

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Auditor-Controller

BOARD AGENDA #: B-12

AGENDA DATE: April 4, 2017

**SUBJECT:**

Approval to Accept Annual Audited Financial Reports for Fiscal Year Ended June 30, 2016

**BOARD ACTION AS FOLLOWS:**

No. 2017-167

On motion of Supervisor Withrow, Seconded by Supervisor Olsen

and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended


4)  Other:

MOTION:

ATTEST:   
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Auditor-Controller BOARD AGENDA #: B-12  
Urgent  Routine  JK AGENDA DATE: April 4, 2017  
CEO CONCURRENCE:  4/5 Vote Required: Yes  No

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**SUBJECT:**

Approval to Accept Annual Audited Financial Reports for Fiscal Year Ended June 30, 2016

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**STAFF RECOMMENDATIONS:**

Accept the following audited financial reports for the fiscal year ended June 30, 2016, prepared by Brown Armstrong Accountancy Corporation:

1. Comprehensive Annual Financial Report, and
2. Single Audit Report.

**DISCUSSION:**

The financial audit is the examination of financial data as presented in the Comprehensive Annual Financial Report (CAFR) of the County. The annual audit is performed by an accounting firm that is independent of the County. The CAFR includes the basic financial statements and accompanying notes.

The purpose of the audit is to form an "opinion" on whether the information presented in the Comprehensive Annual Financial Report, taken as a whole, reflects the financial position of the County as of June 30, 2016. The audit is conducted in accordance with auditing standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The Board of Supervisors is required by law (Government Code Section 25250) to examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of money belonging to the County or money received or disbursed by them under authority of law. The audit report also meets the requirements of the Grand Jury financial examination (Penal Code Section 925). The financial audit was performed in conformity with United States Generally Accepted Accounting Principles (GAAP).

The CAFR includes the independent auditor's opinion report. Based on the audit performed by Brown Armstrong Accountancy Corporation, the County received an unmodified opinion. An unmodified opinion expresses no reservations concerning the financial statements. This is also known as a clean opinion meaning that the financial statements appear to be presented fairly. An unmodified opinion is the highest level of opinion that can be expressed on audited statements.

No audit exceptions or findings were noted.

The Single Audit Report is performed in accordance with the Single Audit Act to provide assurance to the federal agencies as to the management and use of these funds by the County. This report includes a schedule of all federal funds by program utilized by the County. The Single Audit report is submitted to the Federal Audit Clearing House.

The Single Audit received an unmodified opinion.

An exit conference occurred on February 21, 2017. Brown Armstrong Certified Public Accountants presented a summary and explanation of the audit documents. Members of the Grand Jury, department heads, and other County staff attended the exit conference.

Copies of the reports are available from the Clerk of the Board and on-line through the County Auditor-Controller's website.

**POLICY ISSUE:**

Government Code Section 25250 and 25253 authorize the Board of Supervisors to employ the services of an independent certified public accountant to perform an examination of the financial statements of the county in accordance with generally accepted auditing standards. Acceptance of this report is consistent with the Board of Supervisors priority of Efficient Delivery of Public Services.

**FISCAL IMPACT:**

The total cost of the audit was \$88,000. The fee associated with the CAFR was \$68,000 and \$20,000 for the Single Audit. Funding for the audit was included in the Board of Supervisors Fiscal Year 2016/2017 Adopted Final Budget.

A portion of the CAFR and the Single Audit cost is prorated and charged through the Countywide Cost Allocation Plan to all non-General Fund departments (\$62,691). This distribution generates revenue in the Board of Supervisor's budget unit. The difference between the audit cost of \$88,000 and \$62,691 in revenue, results in a net cost to the Board of Supervisors budget unit of \$25,309. The net cost represents the portion of the auditing fee not allocated to General Fund departments as a result of County policy.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended action is in alignment with the Board's priority for the Efficient Delivery of Public Services by providing fiscal transparency of audit performance to the Board of Supervisors and the public.

**STAFFING IMPACT:**

The preparation of the audited financial statements is the primary function of the General Ledger Division of the Auditor-Controller's Office.

**CONTACT PERSON:**

Kashmir Gill, Assistant Auditor-Controller

Telephone: (209) 525-6579

**ATTACHMENT(S):**

- A. Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016
- B. Single Audit Report for Fiscal Year Ended June 30, 2016

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## County of Stanislaus, California

Fiscal Year Ended June 30, 2016



Prepared By

**Stanislaus County Auditor-Controller's Office**

**Lauren Klein, CPA, Auditor-Controller**

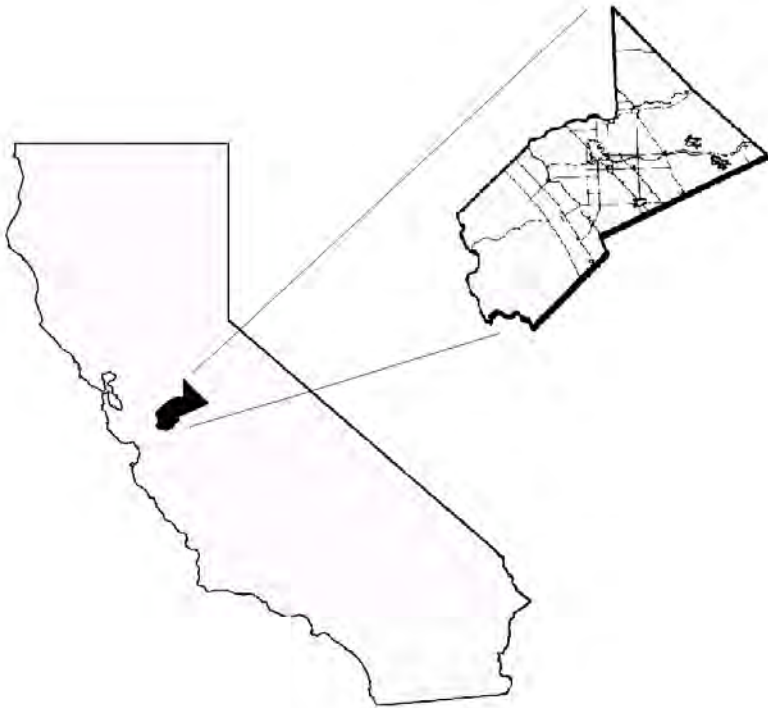


# Comprehensive Annual Financial Report

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**County of Stanislaus, California**  
**Fiscal Year Ended**  
**June 30, 2016**



**Prepared By**  
**Stanislaus County Auditor-Controller's Office**  
**Lauren Klein, CPA, Auditor-Controller**

**County of Stanislaus  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016**

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Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016**

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**AUDITOR-CONTROLLER**

**Lauren Klein, CPA**  
Auditor-Controller

1010 10<sup>TH</sup> Street, Suite 5100, Modesto, CA 95354  
PO Box 770, Modesto, CA 95353-0770  
Phone: 209.525.6398 Fax: 209.525.7507



December 15, 2016

The Honorable Board of Supervisors  
County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6500  
Modesto, CA 95354

Dear Supervisors:

In accordance with Section 25253 of the Government Code of California, I hereby submit the Comprehensive Annual Financial Report (CAFR) of the County of Stanislaus for the year ended June 30, 2015. The report contains financial statements that have been prepared in accordance with generally accepted accounting principles (GAAP) prescribed for governmental entities, and provides a comprehensive overview of the County's financial operations and financial position. The accuracy, completeness and fairness of the presentation of all information in this report are the responsibility of the County.

The Independent Auditor's Report is presented at the front of the financial section of this report. Management's Discussion and Analysis (MD&A), immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The report includes financial data for all County funds. Additionally, the following entities are considered part of the County for purposes of meeting the reporting entity requirements prescribed by the Governmental Accounting Standards Board:

Stanislaus County Capital Improvements Financing Authority  
Lighting Districts  
Stanislaus County Tobacco Funding Corporation  
In-Home Supportive Services Public Authority of Stanislaus County  
Stanislaus County Children and Families Commission

These entities are component units of the County and are included in the County's basic financial Statements because the County Board of Supervisors is financially accountable for them. All component units are blended into the basic financial statements. Note 1 to the basic financial statements contains additional information regarding the relationship between the County and these entities.

Other local government entities provide public or specialized services to the residents of the county including nine incorporated cities, thirteen unincorporated cities, school districts and 52 independent districts. The operations of these entities are not included in the County's reporting entity since each entity is responsible for conducting its own day-to-day operations and is compelled to answer to its own separately elected governing board. Significant entities that do not meet the criteria for inclusion in this report include the Stanislaus County Office of Education, Modesto City School District, Yosemite Community College District, and Stanislaus County Superior Court.

## STANISLAUS COUNTY AND ITS SERVICES

Stanislaus County is located in Central California within 90 minutes of the San Francisco Bay Area, the Silicon Valley, Sacramento, the Sierra Nevada Mountains and California's Central Coast. With an estimated 538,388 people calling this area home, the community reflects a region rich in diversity with a strong sense of community.

Two of California's major north-south transportation routes (Interstate 5 and Highway 99) intersect the area and the County has quickly become one of the dominant logistics center locations on the west coast.

The County is home to a vibrant arts community with the world-class Gallo Center for the Arts, a symphony orchestra, and abundant visual and performing arts. Stanislaus County is a global center for agribusiness, positioned by its mild Mediterranean climate, rich soils and progressive farming practices. The area is recognized internationally for agricultural innovation with wine, almonds, poultry, milk, cattle, and walnuts being some of the featured industries. The County is also home to Stanislaus State University, Modesto Junior College and benefits from satellite locations of other high-quality educational institutions.

The County was established in 1854 and has a total land area of 1,515 square miles. Temperatures range from an average low of 38 degrees Fahrenheit in the winter to an average high of 85 degrees in the summer. Temperatures move up into the 90s during the summer months with low humidity and cool evening breezes from the San Joaquin Delta.

The County is governed by a five-member Board of Supervisors who are elected by district to serve alternating four-year terms. The Assessor, Auditor-Controller, Clerk-Recorder, Tax Collector, District Attorney, and Sheriff are also elected officials while all other departments are headed by appointed officials.

## ECONOMY

Stanislaus County is an international agri-business powerhouse. The value of agricultural commodities produced in 2014 increased by 20% to nearly \$4.4 billion. Almonds are the number one commodity at \$1.4 billion followed by milk at \$952 million in value. The value of almonds increased by 18.5% compared to the prior year and milk sales increased by 18.4% from prior year.

Farmers in Stanislaus County export more than 230 commodities to 109 countries around the world. There were 8,865 export certificates were issued in 2014. Japan receives 10% of exports followed by Spain and Germany at 9%.

Manufacturing continues to be an important employer sector in Stanislaus County. Some of the largest brands in the world can be found with operations here. The County is home to the headquarters of Gallo and Bronco Wineries, global nursery providers and a burgeoning high-tech agricultural industry.

The healthcare sector plays a major part in the County's economic engine with some of the finest hospitals in the world located in Stanislaus County. Tenet Healthcare, Sutter Health and Kaiser Permanente have major facilities in the County. Doctors Medical Center and Memorial Medical Center are two tertiary hospitals located in the County.

The County's annual unemployment rate for June, 2016, is 9.2%, an improvement from 9.6% in 2015, but significantly higher than the State rate of 5.7%. Unemployment rates in the central valley are historically twice the national average (currently 5.1%).

Home values increased 8.3% from March 2015 to March 2016 in Stanislaus County.

The 2015-2016 Property Tax Assessment Role showed an 6.75% increase compared to 2014-2015.

Stanislaus County tracks issued single family residential construction permits as a way of monitoring the home construction, building materials and construction employment sector. Issued permits plummeted from a high of over 4,000 in 2005 to a low of 113 in 2011. Issued permits continue with the trend of small increases over the past few years up to 404 in 2014 and back down to 250 in 2015.

The construction sector was one of the largest employment sectors of the Stanislaus County economy in the early 2000's before the Great Recession. The construction industry employed more than 14,000 people in 2005 compared to just over 8,300 in 2016.

### BUDGET PROCESS AND FINANCIAL POLICIES

Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. Measurable means the amount of the transaction is known; available means the revenue will be collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the related liability is incurred, except for (1) principal of and interest on general long-term debt which are recognized when due; and (2) employee annual leave and claims and judgments for litigation and self-insurance, which are recorded in the period due and payable.

Full accrual is similar to commercial accounting. Recognition occurs at the time of the transaction – revenue when earned and expenses when incurred.

The County budget is prepared on the modified accrual basis of accounting, with the exception that encumbrances outstanding at year-end are considered expenditures. Encumbrances outstanding at year-end are reported as assignments of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

The annual budget is prepared, reviewed, and approved in accordance with the provisions of Sections 29000 and 29144, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act. The County prepares a budget for each fiscal year on or before October 2, pursuant to the County Budget Act. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This Resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The Budget and the Annual Financial Report are prepared using Generally Accepted Accounting Principles (GAAP). The accounts of the County are organized on the basis of fund and organizational groups, each of which is considered a separate accounting entity. Governmental type funds like the General Fund, Special Revenue Funds, Capital Projects, and Debt Service use modified accrual basis, while Proprietary Funds use the full accrual basis.

To ensure the long-term economic stability of the organization, the County of Stanislaus has developed a series of financial and budgetary policies. Using both operational guidelines and qualitative standards, these policies strive to maintain a stable and positive financial position for the foreseeable future. Moreover, they provide guidelines to management in planning and directing the County's day-to-day financial affairs and in developing recommendations to the Chief Executive Officer and the Board of Supervisors.

The budget for Stanislaus County is an operational plan, a fiscal plan, and a staffing plan for the provision of services to the residents of Stanislaus County. The budget process encompasses the manner in which resources are assigned to goals, objectives, and community priorities set by the Board of Supervisors. A balanced budget is where the amount of budgeted expenditures is equal to or less than the amount of budgeted revenue plus other available resources. In order for government to remain in business, the law requires that an adopted budget be in place by the beginning of each fiscal year – July 1<sup>st</sup> through June 30<sup>th</sup>.

## CAPITAL IMPROVEMENT PLAN

On February 25, 2014, the Board of Supervisors authorized staff to prepare future updates to the Capital Improvement Plan on a two-year review scheduled. The County's Recommended Proposed Capital Improvement Plan (CIP) was approved by the Board of Supervisors on July 19, 2016 for Fiscal Years 2015-2016 and 2016-2017. Prior to returning to the Board for consideration of the Final CIP for Fiscal Years 2015-2016 and 2016-2017, the project list will be reviewed by the Planning and Community Development Department

for consistency with the County's General Plan, and presented to the County's Planning Commission for concurrence.

The Capital Improvement Plan (CIP) was developed to assist County decision makers in determining priorities and identifying where scarce one-time funds should be allocated to address the County's most important capital needs. This analysis has been developed to assist the Board in making difficult resource allocation decisions.

The Capital Improvement Plan provides a forecast of capital improvement needs for the County over the next twenty (20) years. The CIP is a listing of project needs that have been identified generally requiring a one-time investment of public funds for acquisition, replacement, and/or development of new equipment or facilities. Capital improvement projects are defined as one-time major expenditures exceeding \$100,000 for construction or acquisition efforts for the purpose of this CIP. Large, one-time equipment and technology acquisition costs, including vehicle replacement, new software acquisition, property acquisition, construction of facilities and infrastructure, major remodeling projects, demolition efforts are considered projects for the purposes of the CIP.

Recognizing the tenuous fiscal environment in which the County operates, it is expected that the information presented may change from year to year as the County's needs and funding sources change and evolve. One of the most difficult challenges in developing a capital plan is to fairly compare and evaluate projects that stretch across a very broad spectrum. This plan provides a wide range of information including the estimated one-time and operating costs for constructing and operating facilities, any service related costs, the location, and how it may fit into the service delivery plan of the department proposing it. This information is critical to making informed and sound decisions.

County department heads and Chief Executive Office staff have collected and updated relevant information pertaining to the capital improvement needs of the County. The CIP identifies 129 capital improvement projects. Those needs total \$1,342,347,069 in total estimated project costs. Of that total, \$591,589,429 in potential funding from other sources have been identified, with \$709,935,202 being the portion of the estimated project costs that would be the responsibility of Stanislaus County. Funding sources for \$33,218,354 in project costs have not yet been identified.

The CIP includes projects that are underway or planned for the future. Unfunded projects in the CIP indicate current and future unmet needs and are included for planning purposes. While the CIP covers a 20 year planning horizon, the document will be updated bi-annually to reflect ongoing changes as new projects are added, existing projects are modified, and completed projects are deleted from the plan.

Several noteworthy projects were completed since the adoption of the Final Capital Improvement Plan for Fiscal Year 2013-2014:

Coroner Facility; Psychiatric Health Facility; Crisis Stabilization Unit; Honor Farm Clean-up and Closure; Juvenile Justice Facility Roof Replacement and HVAC; Public Health Laboratory Information Management System; Bonita Ranch Park Solar Lighting and

Walking Paths; Frank Raines Regional Part Water System Improvements; Hatch Park Ball Field Improvements; Laird Park Picnic Shelter; Empire Park Solar Lighting and Walking Paths; Woodward Reservoir T-Island and Muir Point Campsites; and various traffic signals and road widening projects.

Several projects currently in various stages of design or construction are included as follows:

- ◆ AB 900 Phase II Public Safety Center Jail Expansion, current budget \$89,500,000;
- ◆ County funded Jail Intake, Release, and Transportation facility, current budget of \$24,044,509;
- ◆ Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project, current budget of \$44,445,000;
- ◆ Community Services Facility Service Delivery and Facility Master Planning Project, current budget of \$357,050;
- ◆ Community Services Facility Heating, Ventilation and Air Conditioning (HVAC) System Replacement Project, estimated budget of \$8.9 million;
- ◆ Countywide Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan Project, current budget of 799,700;
- ◆ Various Road and Bridge projects, current budget of \$33.8 million.

