



Board Agenda Item 28

To DATE: January 28, 2025

TO: Board of Supervisors

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

SUBJECT: Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024

RECOMMENDED ACTION(S):

Receive and file the County of Fresno Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

This item is countywide.

ALTERNATIVE ACTION(S):

There is no viable alternative as the ACFR is submitted in compliance with Government Code Sections 25250 and 25253.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

DISCUSSION:

The County of Fresno's ACFR for the fiscal year ended June 30, 2024, is provided for your Board's review in compliance with Government Code Sections 25250 and 25253.

The ACFR contains the County's basic financial statements, which comprise:

- (1) Government-wide financial statements, which are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business;
- (2) Fund financial statements, which present the County's financial activities in a traditional fund format; and
- (3) Notes to the basic financial statements.

The basic financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States.

Our Office's letter of transmittal to your Board and Citizens of the County of Fresno, dated December 27, 2024, accompanies the County of Fresno's ACFR for the fiscal year ended June 30, 2024. The transmittal letter 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.

The ACFR reports (all amounts presented in thousands) a total net position of \$1,079,614 as of June 30, 2024, an increase of \$112,251 from the total net position of \$967,363 as of June 30, 2023, in the Government-wide financial statements. Generally, "net position" is the amount of assets and deferred outflows of resources that exceed the liabilities and deferred inflows of resources of the County.

The Governmental Funds financial statements report as of June 30, 2024, the fund balance of \$1,056,205, an increase of \$92,637 from a fund balance of \$963,568 as of June 30, 2023. Included in fund balance as of June 30, 2024, is the General Fund's fund balance of \$488,709, an increase of \$19,672 from the General Fund's fund balance of \$469,037 as of June 30, 2023. 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. Further detail of the reported fund balance classifications is provided in Note 14 - Fund Balance on the Notes to the County's basic financial statements.

The County's basic financial statements have been audited by the independent certified public accounting firm of Brown Armstrong. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2024, are free of material misstatement. The independent certified public accounting firm has issued an unmodified ("clean") opinion on the County's basic financial statements as of and for the fiscal year ended June 30, 2024. (See Independent Auditor's Report, "Opinions," at p. 1.) The Independent Auditor's Report is located at the beginning of the financial section of the report and is dated, on its third page, December 27, 2024.

The ACFR also includes certain required supplementary information, which includes the Budgetary Comparison Schedules for the General Fund, Disaster Claiming, Debt Service, Local Health and Welfare, and 2011 Realignment Fund. Additionally, this section 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.

Such supplementary information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The independent auditors state in their report that they 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 the independent auditors' inquiries, the basic financial statements, and other knowledge the independent auditors obtained during their audit of the basic financial statements. The independent auditors report that they do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide them with sufficient evidence to express an opinion or provide any assurance. (See Independent Auditor's Report, "Required Supplementary Information," at p. 2.)

The independent auditors report states that, in accordance with *Government Auditing Standards*, they have also issued their report dated December 27, 2024, on their consideration of the County's internal control over financial reporting and on their tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. (See Independent Auditor's Report, "Other Reporting Required by *Government Auditing Standards*, at p. 3.)

The Audit Committee has completed its review and accepted the ACFR at its January 10, 2025 meeting.

As required by federal securities disclosure rules, the County has entered into contractual reporting covenants (known as “continuing disclosure obligations”) in connection with its County’s bond issues that are presently outstanding in the public bond market. In accordance with those contractual covenants for County bonds payable from the County’s General Fund, the County is required, among other things, to prepare and publicly post annual reports, containing certain County basic financial information, in the secondary bond market by the last day of February following the relevant County fiscal year. Those posted annual reports must include the County’s audited ACFR for the relevant preceding County fiscal year.

Following your Board’s completion of its review of the ACFR, the County will include the ACFR as part of the County’s annual report to the secondary bond market by the end of February 2025.

REFERENCE MATERIAL:

- BAI #27 - January 23, 2024
- BAI #22 - February 8, 2023
- BAI #24 - February 22, 2022
- BAI #18 - January 26, 2021
- BAI #22 - January 21, 2020
- BAI #29 - January 29, 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

- On file with Clerk - FY 2023-2024 ACFR
- On file with Clerk - SAS 114

CAO ANALYST:

Paige Benavides