,661,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(6,380,912)</u>	<u>3,878,832</u>	<u>10,259,744</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,380,912)</u>	<u>3,878,832</u>	<u>\$ 10,259,744</u>
Fund balance - beginning of year			<u>25,898,632</u>	
Fund balance - end of year			<u>\$ 29,777,464</u>	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – LIGHTHOUSE SPECIAL REVENUE FUND
(BUDGET TO ACTUAL)
FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other revenue	\$ 10	\$ 10	\$ 9	\$ (1)
Total revenues	10	10	9	(1)
EXPENDITURES				
Insurance and tax expense	705	705	695	10
Professional services expense	4,350	4,350	6,190	(1,840)
Total expenditures	5,055	5,055	6,885	(1,830)
Excess (deficiency) of revenues over (under) expenditures	(5,045)	(5,045)	(6,876)	(1,831)
Net change in fund balance	\$ (5,045)	\$ (5,045)	(6,876)	\$ (1,831)
Fund balance - beginning of year			50,794	
Fund balance - end of year			\$ 43,918	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The Commission adopts a budget annually in accordance with generally accepted accounting principles based on estimates of revenue and anticipated expenditures. All annual appropriations lapse at fiscal year-end.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2022:

Interest and investment loss	\$343,644
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The Lighthouse Special Revenue Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2022:

Professional services expense	\$1,840
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Expenditures in excess of appropriations would be covered by the available fund balance in the respective fund.

OTHER SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
 SUPPLEMENTAL SCHEDULE OF FIRST 5 CALIFORNIA (F5CA) FUNDING
 FOR THE YEAR ENDED JUNE 30, 2022**

<u>PROGRAM OR PROJECT TITLE</u>		<u>REVENUE F5CA</u>	<u>EXPENDITURES</u>	<u>CHANGE IN NET POSITION</u>	<u>NET POSITION BEG OF YEAR</u>	<u>NET POSITION END OF YEAR</u>
First 5 IMPACT Program	IMPACT Hub Program Funds	\$ 554,263	\$ 553,910	\$ 353	\$ -	\$ 353
	County, Local IMPACT Funds	572,480	572,480	-	-	-
	Home Visitation Coordination	<u>178,308</u>	<u>178,308</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL F5CA FUNDS		<u>\$ 1,305,051</u>	<u>\$ 1,304,698</u>	<u>\$ 353</u>	<u>\$ -</u>	<u>\$ 353</u>

OTHER INDEPENDENT AUDITOR'S REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners of
Children and Families Commission of Fresno County
Fresno, California

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 10, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540

fax 559.299.2344

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Page & Company

Clovis, California
October 10, 2022



INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE

To the Board of Commissioners of
Children and Families Commission of Fresno County
Fresno, California

Compliance

We have audited the Fresno County Children and Families Commission’s (Commission) compliance with the requirements specified in the State of California’s *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller’s Office, applicable to the Commission’s statutory requirements identified below for the year ended June 30, 2022.

Management’s Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Commission’s compliance with the requirements referred to above based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State of California’s *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller’s Office. Those standards and the State of California’s *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission’s compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Commission’s compliance with the state laws and regulations applicable to the following items:

Description	Audit Guide Procedures	Procedures Performed
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plan	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefits Policies	2	Yes

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Opinion

In our opinion, California Children and Families Commission of Fresno County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2022.

Price Pange & Company

Clovis, California
October 10, 2022

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiencies identified - not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings in the current year.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENT FINDINGS

None reported.