#### ACKNOWLEDGEMENTS

I would like to express my appreciation to the accounting division, the various County departments who assisted in the preparation of this report, and also acknowledge the efforts of our independent auditor.

Sincerely,



Lauren Klein, CPA  
Auditor-Controller



**COUNTY OF STANISLAUS  
PRINCIPAL COUNTY OFFICIALS  
JUNE 30, 2016**

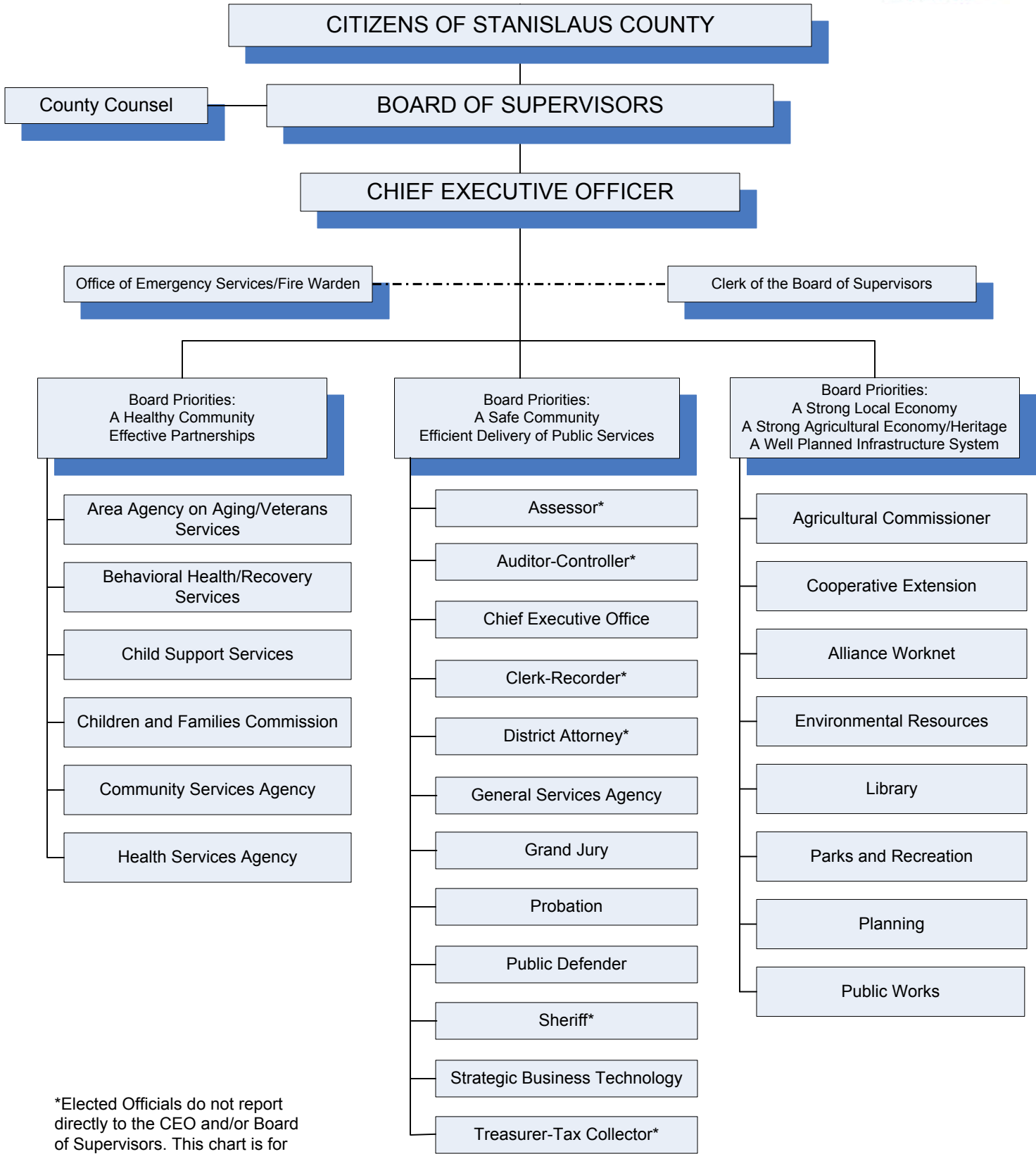
**ELECTED OFFICIALS**

Supervisor, District 1 .....	William O'Brien
Supervisor, District 2 .....	Vito Chiesa
Supervisor, District 3 .....	Terry Withrow
Supervisor, District 4 .....	Dick Monteith
Supervisor, District 5 .....	Jim DeMartini
Assessor .....	Don H. Gaekle
Auditor-Controller .....	Lauren Klein
Clerk-Recorder .....	Lee Lundrigan
District Attorney .....	Birgit Fladager
Sheriff-Coroner and Public Administrator .....	Adam Christiansen
Treasurer and Tax Collector .....	Gordon B. Ford

**APPOINTED DEPARTMENT HEADS**

Agricultural Commissioner & Sealer of Weights & Measures .....	Milton O'Haire
Alliance Worknet Director .....	Doris Foster
Animal Services Executive Director .....	Annette Patton
Area Agency on Aging/Veterans Services Office Director .....	Margie Palomino
Behavioral Health & Recovery Services Director .....	Rick DeGette
Chief Executive Officer .....	Stan Risen
Child Support Services Director .....	Baljit Atwal
Children and Families Commission, Executive Director .....	John Sims
Clerk-Recorder .....	Lee Lundrigan
Community Services Agency Director .....	Kathryn Harwell
Cooperative Extension County Director & Nutrition, Family Consumer Science Advisor .....	Theresa Spezzano
County Counsel .....	John P. Doering
Environmental Resources Director .....	Jami Aggers
General Services Agency .....	Keith D. Boggs
Health Services Agency Managing Director .....	Mary Ann Lee
Librarian .....	Diane McDonnell
Parks and Recreation Director .....	Jami Aggers
Personnel Director .....	Stan Risen
Planning and Community Development Director .....	Angela Freitas
Chief Probation Officer .....	Jill Silva
Public Defender .....	Tim Bazar
Public Works Director .....	Matt Machado
Stanislaus Regional 9-1-1 Director .....	Scotty Douglass
Strategic Business Technology Director .....	Paul Gibson

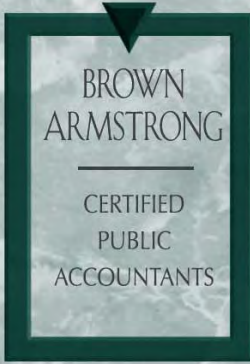
# STANISLAUS COUNTY ORGANIZATIONAL CHART



\*Elected Officials do not report directly to the CEO and/or Board of Supervisors. This chart is for purposes of budget organization. Effective 2016 - 2017

# Financial Section





# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Grand Jury  
and Board of Supervisors of the  
County of Stanislaus, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Stanislaus, California (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

#### BAKERSFIELD OFFICE (MAIN OFFICE)

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SUITE 300  
BAKERSFIELD, CA 93309  
TEL 661.324.4971  
FAX 661.324.4997  
EMAIL info@bacpas.com

#### FRESNO OFFICE

7673 N. INGRAM AVENUE  
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FRESNO, CA 93711  
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FAX 559.476.3593

#### PASADENA OFFICE

260 S. LOS ROBLES AVENUE  
SUITE 310  
PASADENA, CA 91101  
TEL 626.204.6542  
FAX 626.204.6547

#### STOCKTON OFFICE

5250 CLAREMONT AVENUE  
SUITE 150  
STOCKTON, CA 95207  
TEL 209.451.4833

## Opinions

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 June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the Respective Budgetary Comparison for the General Fund, Behavioral Health and Recovery Special Revenue Fund, and Community Services Agency Special Revenue Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Stanislaus County Employees' Retirement Association Schedule of the County's Proportionate Share of the Net Pension Liability, Stanislaus County Employees' Retirement Association Schedule of the County's Contributions, and Schedule of Funding Progress for the County of Stanislaus Other Post Employment Benefit (OPEB) Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements, Long-Term Debt Statements of the Successor Agency to the Stanislaus County Redevelopment Agency, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, combining and individual non-major fund financial statements, and Long-Term Debt Statements of the Successor Agency to the Stanislaus County Redevelopment Agency 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 non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### *Implementation of New Accounting Standards*

As disclosed in the Note 1 to the financial statements, the County implemented GASB Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, during the fiscal year 2016. Our opinion is not modified with respect to the matter.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 15, 2016





Management's  
Discussion and  
Analysis



## County of Stanislaus Management's Discussion and Analysis

As management of the County of Stanislaus (County), we offer this narrative overview and analysis of the financial activities of the County for the Fiscal Year Ended June 30, 2016. Please read it in conjunction with the County's basic financial statements following this section.

### FINANCIAL HIGHLIGHTS

- The County's net position is \$629 million and is comprised of the following items:
  - The net investment in capital assets of \$478 million
  - The restricted net position of \$324 million
  - The net unrestricted net position of negative (\$173) million
- The government's total net position increased by \$89 million.
- As of June 30, 2016, the County governmental funds reported combined fund balances of \$465 million, an increase of \$19 million from the prior year. The unassigned fund balance is \$10 million which represents 2.1% of the total fund balance of the governmental funds.
- As of June 30, 2016, unassigned fund balance for the General Fund was \$10 million. It represents 3.7% of expenditures and transfers of the General Fund.
- The County's total long-term liabilities increased by a net \$50 million from the prior year. A significant portion of the increase is due to the increase in the net pension liability.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. There are three components to the County's basic financial statements 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all County assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent Fiscal Year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or 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 and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include the Fink and Geer Road Sanitary Landfills, Health Clinics and Ancillary Services and Inmate Welfare/Commissary and Transit.

The government-wide financial statements include not only the County (known as the primary government), but also legally separate entities (component units) for which the County is financially accountable. There are five component units included in these financial statements. Stanislaus County Capital Improvements Financing Authority, Stanislaus County Tobacco Funding Corporation, Stanislaus County Children and Families Commission, In-Home Supportive Services Public Authority and the Lighting Districts, although legally separate, function for all practical purposes as departments of the County and therefore, are included as an integral part of the primary government.

**The government-wide financial statements can be found on pages 17-19 of this report.**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the Fiscal Year. Such information may be useful in evaluating a county's near-term financing requirements.

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

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

For the governmental funds, information is presented separately for the General Fund, Tobacco Settlement, Behavioral Health and Recovery Services, Community Services Agency, and Public Facility Fees. With the exception of Public Facility Fees, all of the other funds are considered to be major funds. The Public Facility Fees fund is reported separately for comparative purposes. Data from the other governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and most of its Special Revenue Funds. Budgetary comparison statements have been provided in this report for the General Fund and the major Special Revenue Funds.

**The governmental funds financial statements can be found on pages 20-32 of this report.**

*Proprietary funds* are divided into two types. *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 Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Inmate Welfare/Commissary and Transit activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for General Liability Insurance, Unemployment Insurance, Workers' Compensation Insurance, Medical Self-Insurance, Other Employee Benefits, Dental Insurance, Vision Care Insurance, Central Services, Fleet Services, Technology and Communication, Facilities Maintenance and Morgan Shop Garage. All of these activities, except the Professional Liability Self-insurance Fund, predominantly benefit governmental functions and have been included within *governmental activities* in the government-wide financial statements. The Professional Liability Insurance Fund predominantly benefits business type functions and is included within the *business-type* activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Fink Road Sanitary Landfill and the Health Clinics and Ancillary Services are considered to be major funds. The County's 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 in the form of *combining statements* elsewhere in this report.

**The proprietary funds financial statements can be found on pages 33-36 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 those funds are not available to support the County's programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

**The fiduciary fund financial statements can be found on pages 37-38 of this report.**

**County of Stanislaus  
Management's Discussion and Analysis (Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 39-95 of this report.

The combining and individual fund statements referred to earlier provide information for non-major governmental funds, enterprise and internal service funds and are presented following the notes to the financial statements. Combining and individual fund statements can be found on pages 99-130 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table provides an analysis of the County's net position at the government wide level:

**County of Stanislaus Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 639,570,210	\$ 605,915,590	\$ 70,696,567	\$ 63,775,229	\$ 710,266,777	\$ 669,690,819
Capital assets	468,581,033	442,007,551	30,387,822	27,149,973	498,968,855	469,157,524
Total assets	<u>1,108,151,243</u>	<u>1,047,923,141</u>	<u>101,084,389</u>	<u>90,925,202</u>	<u>1,209,235,632</u>	<u>1,138,848,343</u>
Deferred outflows of resources-pension	50,654,814	44,731,104	2,168,025	1,978,164	52,822,839	46,709,268
Long-term liabilities outstanding	463,690,723	416,527,943	22,748,636	20,004,399	486,439,359	436,532,342
Other liabilities	108,357,392	96,930,064	4,639,861	4,217,138	112,997,253	101,147,202
Total liabilities	<u>572,048,115</u>	<u>513,458,007</u>	<u>27,388,497</u>	<u>24,221,537</u>	<u>599,436,612</u>	<u>537,679,544</u>
Deferred inflows of resources-pension	32,366,420	103,909,203	1,385,282	4,594,158	33,751,702	108,503,361
Net position:						
Net investment in capital assets	447,336,350	411,359,448	30,387,822	27,149,973	477,724,172	438,509,421
Restricted	304,416,103	308,311,889	19,393,530	20,111,762	323,809,633	328,423,651
Unrestricted	<u>(197,360,931)</u>	<u>(244,384,302)</u>	<u>24,697,283</u>	<u>16,825,936</u>	<u>(172,663,648)</u>	<u>(227,558,366)</u>
Total net position	<u>\$ 554,391,522</u>	<u>\$ 475,287,035</u>	<u>\$ 74,478,635</u>	<u>\$ 64,087,671</u>	<u>\$ 628,870,157</u>	<u>\$ 539,374,706</u>

A significant portion of the County's net position, \$324 million represents resources that are subject to external restrictions on how they may be used. The net unrestricted balance is a negative (\$173 million).

County's net position increased by \$89 million as general revenues of \$168 million exceeded program related deficit of \$79 million.

For business-type activities, the County reported a balance of \$25 million in unrestricted net position compared to \$17 million in the prior year. The favorable variance from the prior year's unrestricted net position balance is due to revenues in excess of expenses.

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 exceeded liabilities by \$629 million at the close of the Fiscal Year 2015-2016.

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

By far the largest portion of the County's net position of \$478 million (76%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

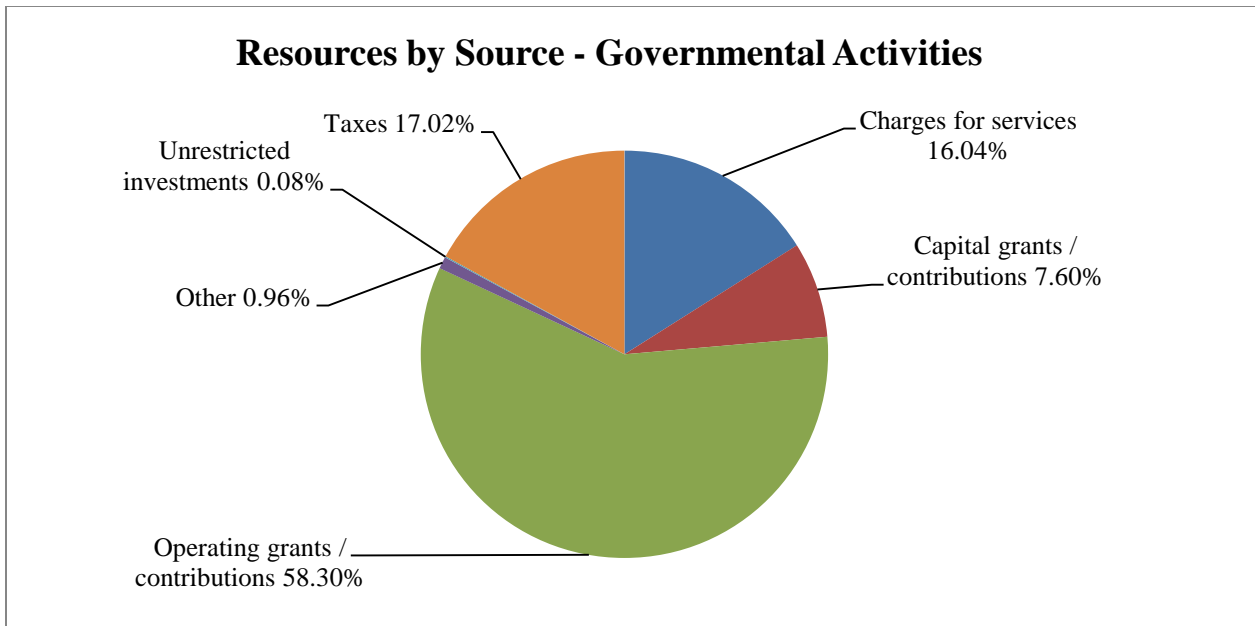
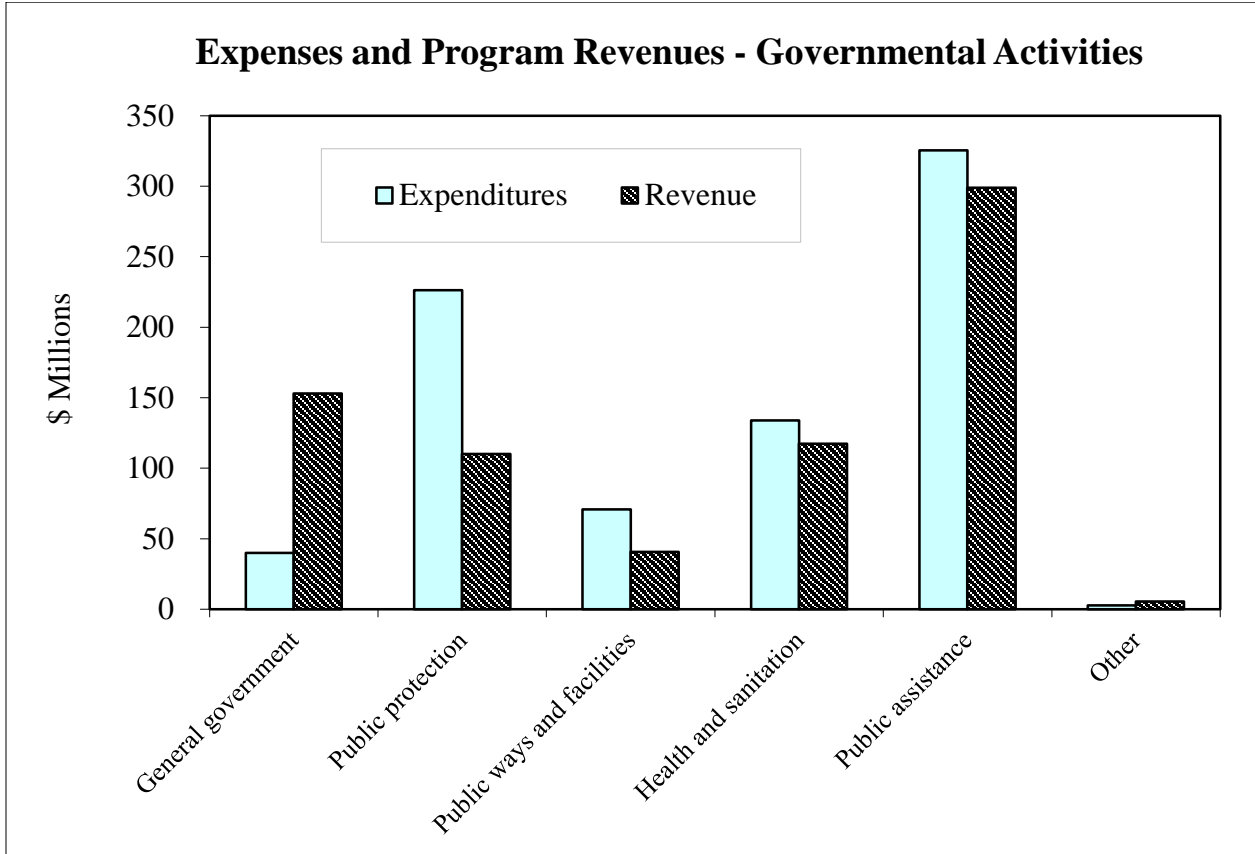
**County of Stanislaus Changes in Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 141,899,008	\$ 132,935,018	\$ 47,709,507	\$ 46,219,638	\$ 189,608,515	\$ 179,154,656
Operating grants and contributions	515,871,262	493,130,740	1,491,073	3,339,513	517,362,335	496,470,253
Capital grants and contributions	67,291,846	43,111,386	-	-	67,291,846	43,111,386
General revenues:						
Property taxes	111,785,574	97,990,771	-	-	111,785,574	97,990,771
Sales taxes	34,211,664	32,819,560	6,856,640	4,895,572	41,068,304	37,715,132
Other taxes	3,451,718	3,264,767	-	-	3,451,718	3,264,767
Sale of capital assets	-	-	(61,574)	12,985	(61,574)	12,985
Unrestricted investment earnings	718,321	884,347	1,345,053	758,618	2,063,374	1,642,965
Grants/contributions not restricted	1,189,904	1,235,724	-	-	1,189,904	1,235,724
Other general revenue	8,465,542	13,269,382	-	-	8,465,542	13,269,382
Total revenues	<u>884,884,839</u>	<u>818,641,695</u>	<u>57,340,699</u>	<u>55,226,326</u>	<u>942,225,538</u>	<u>873,868,021</u>
<b>Expenses</b>						
General government	39,924,809	34,068,208	-	-	39,924,809	34,068,208
Public protection	226,360,587	208,625,928	-	-	226,360,587	208,625,928
Public ways and facilities	70,723,726	59,796,563	-	-	70,723,726	59,796,563
Health and sanitation	133,992,756	124,226,055	-	-	133,992,756	124,226,055
Public assistance	325,543,153	306,804,683	-	-	325,543,153	306,804,683
Education	10,575,336	10,001,794	-	10,575,336	10,001,794	10,001,794
Recreation	7,130,168	6,506,067	-	-	7,130,168	6,506,067
Interest on long-term debt	(15,049,070)	(14,796,048)	-	-	(15,049,070)	(14,796,048)
Landfills	-	-	7,353,713	6,252,577	7,353,713	6,252,577
Behavioral Health	-	-	-	-	-	-
Health Clinics and Ancillary	-	-	38,183,676	38,176,229	38,183,676	38,176,229
Inmate Welfare and Commissary	-	-	1,642,511	1,506,293	1,642,511	1,506,293
Transit	-	-	6,348,722	6,141,560	6,348,722	6,141,560
Total expenses	<u>799,201,465</u>	<u>735,233,250</u>	<u>53,528,622</u>	<u>52,076,659</u>	<u>852,730,087</u>	<u>787,309,909</u>
Net position increase (decrease) before transfers	85,683,374	83,408,445	3,812,077	3,149,667	89,495,451	86,558,112
Transfers	(6,578,887)	(20,466,733)	6,578,887	20,466,733	-	-
Change in net position	<u>79,104,487</u>	<u>62,941,712</u>	<u>10,390,964</u>	<u>23,616,400</u>	<u>89,495,451</u>	<u>86,558,112</u>
Net position, July 1	475,287,035	688,810,513	64,087,671	52,692,540	539,374,706	741,503,053
Prior period adjustment	-	(276,465,190)	-	(12,221,269)	-	(288,686,459)
Net position – July 1, restated	<u>475,287,035</u>	<u>412,345,323</u>	<u>64,087,671</u>	<u>40,471,271</u>	<u>539,374,706</u>	<u>452,816,594</u>
Net position – June 30	<u>\$ 554,391,522</u>	<u>\$ 475,287,035</u>	<u>\$ 74,478,635</u>	<u>\$ 64,087,671</u>	<u>\$ 628,870,157</u>	<u>\$ 539,374,706</u>

**County of Stanislaus  
Management's Discussion and Analysis (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities**

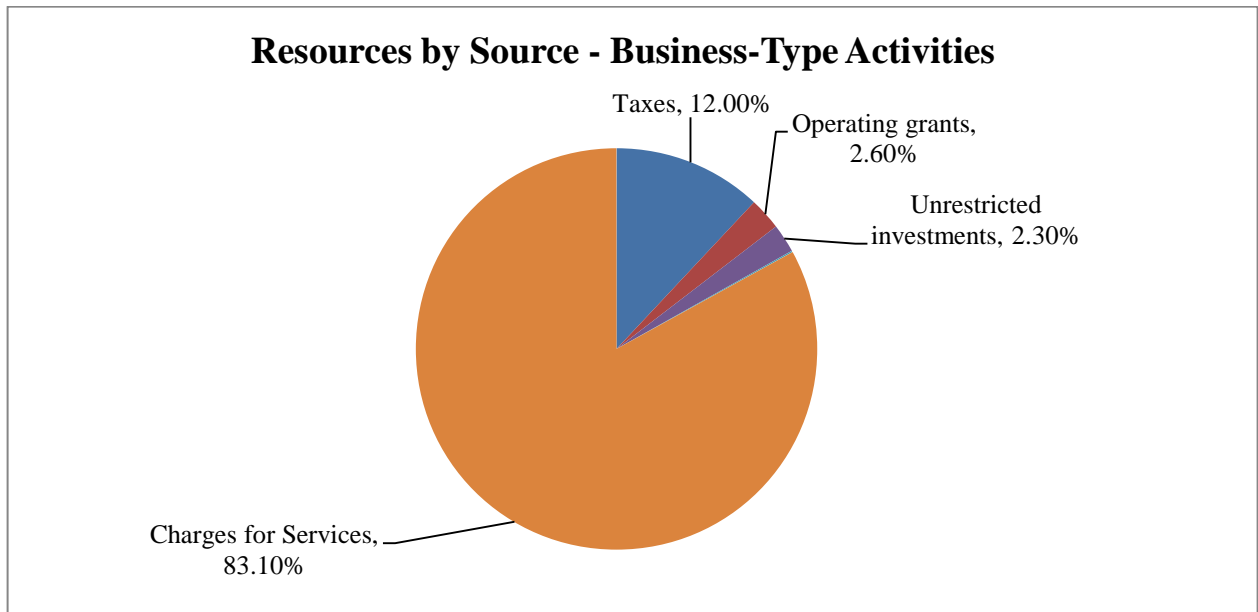
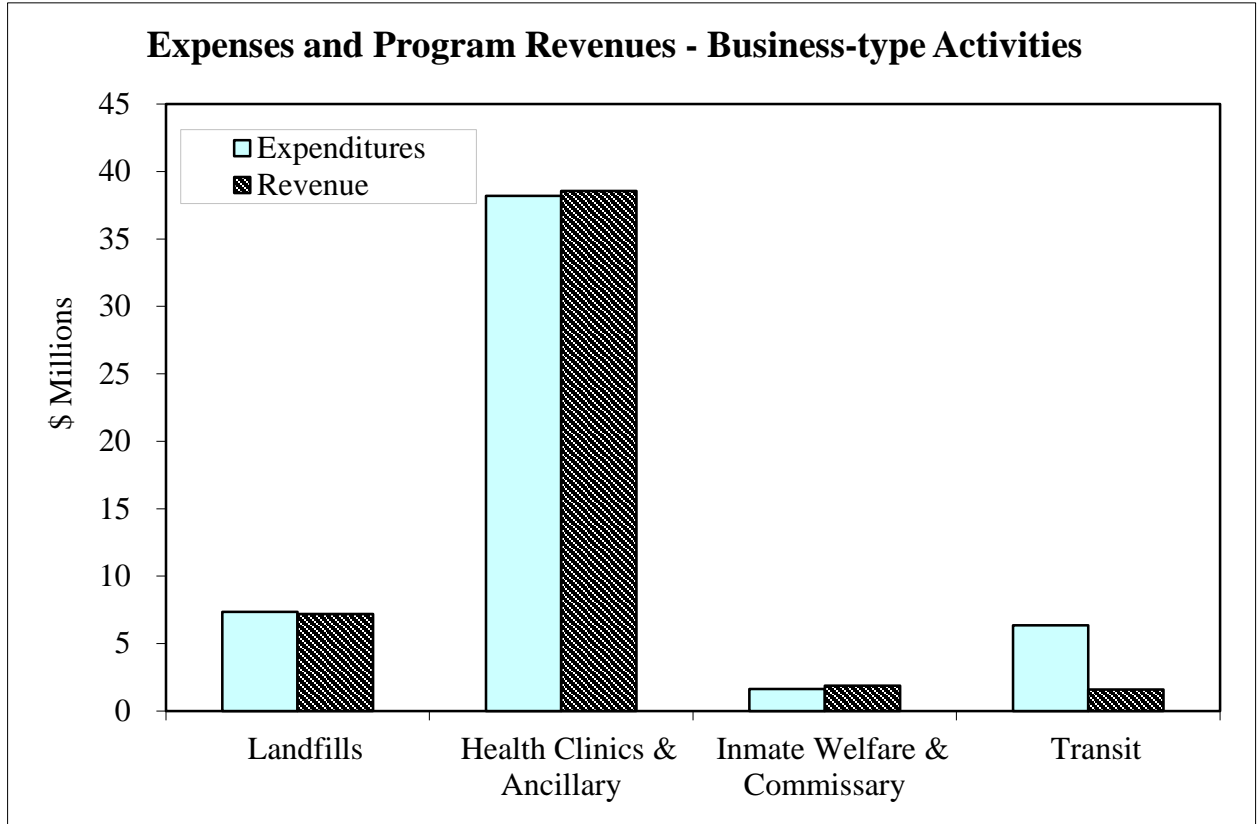




**County of Stanislaus  
Management's Discussion and Analysis (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Business-Type Activities**



**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**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 contained in the general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the County Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned 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, 2016, the County's governmental funds reported combined fund balances of \$465 million compared to \$446 million in the prior year. The increase of \$19 million is partially due to excess revenue over the expenditures.

The unassigned fund balance of the Governmental Funds is \$10 million. The remainder of fund balance is categorized as follows:

1) Non-spendable	\$ 15 million
2) Restricted	\$ 274 million
3) Committed	\$ 11 million
4) Assigned	\$ 155 million

The General Fund is the chief operating fund of the County. At June 30, 2016, unassigned fund balance of the General Fund was \$10 million while total fund balance was \$165 million. 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, including transfers out. Unassigned fund balance represents 5.9% of total fund expenditures and transfers out. The total fund balance of the General Fund represents 3.7% of the total fund expenditures and transfers out.

The unassigned fund balance of the General Fund of \$10 million compared to prior year balance of \$16 million. A larger portion of the fund balance is assigned in Fiscal Year 2015-2016 relative to the prior year.

The County assigns (earmarks) fund balance to a particular function, project, activity, or for purposes beyond the current year. Of the total fund balance in the General Fund of \$165 million, \$129 million is assigned.

The total fund balance of the County's General Fund is \$165 million which is \$23 million higher than prior year balance of \$142 million. Excess revenues contribute to the increased fund balance in the General Fund.

**County of Stanislaus  
Management's Discussion and Analysis (Continued)**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (Continued)**

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

The following table shows actual revenues, expenses and results of operations for the current Fiscal Year:

**County of Stanislaus Enterprise Funds**

	Major Funds		Non-major Other	Total
	Fink Road Landfill	Health Clinics & Ancillary	Enterprise Funds	
Operating revenues	\$ 6,969,367	\$ 37,969,412	\$ 2,370,730	\$ 47,309,509
Operating expenses	5,129,331	37,839,508	10,215,615	53,184,454
Operating income (loss)	1,840,036	129,904	(7,844,885)	(5,874,945)
Non-operating revenues (expenses), net	1,376,368	219,559	8,025,004	9,620,931
Net income (loss) before contributions and transfers	3,216,404	349,463	180,119	3,745,986
Contributions and transfers	(1,195,629)	6,677,437	1,177,608	6,659,416
Net income	\$ 2,020,775	\$ 7,026,900	\$ 1,357,727	\$ 10,405,402

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The County appropriated \$4.9 million in a contingency budget for emergencies and other unanticipated expenses as part of administrative policy. As of June 30, 2016 General Fund actual revenues were higher than budgetary estimates by \$9 million. Expenditures based on budgetary basis, excluding other financing uses, were \$30 million less than budgetary estimates.

During the year, appropriations increased by \$4.9 million resulting in a difference between the original budget and the final amended budget. Appropriations were increased in the following Departments: Sheriff's, Plant Acquisition, General Fund Contribution to Other Programs, District Attorney and Assessor's Department. The increase in appropriations was offset by a decrease in Appropriations for Contingencies and County Facilities.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The County's investment (net of accumulated depreciation) in capital assets for its governmental and business-type activities as of June 30, 2016, amounted to \$499 million compared to \$469 million in the prior year. This investment in capital assets includes land and easements, roads, highways, bridges, park facilities, structures and improvements, and equipment. The County's total investment in capital assets for the current period increased by \$30 million from the prior year.

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

The increase in capital assets is primarily due to the constructions cost of public safety center jail project offset by retirements of infrastructure assets.

Major capital asset events during the Fiscal Year 2015-2016 Fiscal Year include:

Coroner Facility Project

The Sheriff-Coroner's Facility Project was completed and is located at County Center III, on Oakdale Road, in Modesto. The project included building upgrades and tenant improvements for the Sheriff-Coroner's functions to meet current and future needs to 2030 and beyond.

Awarded an 10-Year Lease Agreement for the Stanislaus Veterans Center

As a result of a Request for Proposals process, on April 19, 2016, the Board of Supervisors approved a 10-year lease to transform an existing shopping center in Modesto to the new Stanislaus Veterans Center. The 37,546 square foot facility will be home to a state of the art conference center and banquet hall, and available to all Stanislaus County Veterans groups free of charge. The facility will also be home to the Department of Aging and Veterans Services and select Community Services Agency programs, including Adult Protective Services. This project is a public private partnership between Stanislaus County, City of Modesto, the Veterans Foundation of Stanislaus County and the property owner, Stone Brothers. The facility is expected to be occupied in the 1<sup>st</sup> Quarter of 2017.

Family Medicine and Pediatrics Clinic

The Health Services Agency, Family Medicine and Pediatrics Clinic ("Clinic"), built in the late 1970s, required facility improvements. A construction contract was awarded to Adrian Construction, Inc. to remodel the Family Medicine and Pediatrics Center located in Modesto, California. The Clinic provides services ranging from family medicine and pediatrics, to women's services, well child care, pregnancy care, gynecology, and family planning, with approximately 17,000 visits per year. The improvements included carpentry work, upgrades to the patient care areas, including the HVAC system and restrooms, and to the plumbing and electrical systems to improve overall care and safety of staff.

Behavioral Health and Recovery Services, Crisis Stabilization Unit

The Ceres Recovery Center located in Ceres, California is the location for many treatment programs provided by Behavioral Health and Recovery Services. Remodeling for a four person Crisis Stabilization Unit (CSU) was completed on February 27, 2016. The CSU has been identified as a critical need in Stanislaus County and was approved by the Board of Supervisors on November 13, 2012 as part of the 24/7 Secure Mental Health Services Strategic Plan. The CSU will allow the County to provide the appropriate level of care for individuals in crisis and thereby reducing the probability and higher costs of inpatient hospitalizations.

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

Public Safety Center Expansion to Build the SB 1022 Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center

The County obtained, upon appeal, \$40 million in State Lease Revenue Bonds to construct the next phase of the Public Safety Center Expansion. On April 19, 2016, the Board of Supervisors approved a contract to build the SB 1022 Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center. The REACT Center Project will enhance and expand the adult detention continuum of services with the completion of the AB 900 Phase II Public Safety Center Expansion projects (maximum security housing, medical mental health facilities), a Day Reporting Center and a County funded intake, release and transportation support facility. The construction of the REACT Center Project will allow the County to close the antiquated downtown Men's Jail, reserving the building for use as a Court Holding Facility only until the completion of the new State Courthouse project in downtown Modesto. The REACT Center will be a transitional housing and program based facility focused on positively reducing recidivism of offenders in the community.

AB 900 Phase II Project Two, Day Reporting Center

A critical component of the County's Public Safety Center Expansion and part of the \$80 million dollars (with a local 10% match) in State Lease Revenue Financing is the Day Reporting Center (Project Two) which was completed and occupied in Fiscal Year 2015-2016. The Day Reporting Center, occupied by the Probation Department, Sheriff's Office and Behavioral Health and Recovery Services, will assist the County in the management of its offender population under realignment by providing offender rehabilitative services.

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

**County of Stanislaus Capital Assets**  
**(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and right of ways	\$ 44,534,252	\$ 43,483,445	\$ 15,462,882	\$ 15,462,882	\$ 59,997,134	\$ 58,946,327
Infrastructure	135,500,460	160,510,222	-	-	135,500,460	160,510,222
Structures and improvements	134,089,721	138,200,398	4,261,001	5,223,311	138,350,722	143,423,709
Equipment	38,619,566	36,969,316	10,357,996	6,290,754	48,977,562	43,260,070
Intangible Assets	1,361,720	2,575,794	-	-	1,361,720	2,575,794
Construction in progress	114,475,314	60,268,376	305,943	173,026	114,781,257	60,441,402
Total	\$ 468,581,033	\$ 442,007,551	\$ 30,387,822	\$ 27,149,973	\$ 498,968,855	\$ 469,157,524

**County of Stanislaus  
Management’s Discussion and Analysis (Continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

**Long-Term Debt**

At June 30, 2016, the County had total long-term debt outstanding of \$143 million compared to \$151 million as of June 30, 2015. A net decrease of \$8 million is due to annual debt service payments.

As of December 2015, Stanislaus County’s credit rating is an “AA-” with a stable outlook from Standard & Poor’s Corporation and an “A1 with a stable outlook” from Moody’s Investors Service as of August 2012.

**County of Stanislaus  
Outstanding Debt (Principal)**

	Governmental Activities	
	2016	2015
Certificates of participation	\$ 7,275,000	\$ 11,725,000
Issue premium	221,899	362,046
2012 Lease refunding	3,127,429	4,598,695
2013 Lease refunding	9,915,000	14,765,000
Tobacco securitization note	85,343,611	87,448,611
Accreted interest tobacco note	36,413,839	31,738,345
Capital leases	483,456	466,372
Total	\$ 142,780,234	\$ 151,104,069

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

- The unemployment rate in the County for September 2016 was 7.5% compared to 5.3% for the State of California and 4.8% for the nation.
- Median home prices increased from September 2015 to September 2016 at the following rate:
  - 8.3% Stanislaus County
  - 6.1% Statewide
- Building permits for single family units issued in Stanislaus County decreased by 7.0% in September 2016S compared to the prior year. Statewide issuance of building permits for single family units increased by 6.7% for the same period.
- Assigned fund balance of \$7 million is being used to balance the General Fund budget for Fiscal Year 2015-2016.

**REQUESTS 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 Auditor-Controller’s Office, 1010 Tenth Street, Suite 5100, P.O. Box 770, Modesto, CA 95353.

# Basic Financial Statements





**County of Stanislaus**  
**Statement of Net Position**  
**June 30, 2016**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 378,849,899	\$ 33,319,321	\$ 412,169,220
Investments with fiscal agent	103,224,031	65,452	103,289,483
Taxes receivable	15,914,259	-	15,914,259
Accounts receivable	109,713,830	17,306,809	127,020,639
Interest and other receivables	2,019,393	205,089	2,224,482
Notes receivable	89,546	-	89,546
Inventory	831,549	5,497	837,046
Prepaid items	374,402	449,574	823,976
Loans to other governments	7,562,288	-	7,562,288
Restricted cash and investments	4,506,356	19,344,825	23,851,181
Investments - joint ventures	16,484,657	-	16,484,657
Capital assets (net of accumulated depreciation):			
Land & right of ways	44,534,252	15,462,882	59,997,134
Infrastructure	135,500,460	-	135,500,460
Structures and improvements	134,089,721	4,261,001	138,350,722
Equipment	38,619,566	10,357,996	48,977,562
Intangible assets	1,361,720	-	1,361,720
Construction in progress	114,475,314	305,943	114,781,257
Total capital assets	468,581,033	30,387,822	498,968,855
Total assets	1,108,151,243	101,084,389	1,209,235,632
<b>Deferred outflows of resources</b>			
Deferred pension	50,654,814	2,168,025	52,822,839
Total deferred outflows of resources	50,654,814	2,168,025	52,822,839
<b>Liabilities</b>			
Accounts payable	47,891,572	3,742,638	51,634,210
Salaries and benefits payable	15,974,507	868,606	16,843,113
Interest payable	319,676	-	319,676
Unearned revenue	44,024,509	-	44,024,509
Deposits from others	18,950	28,617	47,567
Due to other governments	128,178	-	128,178
Long-term liabilities:			
Portion due within one year:			
Risk management liability	13,984,205	97,114	14,081,319
Capital leases	207,564	-	207,564
Compensated absences	5,445,885	301,654	5,747,539
Long-term obligations	15,756,662	-	15,756,662
Portion due in more than one year:			
Risk management liability	20,461,799	89,049	20,550,848
Other post-employment benefits (OPEB)	9,941,060	612,997	10,554,057
Net pension liability	245,917,374	10,525,260	256,442,634
Capital leases payable	275,892	-	275,892
Compensated absences	25,160,166	926,318	26,086,484
Long-term obligations	126,540,116	-	126,540,116
Estimated cost of landfill closure/postclosure	-	10,196,244	10,196,244
Total liabilities	572,048,115	27,388,497	599,436,612
<b>Deferred inflows of resources</b>			
Deferred pension	32,366,420	1,385,282	33,751,702
Total deferred inflows of resources	32,366,420	1,385,282	33,751,702
<b>Net position</b>			
Net investment in capital assets	447,336,350	30,387,822	477,724,172
Restricted for:			
Capital projects	56,805,820	-	56,805,820
Debt service	10,299,520	-	10,299,520
Other purposes	237,310,763	19,393,530	256,704,293
Unrestricted (deficit)	(197,360,931)	24,697,283	(172,663,648)
Total net position	\$ 554,391,522	\$ 74,478,635	\$ 628,870,157

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

**County of Stanislaus  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government</b>				
<b>Governmental activities:</b>				
General government	\$ 39,924,809	\$ 19,503,916	\$ 85,636,495	\$ 47,703,637
Public protection	226,360,587	48,864,976	61,029,662	99,194
Public ways and facilities	70,723,726	8,190,648	13,168,438	19,342,943
Health and sanitation	133,992,756	48,465,224	68,729,211	57,974
Public assistance	325,543,153	12,578,244	286,326,005	-
Education	10,575,336	736,246	281,941	32,506
Recreation	7,130,168	3,559,754	699,510	55,592
Interest on long-term debt	(15,049,070)	-	-	-
Total governmental activities	<u>799,201,465</u>	<u>141,899,008</u>	<u>515,871,262</u>	<u>67,291,846</u>
<b>Business-type activities:</b>				
Landfills	7,353,713	6,969,365	216,174	-
Health Clinics & Ancillary	38,183,676	38,369,412	179,354	-
Inmate Welfare and Commissary	1,642,511	1,859,908	13,740	-
Transit	6,348,722	510,822	1,081,805	-
Total business-type activities	<u>53,528,622</u>	<u>47,709,507</u>	<u>1,491,073</u>	<u>-</u>
Total primary government	<u>\$ 852,730,087</u>	<u>\$ 189,608,515</u>	<u>\$ 517,362,335</u>	<u>\$ 67,291,846</u>

Taxes:

- Property taxes
- Property taxes in lieu vehicle license fees
- Property taxes - unsecured
- Sales taxes
- Sales taxes - library
- Sales taxes - road
- In lieu sales tax
- Other taxes
- Franchise fees
- Unrestricted investment earnings
- Sale of fixed assets
- Miscellaneous
- Net transfers
- Total general revenues and transfers

Change in net position

Net position--beginning  
Net position--ending

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

**County of Stanislaus  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016**

<u>Net (Expense) Revenue and Changes in Net Assets</u>			
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Functions/Programs</u>
			<b>Primary government</b>
			<b>Governmental activities:</b>
\$ 112,919,239	\$ -	\$ 112,919,239	General government
(116,366,755)	-	(116,366,755)	Public protection
(30,021,697)	-	(30,021,697)	Public ways and facilities
(16,740,347)	-	(16,740,347)	Health and sanitation
(26,638,904)	-	(26,638,904)	Public assistance
(9,524,643)	-	(9,524,643)	Education
(2,815,312)	-	(2,815,312)	Recreation
15,049,070	-	15,049,070	Interest on long-term debt
<u>(74,139,349)</u>	<u>-</u>	<u>(74,139,349)</u>	Total governmental activities
			<b>Business-type activities:</b>
-	(168,174)	(168,174)	Landfills
-	365,090	365,090	Health Clinics & Ancillary
-	231,137	231,137	Inmate Welfare and Commissary
-	(4,756,095)	(4,756,095)	Transit
<u>-</u>	<u>(4,328,042)</u>	<u>(4,328,042)</u>	Total business-type activities
			Total primary government
\$ (74,139,349)	\$ (4,328,042)	\$ (78,467,391)	
			Taxes:
55,545,302	-	55,545,302	Property taxes
53,882,026	-	53,882,026	Property taxes in lieu vehicle license fees
2,358,246	-	2,358,246	Property taxes - unsecured
19,246,151	6,856,640	26,102,791	Sales taxes
9,663,076	-	9,663,076	Sales taxes - library
782,674	-	782,674	Sales taxes - road
4,519,763	-	4,519,763	In lieu sales tax
3,451,718	-	3,451,718	Other taxes
1,189,904	-	1,189,904	Franchise fees
718,321	1,345,053	2,063,374	Unrestricted investment earnings
-	(61,574)	(61,574)	Sale of fixed assets
8,465,542	-	8,465,542	Miscellaneous
(6,578,887)	6,578,887	-	Net transfers
<u>153,243,836</u>	<u>14,719,006</u>	<u>167,962,842</u>	Total general revenues and transfers
			Change in net position
79,104,487	10,390,964	89,495,451	
			Net position--beginning
475,287,035	64,087,671	539,374,706	
<u>\$ 554,391,522</u>	<u>\$ 74,478,635</u>	<u>\$ 628,870,157</u>	Net position--ending

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

**County of Stanislaus  
Balance Sheet  
Governmental Funds  
June 30, 2016**

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and investments	\$ 130,217,507	\$ -	\$ 40,132,530	\$ 9,998,989	\$ 46,986,573	\$ 98,719,319	\$ 326,054,918
Investments with fiscal agent	-	93,042,538	-	-	-	10,181,493	103,224,031
Taxes receivable	15,914,259	-	-	-	-	-	15,914,259
Accounts receivable	17,450,556	2,613,857	23,316,002	20,782,358	-	45,240,963	109,403,736
Interest and other receivables	621,831	925,579	96,722	-	129,376	136,553	1,910,061
Notes receivable	89,546	-	-	-	-	-	89,546
Inventory	-	-	-	-	-	484,204	484,204
Due from other funds	6,624,150	-	749,437	-	-	21,731	7,395,318
Loans to other governments	1,942,477	5,619,811	-	-	-	-	7,562,288
Advances to other funds	100,000	-	-	-	-	-	100,000
Prepaid items	175,301	-	-	-	-	199,101	374,402
Restricted cash and investments	4,506,356	-	-	-	-	-	4,506,356
<b>Total assets</b>	<b>177,641,983</b>	<b>102,201,785</b>	<b>64,294,691</b>	<b>30,781,347</b>	<b>47,115,949</b>	<b>154,983,364</b>	<b>577,019,119</b>
<b>Liabilities</b>							
Accounts payable	4,378,331	-	14,430,115	10,539,201	-	15,739,718	45,087,365
Salaries and benefits payable	6,763,537	-	1,859,959	3,545,898	-	3,454,538	15,623,932
Due to other funds	707,780	-	-	63,388	-	6,624,150	7,395,318
Due to other governments	-	-	-	-	-	128,178	128,178
Deposits from others	18,950	-	-	-	-	-	18,950
Advances from grantors & third parties	818,149	-	26,153,468	16,427,316	-	625,578	44,024,511
Advances from other funds	-	-	-	-	-	100,000	100,000
<b>Total liabilities</b>	<b>12,686,747</b>	<b>-</b>	<b>42,443,542</b>	<b>30,575,803</b>	<b>-</b>	<b>26,672,162</b>	<b>112,378,254</b>
<b>Fund balances</b>							
Non-spendable	14,137,929	-	8,550	25,450	-	534,132	14,706,061
Restricted	4,506,356	102,201,785	16,242,093	(19,796)	46,867,097	103,952,601	273,750,136
Committed	7,772,769	-	2,957,886	-	-	699,952	11,430,607
Assigned	128,572,135	-	2,866,736	199,890	248,852	23,124,517	155,012,130
Unassigned:							
General fund	9,966,047	-	-	-	-	-	9,966,047
Special revenue funds	-	-	(224,116)	-	-	-	(224,116)
<b>Total fund balances</b>	<b>164,955,236</b>	<b>102,201,785</b>	<b>21,851,149</b>	<b>205,544</b>	<b>47,115,949</b>	<b>128,311,202</b>	<b>464,640,865</b>
<b>Total liabilities, deferred inflows of resources &amp; fund balances</b>	<b>\$ 177,641,983</b>	<b>\$ 102,201,785</b>	<b>\$ 64,294,691</b>	<b>\$ 30,781,347</b>	<b>\$ 47,115,949</b>	<b>\$ 154,983,364</b>	<b>\$ 577,019,119</b>

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



**County of Stanislaus**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2016**

Total fund balances for governmental funds (page 20) \$ 464,640,865

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 44,534,252	
Intangible Assets - Internally Generated Software	279,881	
Infrastructure	135,500,460	
Structures and improvements	133,463,594	
Equipment	31,719,043	
Construction in progress	<u>114,475,314</u>	
Total capital assets		459,972,544

Investments - Joint ventures 16,484,657

Internal service funds are used by the County to charge the cost of risk management, plus central services, fleet services, technology and communication, Morgan Shop garage, and facility maintenance to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets. 18,391,840

Some of the County's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are not recognized as revenue in the funds.

Net pension liability and Deferred Outflows and inflows of resources (222,709,317)

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net assets.

Balances at June 30, 2016 are:

Certificates of participation	\$ (7,496,899)	
Bonds payable and Loans	(13,042,429)	
Tobacco securitization notes	(121,757,450)	
Capital leases	(483,456)	
Accrued interest on long term debt	(319,676)	
Other post-employment benefits (OPEB)	(9,658,934)	
Compensated absences	<u>(29,630,223)</u>	
Total long-term liabilities		(182,389,067)

Net position of governmental activities (page 17) \$ 554,391,522

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

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

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 137,295,303	\$ -	\$ -	\$ -	\$ -	\$ 12,153,653	\$ 149,448,956
Licenses, permits and franchises	2,433,035	-	-	85,600	-	2,078,761	4,597,396
Fines, forfeitures and penalties	6,519,797	-	60,096	-	-	1,864,251	8,444,144
Revenue from use of money and property	5,757,583	6,320,597	773,997	542	538,424	1,007,108	14,398,251
Intergovernmental	77,860,546	-	54,209,638	202,962,527	-	233,944,750	568,977,461
Charges for services	49,551,463	-	36,832,291	1,257,474	4,683,563	37,687,279	130,012,070
Miscellaneous	1,295,361	-	35,907	7,886	29,133	5,325,358	6,693,645
<b>Total revenues</b>	<b>280,713,088</b>	<b>6,320,597</b>	<b>91,911,929</b>	<b>204,314,029</b>	<b>5,251,120</b>	<b>294,061,160</b>	<b>882,571,923</b>
<b>Expenditures</b>							
<b>Current:</b>							
General government	35,430,772	-	-	-	-	425,830	35,856,602
Public protection	159,012,719	-	1,217,508	-	-	60,744,638	220,974,865
Public ways and facilities	475,487	-	-	-	-	45,491,840	45,967,327
Health and sanitation	9,492,558	-	90,733,452	-	-	34,499,038	134,725,048
Public assistance	507,900	-	-	228,664,933	-	97,760,626	326,933,459
Education	451,830	-	-	-	-	9,715,473	10,167,303
Recreation and cultural services	5,533,827	-	-	-	-	916,966	6,450,793
Capital outlay	-	-	-	-	45,540	61,691,021	61,736,561
<b>Debt service:</b>							
Interest and fiscal charges	485	-	108	13,678	-	3,503,525	3,517,796
Principal	7,525	-	3,288	177,744	-	12,923,576	13,112,133
<b>Total expenditures</b>	<b>210,913,103</b>	<b>-</b>	<b>91,954,356</b>	<b>228,856,355</b>	<b>45,540</b>	<b>327,672,533</b>	<b>859,441,887</b>
Excess (deficiency) of revenues over (under) expenditures	69,799,985	6,320,597	(42,427)	(24,542,326)	5,205,580	(33,611,373)	23,130,036
<b>Other financing sources (uses)</b>							
Capital lease proceeds	-	-	-	247,658	-	-	247,658
Transfers in	8,666,934	-	3,620,426	24,508,449	310,674	41,895,863	79,002,346
Transfers out	(56,901,376)	(2,956,968)	-	(181,632)	(20,681,400)	(4,851,813)	(85,573,189)
Sale of capital assets	1,026,566	-	-	1,106	-	744,225	1,771,897
<b>Total other financing sources (uses)</b>	<b>(47,207,876)</b>	<b>(2,956,968)</b>	<b>3,620,426</b>	<b>24,575,581</b>	<b>(20,370,726)</b>	<b>37,788,275</b>	<b>(4,551,288)</b>
<b>Net change in fund balances</b>	<b>22,592,109</b>	<b>3,363,629</b>	<b>3,577,999</b>	<b>33,255</b>	<b>(15,165,146)</b>	<b>4,176,902</b>	<b>18,578,748</b>
<b>Fund balances -- beginning</b>	<b>142,363,127</b>	<b>98,838,156</b>	<b>18,273,150</b>	<b>172,289</b>	<b>62,281,095</b>	<b>124,134,300</b>	<b>446,062,117</b>
<b>Fund balances -- ending</b>	<b>\$ 164,955,236</b>	<b>\$ 102,201,785</b>	<b>\$ 21,851,149</b>	<b>\$ 205,544</b>	<b>\$ 47,115,949</b>	<b>\$ 128,311,202</b>	<b>\$ 464,640,865</b>

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

**County of Stanislaus**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2016**

Net change in fund balances - total government funds (page 22)	\$	18,578,748
<p>The change in net position reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for capital assets and infrastructure	\$ 65,753,637	
Less current year depreciation	<u>(32,008,841)</u>	33,744,796
<p>The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets</p>		
		(6,077,415)
<p>Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net assets</p>		
		(247,658)
<p>Repayments of debt principal and issuance premiums are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and premiums are amortized in the statement of activities.</p>		
<p>Repayments:</p>		
Certificate of participation	\$ 4,450,000	
Other long-term debt	8,426,266	
Capital lease	230,575	
Amortization of issuance premium	<u>140,147</u>	13,246,988
<p>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 governmental funds.</p>		
Other post-employment benefits (OPEB)	\$ (1,140,434)	
Change in investment in joint ventures	(856,386)	
Change in accrued interest payable	90,501	
Change in Tobacco accreted interest payable	(4,675,494)	
Change in compensated absences	105,134	
Change in deferred charges	<u></u>	(6,476,679)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.</p>		
		1,919,903
<p>Change in net pension liability and deferred outflows and inflows of resources</p>		
		24,415,804
Change in net assets of governmental activities (page 19)	<u>\$</u>	<u>79,104,487</u>

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



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 126,319,000	\$ 132,721,488	\$ 137,295,303	\$ 4,573,815
Licenses, permits and franchises	2,365,426	2,365,426	2,433,035	67,609
Fines, forfeitures and penalties	5,066,123	5,066,123	6,519,797	1,453,674
Revenue from use of money and property	3,406,873	4,464,729	5,757,583	1,292,854
Intergovernmental revenue	67,007,734	78,732,803	77,860,546	(872,257)
Charges for services	46,414,517	47,375,281	49,551,463	2,176,182
Miscellaneous revenue	817,328	892,766	1,295,361	402,595
Total revenues - General Fund	<u>251,397,001</u>	<u>271,618,616</u>	<u>280,713,088</u>	<u>9,094,472</u>
<b>Expenditures: General Government</b>				
<b>Assessor</b>				
Salaries and employee benefits	4,945,335	5,132,945	5,042,795	90,150
Services and supplies	444,351	560,351	434,864	125,487
Other charges	345,984	375,823	373,224	2,599
Expenditure transfer	1,225	225	135	90
Total expenditures	<u>5,736,895</u>	<u>6,069,344</u>	<u>5,851,018</u>	<u>218,326</u>
<b>Auditor-Controller</b>				
Salaries and employee benefits	3,978,689	4,005,991	3,887,715	118,276
Services and supplies	129,797	129,797	103,438	26,359
Other charges	256,526	256,526	265,804	(9,278)
Expenditure transfer	200	200	45	155
Fixed assets	-	13,000	10,912	2,088
Total expenditures	<u>4,365,212</u>	<u>4,405,514</u>	<u>4,267,914</u>	<u>137,600</u>
<b>Board of Supervisors</b>				
Salaries and employee benefits	887,472	878,772	802,424	76,348
Services and supplies	101,324	110,024	102,872	7,152
Other charges	65,242	65,242	66,566	(1,324)
Total expenditures	<u>1,054,038</u>	<u>1,054,038</u>	<u>971,862</u>	<u>82,176</u>
<b>Chief Executive</b>				
Salaries and employee benefits	4,308,725	4,964,725	4,689,690	275,035
Services and supplies	3,191,667	2,535,417	1,153,783	1,381,634
Other charges	433,292	433,292	393,583	39,709
Expenditure transfer	50	300	150	150
Total expenditures	<u>7,933,734</u>	<u>7,933,734</u>	<u>6,237,206</u>	<u>1,696,528</u>
<b>Economic Development</b>				
Services and supplies	1,508,668	1,508,668	33,927	1,474,741
Total expenditures	<u>1,508,668</u>	<u>1,508,668</u>	<u>33,927</u>	<u>1,474,741</u>
<b>Risk Management</b>				
Salaries and employee benefits	1,574,689	1,539,689	1,315,099	224,590
Services and supplies	128,150	153,150	141,658	11,492
Other charges	71,416	81,416	79,675	1,741
Expenditure transfer	300	300	-	300
Total expenditures	<u>\$ 1,774,555</u>	<u>\$ 1,774,555</u>	<u>\$ 1,536,432</u>	<u>\$ 238,123</u>

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



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
CEO - Focus on Prevention				
Services and supplies	\$ 1,072,825	\$ 1,072,825	\$ 213,000	\$ 859,825
Total expenditures	1,072,825	1,072,825	213,000	859,825
CEO - ADA Self-Evaluation and Transition Plan Project				
Salaries and employee benefits	-	52,500	-	52,500
Services and supplies	-	747,200	674,500	72,700
Total expenditures	-	799,700	674,500	125,200
CEO - Discretionary Revenue				
Expenditure transfer	-	-	(51,148)	51,148
Total expenditures	-	-	(51,148)	51,148
Capital Improvement Financing Authority				
Services and supplies	140,633	140,633	22,132	118,501
Total expenditures	140,633	140,633	22,132	118,501
Plant Acquisition				
Salaries and employee benefits	65,855	266,853	262,049	4,804
Services and supplies	5,628,943	6,496,675	1,990,154	4,506,521
Other charges	3,180	41,500	38,985	2,515
Expenditure transfer	-	-	750	(750)
Total expenditures	5,697,978	6,805,028	2,291,938	4,513,090
General Fund Contribution to Other Programs				
Other charges	3,764,334	4,419,334	4,237,406	181,928
Total expenditures	3,764,334	4,419,334	4,237,406	181,928
Appropriations for Contingencies				
Appropriations for contingencies	8,170,864	4,943,827	-	4,943,827
Total expenditures	8,170,864	4,943,827	-	4,943,827
County Facilities				
Services and supplies	3,563,201	3,239,351	82,729	3,156,622
Other charges	1,079,403	678,173	564,001	114,172
Expenditure transfer	53,539	53,539	35,375	18,164
Fixed assets	-	118,900	112,011	6,889
Total expenditures	4,696,143	4,089,963	794,116	3,295,847
Elections Division				
Salaries and employee benefits	1,172,300	1,142,342	1,058,299	84,043
Services and supplies	2,681,459	2,862,816	1,718,053	1,144,763
Other charges	102,424	103,255	103,255	-
Expenditure transfer	1,750	1,750	30	1,720
Fixed assets	4,940	4,940	-	4,940
Total expenditures	\$ 3,962,873	\$ 4,115,103	\$ 2,879,637	\$ 1,235,466

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>County Counsel</b>				
Salaries and employee benefits	\$ 2,140,159	\$ 2,250,183	\$ 2,108,500	\$ 141,683
Services and supplies	216,036	216,036	81,036	135,000
Other charges	125,488	125,488	127,494	(2,006)
Expenditure transfer	-	-	15	(15)
Total expenditures	2,481,683	2,591,707	2,317,045	274,662
<b>Treasurer and Tax Collector</b>				
Salaries and employee benefits	1,450,999	1,450,999	1,073,370	377,629
Services and supplies	222,123	217,023	180,685	36,338
Other charges	131,477	136,577	136,469	108
Expenditure transfer	25,420	25,420	(81,081)	106,501
Total expenditures	1,830,019	1,830,019	1,309,443	520,576
<b>Revenue Recovery</b>				
Salaries and employee benefits	1,357,272	1,343,322	1,295,442	47,880
Services and supplies	228,486	228,486	185,515	42,971
Other charges	110,315	124,265	121,398	2,867
Expenditure transfer	(662,500)	(662,500)	(492,490)	(170,010)
Fixed assets	3,000	3,000	-	3,000
Total expenditures	1,036,573	1,036,573	1,109,865	(73,292)
<b>Treasury</b>				
Salaries and employee benefits	315,614	333,392	333,392	-
Services and supplies	131,010	103,531	78,781	24,750
Other charges	29,291	38,992	38,992	-
Expenditure transfer	115,000	115,000	115,000	-
Total expenditures	590,915	590,915	566,165	24,750
<b>GSA - Building Maintenance</b>				
Services and supplies	-	200	177	23
Total expenditures	-	200	177	23
<b>General Services Agency</b>				
Salaries and employee benefits	598,642	595,842	565,661	30,181
Services and supplies	12,611	12,611	11,260	1,351
Other charges	23,408	26,208	24,702	1,506
Total expenditures	634,661	634,661	601,623	33,038
<b>Expenditures: Public Protection</b>				
<b>Agricultural Commissioner</b>				
Salaries and employee benefits	4,672,890	4,695,191	3,514,574	1,180,617
Services and supplies	321,156	351,661	312,884	38,777
Other charges	410,849	395,849	359,834	36,015
Expenditure transfer	73,335	87,830	87,003	827
Fixed assets	121,000	158,500	155,064	3,436
Total expenditures	\$ 5,599,230	\$ 5,689,031	\$ 4,429,359	\$ 1,259,672

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Office of Emergency Services</b>				
Salaries and employee benefits	\$ 863,782	\$ 863,782	\$ 853,103	\$ 10,679
Services and supplies	960,985	1,059,135	614,890	444,245
Other charges	241,758	241,758	210,324	31,434
Expenditure transfer	800	800	634	166
Total expenditures	<u>2,067,325</u>	<u>2,165,475</u>	<u>1,678,951</u>	<u>486,524</u>
<b>County Court Funding</b>				
Services and supplies	230,000	230,000	169,743	60,257
Other charges	5,778,320	5,778,320	5,444,265	334,055
Expenditure transfer	483,612	483,612	444,908	38,704
Total expenditures	<u>6,491,932</u>	<u>6,491,932</u>	<u>6,058,916</u>	<u>433,016</u>
<b>Sheriff - Ray Simon Training Center</b>				
Services and supplies	-	-	(181)	181
Total expenditures	<u>-</u>	<u>-</u>	<u>(181)</u>	<u>181</u>
<b>Recorder Division</b>				
Salaries and employee benefits	1,598,844	1,596,530	1,550,247	46,283
Services and supplies	172,773	172,773	64,638	108,135
Other charges	264,129	264,129	255,222	8,907
Expenditure transfer	300	425	425	-
Fixed assets	213,198	215,387	(491)	215,878
Total expenditures	<u>2,249,244</u>	<u>2,249,244</u>	<u>1,870,041</u>	<u>379,203</u>
<b>District Attorney</b>				
Salaries and employee benefits	12,641,799	13,148,052	12,875,827	272,225
Services and supplies	1,203,224	1,408,318	1,192,012	216,306
Other charges	921,875	981,875	997,317	(15,442)
Expenditure transfer	400	400	(18,991)	19,391
Appropriations for contingencies	357,220	52,458	-	52,458
Fixed assets	333,680	273,680	225,848	47,832
Total expenditures	<u>15,458,198</u>	<u>15,864,783</u>	<u>15,272,013</u>	<u>592,770</u>
<b>Planning</b>				
Salaries and employee benefits	1,696,402	1,656,402	1,521,140	135,262
Services and supplies	150,864	150,864	98,960	51,904
Other charges	179,264	219,264	199,656	19,608
Expenditure transfer	2,280	2,280	544	1,736
Total expenditures	<u>2,028,810</u>	<u>2,028,810</u>	<u>1,820,300</u>	<u>208,510</u>
<b>Probation Administration</b>				
Salaries and employee benefits	1,991,091	2,277,725	2,124,871	152,854
Services and supplies	322,260	337,260	330,730	6,530
Other charges	444,304	444,304	458,725	(14,421)
Expenditure transfer	-	-	1,575	(1,575)
Appropriations for contingencies	199,120	56,068	-	56,068
Total expenditures	<u>\$ 2,956,775</u>	<u>\$ 3,115,357</u>	<u>\$ 2,915,901</u>	<u>\$ 199,456</u>

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



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Probation Community Corrections Partnership</b>				
Salaries and employee benefits	\$ 3,172,673	\$ 3,290,861	\$ 3,290,034	\$ 827
Services and supplies	826,211	738,699	736,451	2,248
Other charges	36,553	36,957	36,957	-
<b>Total expenditures</b>	<u>4,035,437</u>	<u>4,066,517</u>	<u>4,063,442</u>	<u>3,075</u>
<b>Probation Juvenile Commitment Facility</b>				
Salaries and employee benefits	2,984,196	2,648,292	2,333,673	314,619
Services and supplies	272,700	272,700	242,517	30,183
Other charges	364,897	364,897	357,203	7,694
Fixed assets	2,000	2,000	773	1,227
<b>Total expenditures</b>	<u>3,623,793</u>	<u>3,287,889</u>	<u>2,934,166</u>	<u>353,723</u>
<b>Probation - Field Services</b>				
Salaries and employee benefits	8,917,471	8,783,477	8,625,506	157,971
Services and supplies	791,199	826,375	815,873	10,502
Other charges	857,145	857,145	737,170	119,975
Expenditure transfer	-	6,500	9,474	(2,974)
Appropriations for contingencies	224,400	45,339	-	45,339
Fixed assets	226,000	497,379	267,288	230,091
<b>Total expenditures</b>	<u>11,016,215</u>	<u>11,016,215</u>	<u>10,455,311</u>	<u>560,904</u>
<b>Probation - Institutions</b>				
Salaries and employee benefits	5,286,511	5,686,511	5,656,978	29,533
Services and supplies	451,787	451,787	355,315	96,472
Other charges	512,823	508,823	454,668	54,155
Expenditure transfer	-	4,000	950	3,050
Fixed assets	34,300	34,300	4,983	29,317
<b>Total expenditures</b>	<u>6,285,421</u>	<u>6,685,421</u>	<u>6,472,894</u>	<u>212,527</u>
<b>Public Defender</b>				
Salaries and employee benefits	5,045,062	5,209,062	5,207,754	1,308
Services and supplies	372,951	468,751	477,082	(8,331)
Other charges	289,839	289,839	277,226	12,613
Expenditure transfer	68,000	62,200	47,724	14,476
Appropriations for contingencies	220,000	23,200	-	23,200
Fixed assets	-	47,800	-	47,800
<b>Total expenditures</b>	<u>5,995,852</u>	<u>6,100,852</u>	<u>6,009,786</u>	<u>91,066</u>
<b>Indigent Defense</b>				
Services and supplies	4,661,460	4,661,460	4,575,984	85,476
<b>Total expenditures</b>	<u>4,661,460</u>	<u>4,661,460</u>	<u>4,575,984</u>	<u>85,476</u>
<b>Sheriff's Administration</b>				
Salaries and employee benefits	7,353,132	7,936,631	7,936,631	-
Services and supplies	1,117,629	1,247,003	1,231,258	15,745
Other charges	663,852	679,852	661,860	17,992
Expenditure transfer	(39,150)	(39,150)	(45,217)	6,067
Fixed assets	457,698	497,491	494,855	2,636
<b>Total expenditures</b>	<u>\$ 9,553,161</u>	<u>\$ 10,321,827</u>	<u>\$ 10,279,387</u>	<u>\$ 42,440</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Sheriff's Operations</b>				
Salaries and employee benefits	\$ 17,772,385	\$ 20,106,767	\$ 20,106,714	\$ 53
Services and supplies	5,351,079	7,057,508	6,736,030	321,478
Other charges	2,303,831	2,463,540	2,419,730	43,810
Expenditure transfer	(573,560)	(573,560)	(542,184)	(31,376)
Appropriations for contingencies	2,328,862	528,140	-	528,140
Fixed assets	2,603,645	3,122,030	2,886,255	235,775
Total expenditures	<u>29,786,242</u>	<u>32,704,425</u>	<u>31,606,545</u>	<u>1,097,880</u>
<b>Sheriff's Detention</b>				
Salaries and employee benefits	30,090,011	31,781,011	31,770,908	10,103
Services and supplies	5,370,879	4,708,579	4,466,220	242,359
Other charges	3,878,144	3,398,144	3,265,806	132,338
Expenditure transfer	24,800	24,800	9,906	14,894
Fixed assets	567,022	647,022	240,909	406,113
Total expenditures	<u>39,930,856</u>	<u>40,559,556</u>	<u>39,753,749</u>	<u>805,807</u>
<b>Sheriff's Contract Cities</b>				
Salaries and employee benefits	8,284,619	8,250,268	7,964,974	285,294
Services and supplies	1,364,209	1,421,208	1,378,844	42,364
Other charges	656,236	793,736	588,664	205,072
Expenditure transfer	45,000	45,000	43,753	1,247
Fixed assets	292,500	182,501	7,153	175,348
Total expenditures	<u>10,642,564</u>	<u>10,692,713</u>	<u>9,983,388</u>	<u>709,325</u>
<b>Grand Jury</b>				
Salaries and employee benefits	54,700	59,580	59,580	-
Services and supplies	79,353	74,473	30,534	43,939
Other charges	15,703	15,703	13,072	2,631
Expenditure transfer	300	300	95	205
Total expenditures	<u>150,056</u>	<u>150,056</u>	<u>103,281</u>	<u>46,775</u>
<b>Expenditures: Public Ways</b>				
<b>Airport</b>				
Services and supplies	190,000	190,000	147,624	42,376
Total expenditures	<u>190,000</u>	<u>190,000</u>	<u>147,624</u>	<u>42,376</u>
<b>CEO Crows Landing Air Facility</b>				
Services and supplies	1,690,284	1,635,322	107,248	1,528,074
Other charges	2,994	29,686	29,641	45
Total expenditures	<u>1,693,278</u>	<u>1,665,008</u>	<u>136,889</u>	<u>1,528,119</u>
<b>Expenditures: Health and Sanitation</b>				
<b>CEO Jail Medical</b>				
Services and supplies	9,635,116	9,635,116	9,492,529	142,587
Other charges	50	50	29	21
Total expenditures	<u>\$ 9,635,166</u>	<u>\$ 9,635,166</u>	<u>\$ 9,492,558</u>	<u>\$ 142,608</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Expenditures: Public Assistance</b>				
Veterans' Services				
Salaries and employee benefits	\$ 456,466	\$ 498,739	\$ 433,821	\$ 64,918
Services and supplies	61,214	53,214	36,237	16,977
Other charges	36,462	44,462	39,040	5,422
Total expenditures	<u>554,142</u>	<u>596,415</u>	<u>509,098</u>	<u>87,317</u>
<b>Expenditures: Education</b>				
Cooperative Extension				
Salaries and employee benefits	331,308	331,308	317,425	13,883
Services and supplies	20,810	20,810	11,269	9,541
Other charges	123,319	123,319	123,228	91
Expenditure transfer	-	-	20	(20)
Total expenditures	<u>475,437</u>	<u>475,437</u>	<u>451,942</u>	<u>23,495</u>
<b>Expenditures: Recreation and Cultural Services</b>				
Parks and Recreation				
Salaries and employee benefits	2,694,631	2,533,751	2,533,751	-
Services and supplies	1,569,816	1,711,700	1,550,249	161,451
Other charges	1,030,096	1,030,096	996,303	33,793
Expenditure transfer	91,907	175,045	163,862	11,183
Fixed assets	310,042	345,900	144,893	201,007
Total expenditures	<u>5,696,492</u>	<u>5,796,492</u>	<u>5,389,058</u>	<u>407,434</u>
Tuolumne River Regional Park				
Services and supplies	129,675	129,675	129,675	-
Total expenditures	<u>129,675</u>	<u>129,675</u>	<u>129,675</u>	<u>-</u>
<b>Expenditures: Debt Service</b>				
Debt Service				
Other charges	-	143,912	143,912	-
Expenditure transfer	-	-	(85,930)	85,930
Total expenditures	<u>-</u>	<u>143,912</u>	<u>57,982</u>	<u>85,930</u>
Total expenditures - General Fund	<u>237,359,364</u>	<u>242,300,009</u>	<u>212,462,318</u>	<u>29,837,691</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,037,637</u>	<u>29,318,607</u>	<u>68,250,770</u>	<u>38,932,163</u>
<b>Other financing sources (uses)</b>				
Transfers in	8,260,625	9,154,407	8,666,934	(487,473)
Transfers out	(47,912,674)	(56,832,040)	(56,901,376)	(69,336)
Sale of capital assets	-	999,075	1,026,566	27,491
Total other financing sources (uses)	<u>(39,652,049)</u>	<u>(46,678,558)</u>	<u>(47,207,876)</u>	<u>(529,318)</u>
Net change in fund balance	<u>(25,614,412)</u>	<u>(17,359,951)</u>	<u>21,042,894</u>	<u>38,402,845</u>
Fund balance -- beginning	<u>142,363,127</u>	<u>142,363,127</u>	<u>142,363,127</u>	<u>-</u>
Fund balance -- ending	<u>\$ 116,748,715</u>	<u>\$ 125,003,176</u>	<u>\$ 163,406,021</u>	<u>\$ -</u>

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



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Behavior Health and Recovery – Special Revenue Fund**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines, forfeitures, and penalties	\$ 98,200	\$ 98,200	\$ 60,096	\$ (38,104)
Revenue from use of money and property	629,117	629,117	773,997	144,880
Intergovernmental revenue	61,825,243	63,110,387	54,209,638	(8,900,749)
Charges for services	34,365,253	34,907,188	36,832,291	1,925,103
Miscellaneous revenue	508,179	508,179	35,857	(472,322)
Donation	-	-	50	50
Total revenues - Behavioral Health and Recovery	<u>97,425,992</u>	<u>99,253,071</u>	<u>91,911,929</u>	<u>(7,341,142)</u>
<b>Expenditures: Public Protection</b>				
Salaries and employee benefits	926,634	926,634	893,099	33,535
Services and supplies	82,239	82,239	63,042	19,197
Other charges	155,620	155,620	136,718	18,902
Expenditure transfer	116,081	116,081	123,006	(6,925)
Total expenditures	<u>1,280,574</u>	<u>1,280,574</u>	<u>1,215,865</u>	<u>64,709</u>
<b>Expenditures: Health and Sanitation</b>				
Salaries and employee benefits	43,216,942	42,994,793	38,463,977	4,530,816
Services and supplies	54,133,138	56,107,893	47,069,193	9,038,700
Other charges	6,839,910	6,964,383	5,579,435	1,384,948
Fixed assets	1,038,428	1,079,720	436,246	643,474
Expenditure transfer	(116,081)	(116,081)	(123,006)	6,925
Total expenditures	<u>105,112,337</u>	<u>107,030,708</u>	<u>91,425,845</u>	<u>15,604,863</u>
Total expenditures - Behavioral Health and Recovery	<u>106,392,911</u>	<u>108,311,282</u>	<u>92,641,710</u>	<u>15,669,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,966,919)</u>	<u>(9,058,211)</u>	<u>(729,781)</u>	<u>8,328,430</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,302,262	2,343,554	3,620,426	1,276,872
Transfers out	(151,800)	(151,800)	-	151,800
Total other financing sources (uses)	<u>2,150,462</u>	<u>2,191,754</u>	<u>3,620,426</u>	<u>1,428,672</u>
Net change in fund balance	<u>(6,816,457)</u>	<u>(6,866,457)</u>	<u>2,890,645</u>	<u>9,757,102</u>
<b>Fund balance - beginning</b>	<u>18,273,150</u>	<u>18,273,150</u>	<u>18,273,150</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 11,456,693</u>	<u>\$ 11,406,693</u>	<u>\$ 21,163,795</u>	<u>\$ -</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Community Services Agency – Special Revenue Fund**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Licenses, permits and franchises	\$ 78,653	\$ 85,600	\$ 85,600	\$ -
Revenue from use of money and property	-	90	542	452
Intergovernmental revenue	243,608,773	220,169,710	202,962,527	(17,207,183)
Charges for services	904,689	1,943,390	1,257,474	(685,916)
Miscellaneous revenue	608,194	14,553	7,886	(6,667)
Total revenues - Community Services Agency	<u>245,200,309</u>	<u>222,213,343</u>	<u>204,314,029</u>	<u>(17,899,314)</u>
<b>Expenditures: Public Assistance</b>				
Salaries and employee benefits	88,699,019	85,146,363	80,196,852	4,949,511
Services and supplies	23,716,800	24,658,786	20,791,423	3,867,363
Other charges	140,524,683	135,769,679	127,578,866	8,190,813
Fixed assets	310,000	325,000	482,103	(157,103)
Total expenditures - Community Services Agency	<u>253,250,502</u>	<u>245,899,828</u>	<u>229,049,244</u>	<u>16,850,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,050,193)</u>	<u>(23,686,485)</u>	<u>(24,735,215)</u>	<u>(1,048,730)</u>
<b>Other financing sources (uses)</b>				
Transfers in	8,072,241	24,121,913	24,508,449	386,536
Transfers out	-	(433,440)	(181,632)	251,808
Sale of capital assets	-	-	1,106	1,106
Capital lease proceeds	-	-	247,658	247,658
Total other financing sources (uses)	<u>8,072,241</u>	<u>23,688,473</u>	<u>24,575,581</u>	<u>887,108</u>
Net change in fund balance	<u>22,048</u>	<u>1,988</u>	<u>(159,634)</u>	<u>(161,622)</u>
<b>Fund balance - beginning</b>	<u>172,289</u>	<u>172,289</u>	<u>172,289</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 194,337</u>	<u>\$ 174,277</u>	<u>\$ 12,655</u>	<u>\$ (161,622)</u>

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



**County of Stanislaus  
Statement of Net Position  
Proprietary Funds  
June 30, 2016**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>					
<b>Current assets:</b>					
Cash and investments	\$ 17,725,895	\$ 1,953,358	\$ 12,659,471	\$ 32,338,724	\$ 53,775,581
Accounts receivable, net	341,580	16,251,962	713,267	17,306,809	310,093
Interest and other receivables	88,344	79,412	34,966	202,722	111,696
Inventory	-	-	5,497	5,497	347,344
Prepaid items	-	449,574	-	449,574	-
Total current assets	<u>18,155,819</u>	<u>18,734,306</u>	<u>13,413,201</u>	<u>50,303,326</u>	<u>54,544,714</u>
<b>Noncurrent assets:</b>					
Investments with fiscal agent	65,452	-	-	65,452	-
Restricted cash and investments	18,828,783	-	516,042	19,344,825	-
<b>Capital assets</b>					
Land and right of ways	13,556,621	-	1,906,261	15,462,882	-
Intangible assets	-	-	-	-	2,704,597
Structures and improvements	7,840,779	9,879,238	348,276	18,068,293	1,002,508
Equipment	3,494,227	4,301,751	14,467,430	22,263,408	21,391,673
Construction in progress	-	-	305,943	305,943	-
Less: Accumulated depreciation	<u>(7,267,421)</u>	<u>(12,917,698)</u>	<u>(5,527,585)</u>	<u>(25,712,704)</u>	<u>(16,490,289)</u>
Net capital assets	17,624,206	1,263,291	11,500,325	30,387,822	8,608,489
Total noncurrent assets	<u>36,518,441</u>	<u>1,263,291</u>	<u>12,016,367</u>	<u>49,798,099</u>	<u>8,608,489</u>
Total assets	<u>54,674,260</u>	<u>19,997,597</u>	<u>25,429,568</u>	<u>100,101,425</u>	<u>63,153,203</u>
<b>Deferred outflows of resources</b>					
Deferred pensions	149,485	1,927,180	91,360	2,168,025	1,094,785
Total deferred outflows of resources	<u>149,485</u>	<u>1,927,180</u>	<u>91,360</u>	<u>2,168,025</u>	<u>1,094,785</u>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	173,661	1,707,853	1,857,590	3,739,104	2,807,680
Salaries and benefits payable	50,191	783,312	35,103	868,606	350,635
Deposits from others	28,617	-	-	28,617	-
Risk management liability - current	-	-	-	-	14,081,319
Capital leases - current	-	-	-	-	129,182
Compensated absences - current	12,679	280,628	8,347	301,654	-
Total current liabilities	<u>265,148</u>	<u>2,771,793</u>	<u>1,901,040</u>	<u>4,937,981</u>	<u>17,368,816</u>
<b>Noncurrent liabilities:</b>					
Estimated cost of landfill closure/postclosure	8,394,356	-	1,801,888	10,196,244	-
Risk management liability	-	-	-	-	20,550,848
Other post-employment benefits (OPEB)	54,243	530,093	28,661	612,997	282,126
Compensated absences	73,225	800,980	52,113	926,318	846,644
Net pension liability	725,713	9,356,021	443,526	10,525,260	5,314,924
Total noncurrent liabilities	<u>9,247,537</u>	<u>10,687,094</u>	<u>2,326,188</u>	<u>22,260,819</u>	<u>26,994,542</u>
Total liabilities	<u>9,512,685</u>	<u>13,458,887</u>	<u>4,227,228</u>	<u>27,198,800</u>	<u>44,363,358</u>
<b>Deferred inflows of resources</b>					
Deferred pensions	95,514	1,231,393	58,375	1,385,282	699,523
Total deferred inflows of resources	<u>95,514</u>	<u>1,231,393</u>	<u>58,375</u>	<u>1,385,282</u>	<u>699,523</u>
<b>Net position</b>					
Net investment in capital assets	17,624,206	1,263,291	11,500,325	30,387,822	8,608,489
Restricted	18,875,515	-	518,015	19,393,530	-
Unrestricted	8,715,825	5,971,206	9,216,985	23,904,016	10,576,618
Total net position	<u>\$ 45,215,546</u>	<u>\$ 7,234,497</u>	<u>\$ 21,235,325</u>	<u>73,685,368</u>	<u>\$ 19,185,107</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				793,267	
Net assets of business type activities				<u>\$ 74,478,635</u>	

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues</b>					
Charges for services	\$ 6,969,367	\$ 37,969,412	\$ 2,370,730	\$ 47,309,509	\$ 92,621,125
Total operating revenues	<u>6,969,367</u>	<u>37,969,412</u>	<u>2,370,730</u>	<u>47,309,509</u>	<u>92,621,125</u>
<b>Operating expenses</b>					
Salaries and benefits	1,115,048	16,497,063	714,042	18,326,153	7,451,008
Services and supplies	2,028,627	21,058,355	8,585,808	31,672,790	81,605,752
Depreciation	1,263,982	284,090	915,765	2,463,837	1,518,519
Estimated cost of closure/postclosure	721,674	-	-	721,674	-
Total operating expenses	<u>5,129,331</u>	<u>37,839,508</u>	<u>10,215,615</u>	<u>53,184,454</u>	<u>90,575,279</u>
Operating income (loss)	<u>1,840,036</u>	<u>129,904</u>	<u>(7,844,885)</u>	<u>(5,874,945)</u>	<u>2,045,846</u>
<b>Nonoperating revenues (expenses)</b>					
Investment income	1,375,030	40,521	149,122	1,564,673	515,974
Intergovernmental	33	179,354	7,938,445	8,117,832	187,084
Gain (loss) on sale of capital assets	1,305	(316)	(62,563)	(61,574)	(754,867)
Total nonoperating revenues (expenses)	<u>1,376,368</u>	<u>219,559</u>	<u>8,025,004</u>	<u>9,620,931</u>	<u>(51,809)</u>
Income before contributions and transfers	<u>3,216,404</u>	<u>349,463</u>	<u>180,119</u>	<u>3,745,986</u>	<u>1,994,037</u>
Transfers in	-	6,708,580	1,195,673	7,904,253	99,291
Transfers (out)	(1,195,629)	(31,143)	(18,065)	(1,244,837)	(187,863)
Transfer in (out), net	<u>(1,195,629)</u>	<u>6,677,437</u>	<u>1,177,608</u>	<u>6,659,416</u>	<u>(88,572)</u>
Change in net assets	<u>2,020,775</u>	<u>7,026,900</u>	<u>1,357,727</u>	<u>10,405,402</u>	<u>1,905,465</u>
Total net position - beginning	<u>43,194,771</u>	<u>207,597</u>	<u>19,877,598</u>	<u>63,279,966</u>	<u>17,279,642</u>
Total net position - ending	<u>\$ 45,215,546</u>	<u>\$ 7,234,497</u>	<u>\$ 21,235,325</u>	<u>\$ 73,725,368</u>	<u>\$ 19,185,107</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(14,438)	
Change in net assets of business type activities				<u>\$ 10,390,964</u>	

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

**County of Stanislaus**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Business-type Activities - Enterprise Funds				Governmental
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Cash received from customers and users	\$ 7,296,291	\$39,881,511	2,183,627	\$49,361,429	\$ 92,540,682
Cash received (paid) from interfund services	-	(6,149,633)	-	(6,149,633)	(80,775,492)
Cash paid to suppliers	(2,073,318)	(20,837,634)	(7,216,117)	(30,127,069)	-
Cash paid to employees	(1,335,973)	(17,620,323)	(719,344)	(19,675,640)	(6,015,198)
Net cash provided (used) by operating activities	<u>3,887,000</u>	<u>(4,726,079)</u>	<u>(5,751,834)</u>	<u>(6,590,913)</u>	<u>5,749,992</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	-	6,708,580	3,325,673	10,034,253	99,291
Interfund borrowing	-	(1,347,746)	-	(1,347,746)	-
Subsidy from state and federal grant	33	179,354	7,938,445	8,117,832	187,084
Transfers out	(1,195,629)	(31,143)	(2,148,065)	(3,374,837)	(187,863)
Net cash provided (used) by noncapital financing activities	<u>(1,195,596)</u>	<u>5,509,045</u>	<u>9,116,053</u>	<u>13,429,502</u>	<u>98,512</u>
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	(61,896)	(446,677)	(5,255,991)	(5,764,564)	(1,199,822)
Proceeds (loss) from disposal of capital assets	1,305	-	-	1,305	20,333
Net cash (used) by capital and related financing activities	<u>(60,591)</u>	<u>(446,677)</u>	<u>(5,255,991)</u>	<u>(5,763,259)</u>	<u>(1,179,489)</u>
<b>Cash flows from investing activities:</b>					
Interest received	1,375,030	40,521	149,122	1,564,673	515,974
Net cash provided by investing activities	<u>1,375,030</u>	<u>40,521</u>	<u>149,122</u>	<u>1,564,673</u>	<u>515,974</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>4,005,843</u>	<u>376,810</u>	<u>(1,742,650)</u>	<u>2,640,003</u>	<u>5,184,989</u>
Cash and equivalents - beginning	32,614,287	1,576,548	14,918,163	49,108,998	48,590,592
Cash and equivalents - ending	<u>\$ 36,620,130</u>	<u>\$ 1,953,358</u>	<u>\$ 13,175,513</u>	<u>\$ 51,749,001</u>	<u>\$ 53,775,581</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Assets</b>					
Cash and investments	\$ 17,725,895	\$ 1,953,358	\$ 12,659,471	\$ 32,338,724	\$ 53,775,581
Restricted cash and investments & investment with fiscal agent	18,894,235	-	516,042	19,410,277	-
<b>Total cash and cash equivalents</b>	<u>\$ 36,620,130</u>	<u>\$ 1,953,358</u>	<u>\$ 13,175,513</u>	<u>\$ 51,749,001</u>	<u>\$ 53,775,581</u>

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

**County of Stanislaus**  
**Statement of Cash Flows (continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Business-type Activities - Enterprise Funds				Governmental
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Cash provided (used) by operating activities					
Operating income (loss)	\$ 1,840,036	\$ 129,904	\$ (7,844,885)	\$ (5,874,945)	\$ 2,045,846
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,263,982	284,090	915,765	2,463,837	1,518,519
(Increase) decrease in accounts receivable	326,924	1,912,099	(187,103)	2,051,920	(51,453)
(Increase) decrease in other receivables	(16,524)	(50,978)	(2,570)	(70,072)	(28,990)
(Increase) decrease in inventory	-	-	3,699	3,699	(132,621)
(Increase) decrease in prepaid items	-	(162,345)	-	(162,345)	-
(Increase) decrease in due from other funds	-	5,078	-	5,078	-
(Increase) decrease in deferred outflows	(529)	(175,493)	(13,839)	(189,861)	(109,514)
(Increase) decrease in internally generated intangible fixed asset	-	-	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	(28,167)	434,044	1,238,258	1,644,135	962,881
Increase (decrease) in salaries and benefits payable	4,228	114,235	11,675	130,138	62,034
Increase (decrease) in liability for compensated absences	(61,785)	(68,315)	7,205	(122,895)	(47,411)
Increase (decrease) in other post-employment benefits (OPEB)	6,129	61,983	2,890	71,002	38,172
Increase (decrease) in deferred inflows	(250,454)	(2,836,790)	(121,631)	(3,208,875)	(1,588,876)
Increase (decrease) in pension liability	81,486	1,781,120	108,398	1,971,004	1,053,717
Increase (decrease) in due to other funds/govt's	-	(6,154,711)	-	(6,154,711)	-
Increase (decrease) in estimated cost of closure/postclosure	721,674	-	130,304	851,978	-
Increase (decrease) in risk management liability	-	-	-	-	2,027,688
Net cash provided (used) by operating activities	<u>\$ 3,887,000</u>	<u>\$ (4,726,079)</u>	<u>\$ (5,751,834)</u>	<u>\$ (6,590,913)</u>	<u>\$ 5,749,992</u>

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



**County of Stanislaus**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	Employees' Retirement Trust	Investment Trust	Agency Funds	Successor Agency Private Purpose Trust
<b>Assets</b>				
Cash and investments	\$ 55,503,333	\$ 720,933,597	\$ 948,278	\$ 2,148,013
Investments with fiscal agent	-	-	-	1,193,803
Receivables (net of allowance for uncollectables):	-	23,818,600	963,634	-
Interest and dividends	7,165,933	-	-	-
Securities transactions	47,249,376	-	-	-
Contributions	4,516,013	-	-	-
Other	84,259	1,775,244	41	1,962
Advances to other governments	-	-	-	14,941
Prepaid	-	13,149	-	-
Other assets	3,358,623	28,862,440	-	-
Investments:				
Bonds	523,222,780	-	-	-
Stocks	1,068,159,217	-	-	-
Direct lending	98,831,582	-	-	-
Private real estate	38,881,050	-	-	-
Infrastructure	6,859,991	-	-	-
Collateral on loaned securities	196,552,545	-	-	-
Total assets	<u>2,050,384,702</u>	<u>775,403,030</u>	<u>1,911,953</u>	<u>3,358,719</u>
<b>Deferred outflows of resources</b>				
Deferred pension	-	1,121,201	-	-
Total outflows of resources	-	<u>1,121,201</u>	-	-
Total assets and deferred outflows of resources	<u>2,050,384,702</u>	<u>776,524,231</u>	<u>1,911,953</u>	<u>3,358,719</u>
<b>Liabilities</b>				
Accounts payable	80,523,444	43,474,083	102,990	-
Securities lending obligation	196,552,545	-	-	-
Grant deed extension fee	395,000	-	-	-
Trust obligations	-	9,754,955	1,808,963	3,017,990
Advances from grantors and third parties	-	719,828	-	-
Interest payable	-	-	-	340,723
Net pension liability	-	5,443,164	-	-
Bonds and notes payable	-	-	-	14,845,000
Total liabilities	<u>277,470,989</u>	<u>59,392,030</u>	<u>1,911,953</u>	<u>18,203,713</u>
<b>Deferred inflows of resources</b>				
Deferred pensions	-	716,403	-	-
Total inflows of resources	-	<u>716,403</u>	-	-
Total liabilities and deferred inflows of resources	<u>277,470,989</u>	<u>60,108,433</u>	<u>1,911,953</u>	<u>18,203,713</u>
<b>Net position</b>				
Net position held in trust for pension benefits/investment pool participants	<u>\$ 1,772,913,713</u>	<u>\$ 716,415,798</u>	<u>\$ -</u>	<u>\$ (11,826,998)</u>

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

**County of Stanislaus**  
**Statement of Changes in Fiduciary Fund Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Employees' Retirement Trust	Investment Trust	Successor Agency Private Purpose Trust
<b>Additions</b>			
Contributions:			
Employer contributions	\$ 58,196,310	\$ -	\$ -
Member contributions	23,916,508	-	-
Contributions on pooled investments	-	4,201,215,721	-
Redevelopment agency property tax trust	-	-	1,449,158
<b>Total contributions</b>	<u>82,112,818</u>	<u>4,201,215,721</u>	<u>1,449,158</u>
<b>Investment Income</b>			
Net (depreciation) in fair value	(70,114,702)	-	-
Interest	47,206,807	7,502,945	8,697
Miscellaneous income/(expense)	1,026,383	-	2,095
Less investment expense	(9,440,764)	-	-
Net investment income	<u>(31,322,276)</u>	<u>7,502,945</u>	<u>10,792</u>
<b>Total additions</b>	<u>50,790,542</u>	<u>4,208,718,666</u>	<u>1,459,950</u>
<b>Deductions</b>			
Benefit payments	106,946,768	-	-
Refunds of prior contributions	1,219,042	-	-
Distributions from pooled investments	-	4,107,078,535	-
Interest	-	-	764,034
Administrative expense	2,315,223	-	164,234
<b>Total deductions</b>	<u>110,481,033</u>	<u>4,107,078,535</u>	<u>928,268</u>
<b>Change in net assets</b>	<u>(59,690,491)</u>	<u>101,640,131</u>	<u>531,682</u>
Net position held in trust - beginning	1,832,604,204	614,675,964	(12,358,680)
Prior period adjustment	-	99,703	-
Net position held in trust - beginning, restated	<u>1,832,604,204</u>	<u>614,775,667</u>	<u>(12,358,680)</u>
<b>Net position held in trust - ending</b>	<u>\$ 1,772,913,713</u>	<u>\$ 716,415,798</u>	<u>\$ (11,826,998)</u>

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

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies**

This summary of significant accounting policies of the County of Stanislaus (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to Generally Accepted Accounting Principles (GAAP) and have been consistently applied in the preparation of the financial statements.

**A. Reporting Entity**

The accounting methods and procedures adopted by the County conform to GAAP as applied to governmental entities. These financial statements present the County and its component units, legally separate entities for which the County is considered to be financially accountable, under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 61.

Reported component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the County's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Each component unit has a June 30<sup>th</sup> year-end.

**Blended Component Units**

1. Stanislaus County Capital Improvements Financing Authority ("Authority"): The Authority was established on September 1, 1989, as a separate legal entity whose sole purpose is to provide financing for various County capital projects. It is governed by the five members of the County Board of Supervisors. The activity for the Authority is reported as a debt service fund.
2. Lighting Districts: The County has 28 different, legally separate lighting districts whose boards are the same as the County Board of Supervisors. The County's approval is needed to set the districts' budgets and to set assessment rates. The activity for the lighting districts is reported in a special revenue fund.
3. Stanislaus County Tobacco Funding Corporation ("Stanislaus Corporation"): The Stanislaus Corporation was established per Board of Supervisors resolution on November 7, 2000 as a separate legal entity pursuant to California Corporations Code. Three directors, two from the County and one independent, govern The Stanislaus Corporation. The Corporation's purpose is to acquire from the County all of the rights of the County future tobacco settlement payments and to borrow money secured by the County tobacco assets on behalf of the California County Tobacco Securitization Agency (See Note 11). The Stanislaus Corporation provides service solely to the County and is reported as a debt service fund.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

Blended Component Units (continued)

4. In-Home Supportive Services Public Authority of Stanislaus County ("Public Authority"): The Public Authority was established on December 9, 2004 as a separate legal entity pursuant to Welfare and Institutions Code Section 12301.6. The Public Authority is governed by the five members of the County Board of Supervisors. The purpose of the Public Authority is to implement the goals and objectives of the In-Home Supportive Services Program. The Public Authority is reported as a special revenue fund.
5. Stanislaus County Children and Families Commission ("Commission"): Following voter approval of Proposition 10 in November 1998, the Commission was established by the Stanislaus County Board of Supervisors on December 8, 1998, pursuant to Ordinance #687. The ordinance provides that the Commission operate as an independent "County agency." A governing board compiled of nine Commissioners, whose composition is defined in the enabling ordinance, is appointed by the Board of Supervisors. The purpose of the Commission is to promote the development and well-being of children zero through age five in Stanislaus County. The activity for the Commission is reported as a special revenue fund.

B. **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. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

In the government-wide statements, eliminations have been made to minimize the double counting of certain internal activities. In the statement of net position, all internal balances have been eliminated except those representing the net balance due between governmental and business-type activities. This residual balance is reported as "internal balances." Internal service fund activity has been eliminated in the statement of activities.



**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

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

*Government-Wide Financial Statements* (continued)

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated administrative overhead. 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 are available, unrestricted resources are used only after the restricted resources are depleted.

*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, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Non-operating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, health and sanitation, public assistance, education and recreation and cultural services.
- The *Tobacco Settlement Fund* was established to account for the proceeds from securitizing the County's share of tobacco settlement revenues. Currently, the proceeds are restricted to use for capital expenditures. The intent is to preserve the initial amount and to distribute 80% of the annual investment earnings to the General Fund.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

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

*Fund Financial Statements-major governmental funds* (continued)

- The *Behavioral Health and Recovery Fund* was established to provide mental health services to the residents of the County under the provisions of Welfare and Institutions Codes 5600 and 5000. This includes residential/support treatment services, outpatient treatment services, and an array of education and prevention services. The primary source of revenues is from intergovernmental sources and charges for services.
- The *Community Services Agency Fund* was established for the administration of the three major public social programs including financial assistance, social services, and employment services. Intergovernmental revenue is the primary source of financing for this fund.
- *Public Facility Fees Fund* was established by the Board of Supervisors adoption of Resolution No. 89-1724 for the purpose of reducing the impact of a growing community on existing County resources. The fees are charged to new development based on the need for facilities to maintain the existing level of service. The fee benefits the following departments and programs: roads, detention, criminal justice, library, parks, public and mental health, emergency services, animal services and sheriff.

The County reports the following major enterprise funds:

- The *Fink Road Sanitary Landfill Fund* was established to account for the operation of Fink Road Sanitary Landfill, which provides a dumping site for the disposal of solid wastes. Revenues are derived from fees generated for the disposal of waste at the site.
- The *Health Clinics and Ancillary Services Fund* was established to account for health care operations in outpatient clinics throughout the County. Revenues are derived from fees for patient services, payments from federal and state programs such as Medicare and Medi-Cal, private insurance, and subsidies from the County.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet and facility maintenance, purchasing, communication, technology, and other services provided to departments or other governments. They also account for self-insurance programs – workers' compensation, long-term disability, employee benefits, and personal injury and property damage on a cost-reimbursement basis.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

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

*Fund Financial Statements-additional fund types* (continued)

- The *Employees' Retirement Trust* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the Stanislaus County Employees' Retirement Association (StanCERA).
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment portfolio for the benefit of all participants. These entities include school and community college districts and other special districts governed by local boards, regional boards and authorities. The fund represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for individuals, private organizations, or other governments.
- The *Private-Purpose Trust Fund* is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Stanislaus County Redevelopment Successor Agency (Successor Agency).

**C. Basis of Accounting**

The government-wide, proprietary, employees' retirement trust, private purpose trust, and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

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. On an accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

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

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 eligibility 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 (“susceptible to accrual”). The County considers revenues available if they are collected within 180 days after year-end, except for property taxes. Property taxes are considered available if they are collected within 60 days after year-end. 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 assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing goods in connection with a proprietary fund’s principal operations. The operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for those same funds include the cost of sales and services, administrative expenses, depreciation and the estimated cost of closure/postclosure for the landfills. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Budgetary Basis of Accounting**

In accordance with the provisions of Sections 29000 and 29144, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year, publishes notice in general circulation and makes the budget documents available to members of the public, on or before September 8. Budgeted expenditures are enacted into law through the passage of the Adopted Budget.

An operating budget is adopted each fiscal year for the General Fund and all special revenue funds except the Tobacco Settlement Fund. An operating balanced budget is adopted for the capital projects funds for the life of the project, except for the Courthouse Construction Fund and the Criminal Justice Facilities Fund, which adopt an operating budget each fiscal year.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

**D. Budgetary Basis of Accounting** (continued)

A budget is not adopted for the Public Facility Fees capital projects fund as those dollars are transferred and budgeted in other funds. Expenditures are controlled at the object level within budget units. A budget unit may be (1) a single department, (2) a division of a large department having multiple divisions, or (3) an entire fund. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any transfers of appropriations between object levels within the same budget unit may be authorized by the Chief Executive Office, with the exception of transfers related to fixed assets exceeding \$10,000. Budget amendments or supplementary appropriations normally financed by unanticipated revenues during the year or transfers of appropriations between budget units must be approved by the Board of Supervisors. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budgets for the governmental funds may include an object level known as “expenditure transfers.” This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances and commitments are budgeted as expenditures.

The following schedule reconciles the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances:

		<u>Special Revenue Funds</u>	
	<u>General Fund</u>	<u>Behavioral Health and Recovery</u>	<u>Community Services Agency</u>
Total expenditures (budgetary basis)	\$ 212,462,318	\$ 92,641,710	\$ 229,049,244
Basis difference - net addition of			
2014/15 encumbrances and commitments			
minus			
2015/16 encumbrances and commitments	<u>(1,549,215)</u>	<u>(687,354)</u>	<u>(192,889)</u>
Total expenditures (GAAP)	<u>\$ 210,913,103</u>	<u>\$ 91,954,356</u>	<u>\$ 228,856,355</u>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

**E. Cash and Cash Equivalents**

Cash and cash equivalents include cash in bank and investments held by the County Treasurer in a cash management pool. The amounts classified as “Investments with Fiscal Agent” represent loan proceeds held by the trustees for various borrowings (See Note 4) and securitized tobacco settlement proceeds invested outside the County Pool.

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer’s investment pool, to be cash equivalents.

**F. Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the State of California (the State) or any local agency of the State, bankers’ acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund.

The County may also invest in certain open-ended mutual funds permitted by the Government Code. All investments are carried at fair value until they are within 90 days of maturity at which time they are reported at amortized cost. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund’s average daily deposit balance with all remaining interest deposited in the General Fund.

The tobacco securitization proceeds are invested under a separate policy approved by the County Board of Supervisors on January 29, 2002. The policy authorizes the County to invest in obligations outlined in California Government Code Section 53600, et seq., with no investment having a greater maturity date than the final maturity of any tobacco settlement asset-backed bond. All investments are reported at fair value.

The Employees' Retirement Trust (StanCERA) funds are invested pursuant to policy guidelines established by the StanCERA Board of Retirement. The objective of the investment policy is to invest in a manner that provides the safeguards and diversity that a prudent investor would adhere to. The policy of StanCERA is to invest in the following asset classes: Large Cap US Stocks, Small Cap US Stocks, Non US Stocks and Fixed Income. Investments are stated at fair value.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

**G. Deferred Outflows/Inflows of Resources**

Pursuant to GASB Statement No. 63, “*Financial Reporting of Deferred Outflows, 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.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The County is reporting deferred pension in this category (See note 17 for more detail).

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. The County is reporting deferred pension in this category (See note 17 for more detail).

**H. Inventory**

In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting for inventory is used for the governmental funds and the proprietary funds. For the governmental funds, the fund balance related to inventory is categorized as non-spendable (See Note 13).

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**J. Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain assets (infrastructure) consisting of roads, bridges, lighting systems, drainage systems, and flood control improvements. The County defines capital assets, other than infrastructure, as assets with an initial, individual cost equal to or greater than \$5,000 and an estimated useful life in excess of one year,

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

**J. Capital Assets** (continued)

with the exception of the Health Clinics and Ancillary Services Enterprise Fund. The Health Clinics and Ancillary Services Enterprise Fund defines capital assets as assets with an initial, individual cost equal to or greater than \$1,000 and an estimated useful life in excess of three years. In addition to these individual assets, the library's books are capitalized together as one collection.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary funds statements, with the exception of landfill cell development. The units of production method is used for depreciation on landfill cells.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment (including vehicles)	3 to 20 years
Landfill Cell-4	1,960,000 cubic yards
Landfill Cell-5	1,550,000 cubic yards

The County has seven networks of infrastructure assets – roads, bridges, lighting system, storm drains, signs, signals and beacons.

**K. Intangible Assets**

On July 13, 2010, the Board of Supervisors approved \$50,000 capitalization threshold for intangible assets.

GASB Statement No. 51 was issued in June of 2007. The objective of this statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies in reporting among state and local governments. County financial statements must comply with all statements issued by the Governmental Accounting Standards Board. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. As such, existing accounting and financial reporting requirements are to be applied to intangible assets. Capital assets are expensed over their useful lives rather than being charged in the specific financial period in which they are purchased.

The existing capital asset policy for the County includes intangible assets. Currently, the capitalization threshold for other fixed assets is \$5,000 or greater.



**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

**K. Intangible Assets** (continued)

The threshold amount represents the minimum amount at which an asset should be capitalized.

GASB Statement No. 51 does not specifically identify a methodology for establishing a threshold amount. A survey of other California counties was performed which indicated a wide variation, depending on the size of the county, in the threshold amounts being implemented. Given the County's relative size and exposure, a \$50,000 threshold is considered to be a reasonable amount.

**L. Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

All regular employees of the County earn vacation and sick leave with pay every year. The amount of vacation and sick hours earned is based on the years of continuous service and the bargaining unit to which the employee belongs. All employee bargaining units have vacation accumulation limits. Regular employees are given credit for eight hours sick leave each month of employment with limited accumulation.

Regular employees, upon separation, are entitled to all unused accumulated vacation time. Most regular employees are eligible to have a portion of their sick leave cashed out after six years of service. The amount depends on the length of service and if it is at retirement or a regular separation.

At the close of each fiscal year, the balance of this accumulated time is computed for each employee at the current salary range. In the financial statements, these amounts are referred to as "compensated absences." A 10-year average of all termination payments is used to compute the amount that is expected to be liquidated in the next year with expendable available financial resources. This current portion and the balance of the long-term liability are reported in the government-wide statements, the enterprise and internal service funds financial statements and are generally liquidated by the General Fund.

**M. Interfund Transactions**

Interfund transactions include loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

**M. Interfund Transactions** (continued)

outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances to other funds, as reported in the fund financial statements, are reported as non-spendable fund balance.

Services or supplies provided can result, at year-end, in receivables and payables referred to as “due to/from other funds.” These receivables and payables are eliminated in the governmental-wide consolidation with residual balances reported as “internal balances” when they are between funds of the County.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the government-wide presentation.

**N. Estimates**

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**O. Fund Balance**

Governmental Accounting Standards Board (GASB) has issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement is effective for financial statements with periods beginning after June 15, 2010. The objective of this statement is to improve the usefulness, including the understandability, of governmental fund balance information. The statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The statement impacts governmental fund types.

The fund balance is reported in five categories: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance.

Non-spendable Fund Balance – amounts cannot be spent because a) not in spendable form or b) legally or contractually required to be maintained intact.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

O. **Fund Balance** (continued)

Restricted Fund Balance - amounts are restricted by external parties, i.e., creditors, grantors, contributors or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Committed Fund Balance – amounts that can only be used for specific purpose pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. The formal action must occur prior to the end of the reporting period. The amount, which will be subject to the constraint, may be determined in the subsequent period.

Assigned Fund Balance - amounts constrained by the government’s intent to be used for specific purposes that are neither restricted nor committed. The intent can be expressed by a) the governing body itself or b) a body or official to which the governing body has delegated the authority, i.e., budget/finance committee. Monies set aside for debt service, carryover appropriations, teeter plan, retirement obligation, contingencies and tobacco settlement are some of the examples to be included in the assigned category.

Assigned fund balance can be used to eliminate the projected budgetary deficit in the subsequent year’s budget.

Unassigned Fund Balance – a residual classification for the general fund. The total fund balance less non-spendable, restricted, committed and assigned equals unassigned fund balance. General fund is the only fund that should report a positive unassigned fund balance amount. A negative fund balance is possible in other governmental funds.

P. **Implementation of Governmental Accounting Standards Board (GASB) Statements**

The following GASB Statements have been accounted for in the financial statements for the fiscal year ended June 30, 2016.

*GASB Statement 72: Fair Value Measurement and Application.* This Statement provides guidance for determining a fair value measurement for financial reporting and for applying fair value to certain investments and disclosures related to all fair value measurements.

*GASB Statement 73: Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statements No. 67 and No. 68.* This

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

**P. Implementation of Governmental Accounting Standards Board (GASB) Statements** (continued)

Statement amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans and Statement No. 68 Accounting and Financial Reporting for Pensions. GASB Statement 73 also establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68.

*GASB Statement 76: The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The objective of this Statement is to identify the hierarchy of the generally accepted accounting principles (GAAP).

*GASB Statement 79: Certain External Investment Pools and Pool Participants.* The requirements of this Statement are effective for reporting periods beginning after June 15, 2015. (Fiscal Year 2015/16)

**Q. Future Governmental Accounting Standards Board (GASB) Statements**

*GASB Statement 74: Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. (Fiscal Year 2016/17)

*GASB Statement 75: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. (Fiscal Year 2017/18)

*GASB Statement 77: Tax Abatement Disclosures.* The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. (Fiscal Year 2016/17)

*GASB Statement 78: Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.* The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. (Fiscal Year 2016/17)

*GASB Statement 80: Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14.* The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. (Fiscal Year 2016/17)

*GASB Statement 81: Irrevocable Split-Interest Agreements.* The requirements of this Statement are effective for periods beginning after December 15, 2016. (Fiscal Year 2017/18)

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 1: **Summary of Significant Accounting Policies** (continued)

**Q. Future Governmental Accounting Standards Board (GASB) Statements**  
(continued)

*GASB Statement 82: Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73.* The requirements for this Statement are effective for reporting periods beginning after June 15, 2016. (Fiscal Year 2016/17)

Note 2: **Individual Fund Deficits**

For the year ended June 30, 2016, the Individual Fund Deficits are as follows:

Proprietary Funds:

ISF - Central Services	\$ 331,119
ISF - Facility Maintenance	\$ 316,655

The deficit in the fund balance for Central Services and Facility Maintenance funds can be attributed to GASB Statement No. 68 Pension Statement.

Note 3: **Excess of Actual Expenditures Over Budget in Individual Budget Units**

For the year ended June 30, 2016, General Fund (GF) actual expenditures based on budgetary basis, excluding transfers, exceeded budget at the budget unit and object level as follows:

<u>Fund type and department</u>	<u>Object level</u>	<u>Excess expenditures</u>
GF - Board of Supervisors	Other charges	\$ 1,324
GF - County Counsel	Other charges	\$ 2,006
GF - Public Defender	Services and supplies	\$ 8,331
GF - Auditor-Controller	Other charges	\$ 9,278
GF - Probation Administration	Other charges	\$ 14,421
GF - District Attorney	Other charges	\$ 15,442

The excess expenditures for Board of Supervisors, Auditor-Controller, Probation Administration, and District Attorney are related to interfund reimbursements. The excess for Public Defender is related to unplanned expenses. Additional budget was approved by the Board of Supervisors to fund the shortage in appropriations.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments**

The County maintains a cash and investment pool, Stanislaus County Treasurer's Pool, for the purpose of increasing interest income through investment activities. This pool, which is available for use by all funds, is displayed on the statement of net position/balance sheet as "cash and investments." The Stanislaus County Treasurer's Pool generally limits participation in the pool to those agencies and districts required to participate by legal provisions of the California State Government Code for those agencies and districts. Voluntary participation is limited to the Stanislaus County Employees' Retirement System (StanCERA) and independent special districts, which represent approximately 3% of the pool. While StanCERA participates in the County Treasurer's Pool, the majority of its cash and investments are managed separately from the County Pool. The County has no legally binding guarantees to support the shares in the County Treasurer's Pool.

The share of each fund in the Stanislaus County Treasurer's Pool is separately accounted for and interest is apportioned quarterly based on the relationship of the fund's average daily cash balance to the total of the pooled cash and investments. In accordance with Government Code Section 53647, interest on all money deposited in the County Treasury belongs to the County and participating schools unless otherwise directed by law or the County Board of Supervisors.

The County has numerous funds in which the interest earned is deposited into the General Fund to comply with the above code section.

The Stanislaus County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code Section 53600 et. seq. The California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements.

To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

In addition to the restrictions and guidelines of the Government Code, cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer and accepted by the Board of Supervisors. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

Total County cash and investments are as follows:

Cash and Investments	
Imprest cash	\$ 140,212
Cash in banks-department administered	2,254,308
In custody of Treasurer:	
Cash on hand	143,781
Cash in bank	45,876,929
Investments held by Treasurer	1,168,462,531
Less outstanding checks	<u>(46,834,026)</u>
Total in custody of Treasurer	1,167,649,215
Investments held by fiscal agents:	
Tobacco settlement	93,042,538
Tobacco funding corporation	6,124,586
Stock investment	65,452
Bond requirements	<u>4,056,907</u>
Subtotal investments held by agents	103,289,483
Private Purpose Trust investments held by fiscal agents	<u>1,193,803</u>
Total investments held by agents	104,483,286
Employees' retirement trust:	
Cash (outside Treasurer's pool)	45,509,887
Investments	<u>1,932,507,165</u>
Total cash and investments	<u><u>\$ 3,252,544,073</u></u>

Total County cash & investments are reported as follows:

Primary government	
Cash and investments	\$ 412,169,220
Investments with fiscal agent	103,289,483
Restricted cash & investments	23,851,181
Employees' retirement trust	
Cash and investments	55,503,333
Other investments	1,932,507,165
Investment trust - cash and investments	720,933,597
Agency funds - cash and investments	948,278
Private purpose trust	
Cash and investments	2,148,013
Investments with fiscal agent	<u>1,193,803</u>
Total cash and investments	<u><u>\$ 3,252,544,073</u></u>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

*Interest Rate Risk* - This is the risk of loss due to the fair value of an investment falling because of rising interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

- *Stanislaus County Treasurer's Pool.* The County's policy for interest rate risk allows investments to be sold prior to maturity at a loss if such sale will allow investment in a higher yield vehicle and any loss upon sale can be more than compensated by additional interest earning within a six month period. Of the County's \$1.17 billion portfolio, over 39% of the investments have a maturity of one year or less. No investment has a maturity greater than five years.
- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 18 years that are sensitive to interest rate changes. Of these bonds, 5% are insured, which tends to reduce interest rate risk.
- *StanCERA's Investment Portfolio.* StanCERA's average effective duration of all fixed income holdings, reflecting all instruments including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus 1.5 years of the Barclay Aggregate bond index duration. At year end the Barclay Aggregate Bond Index was yielding 1.9% with an effective duration of 5.4 years. StanCERA had a yield of 2.4% with an effective duration of 5.4 years.

*Credit Risk* - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- *Stanislaus County Treasurer's Pool.* The County is permitted to hold investments of issuers with a short-term rating of "A-1" and a minimum long-term rating of "A-" by two of the top nationally recognized statistical rating organizations (rating agencies). Additionally, the County is permitted to invest in U.S. Treasuries, Government Sponsored Enterprises (Agencies), the State's Local Agency Investment Fund and collateralized certificates of deposit that are un-rated.
- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes insured and non-insured bonds that are rated single A, double A and triple A. The bonds make up 93% of the portfolio. The rest of the portfolio is invested in money market and mutual funds with maturities of less than one year.

*StanCERA's Investment Portfolio.* Under StanCERA policy, the fixed income portfolio must have an average quality rating of A or better in the aggregate as measured by at least one credit rating service. Investment grade quality is defined as a Standard and Poor's rating of BBB or higher at time of purchase. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used.



**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

Should the rating of a fixed income security fall below investment grade, the manager may continue to hold the security if they believe the security will be upgraded in the future, there is a low risk of default, and buyers will continue to be available throughout the anticipated holding period. The manager has the responsibility of notifying the StanCERA Retirement Board whenever an issue falls below investment grade. The notification should include the manager's assessment of the issue's credit rating and its ongoing role in the portfolio.

The following table shows the quality of StanCERA's investments in fixed income securities on June 30, 2016:

<u>Credit Rating</u>	<u>Active Management</u>	<u>Fixed Income Securities Amount</u>
Aaa / AAA	0.77%	\$ 4,016,115
Aa1 / AA+	0.64%	3,371,496
Aa2 / AA	0.39%	2,054,738
Aa3 / AA-	0.30%	1,576,913
A1 / A+	1.99%	10,388,898
A2 / A	0.79%	4,110,329
A3 / A-	2.14%	11,207,320
Baa1 / BBB+	8.74%	45,707,979
Baa2 / BBB	9.79%	51,216,944
Baa3 / BBB-	9.64%	50,459,527
Ba1 / BB+	4.72%	24,681,704
Ba2 / BB	1.21%	6,320,132
Ba3 / BB-	1.11%	5,801,498
B1 / B+	2.68%	14,033,307
B2 / B	0.11%	557,581
B3 / B-	0.57%	2,993,271
Caa1/CCC+	0.35%	1,848,625
Caa2/CCC	0.06%	294,124
N/R	34.12%	178,554,648
N/A	19.88%	104,027,631
	<u>100.00%</u>	<u>\$ 523,222,780</u>

N/R represents securities that are not rated

N/A represents securities that are not applicable to the rating disclosure requirements

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

*Custodial Credit Risk-deposits* - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

- *Stanislaus County Treasurer's Pool and other deposits.* At year-end, Stanislaus County had no custodial credit risk exposure to any depository financial institution. As per State of California Government Code (Section 53630 – 53683), the depository bank, i.e., Bank of the West, collateralized Stanislaus County public funds with eligible securities having a market value of at least 110% of the actual amount on deposit. These securities are maintained with a third party custodian. The collateral is held in a pool based on the bank's total public deposits. The County did not have deposits in any foreign currency.
- *StanCERA's Investment Portfolio.* At year-end, StanCERA had no custodial credit risk exposure to any depository financial institution. All deposits are placed with a custodial bank. The custodian is responsible for maintaining an adequate level of collateral in an amount equal to 102% of the market value of loaned securities. Collateral received may include cash, letters of credit, or securities. If securities collateral is received, StanCERA cannot pledge or sell securities collateral unless the borrower defaults.

*Custodial Credit Risk-investments* - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

- *Stanislaus County Treasurer's Pool and Stanislaus County Tobacco Settlement Investment Portfolio.* All negotiable instruments are held by the County's custodian or a third party in the County's name. The County did not participate in securities lending. The investment policy prohibits investment in instruments denominated in a foreign currency.
- *StanCERA's Investment Portfolio.* State statutes and Board of Retirement Investment Policy permit StanCERA to participate in a securities lending program. StanCERA's custodial bank administers its securities lending program. At year-end, StanCERA had no custodial credit risk exposure to borrowers because the amounts StanCERA owed to borrowers exceeded the amounts the borrowers owed to StanCERA. StanCERA's contract with the custodian requires it to indemnify StanCERA if the borrower fails to return the securities and the collateral is inadequate to replace the securities lent or fail to pay StanCERA for income distributions by securities issuers while securities are on loan.

As of June 30, 2016, StanCERA had securities on loan with a carrying value of \$193,700,000 and collateral of \$196,600,000. The types of securities lent were U.S. Government and Agencies, U.S. Corporate Fixed Income and U.S. Equities. There are no restrictions on the amount of securities that may be lent.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

*Foreign Currency Risk* – This is the risk that changes in exchange rates may adversely affect the fair value of an investment

- *StanCERA's Investment Portfolio.* StanCERA's external investment managers may invest in international securities and must follow StanCERA's Investment Guidelines pertaining to these types of investments.

The fair value, in US dollars, of StanCERA's foreign currency at June 30, 2016 was \$333,266,976, distributed as follows:

Currency	Fair Value (in US \$)	Currency	Fair Value (in US \$)
Australian Dollar	15,181,139	Malaysian Renggit	148,152
Brazilian Real	2,102,367	Mexican Nuevo Peso	726,867
Canadian Dollar	20,504,227	Netherlands Antillean Guilder	6,515,145
Chilean Peso	232,002	New Taiwan Dollar	6,548,487
Chinese Yuan	12,132,249	New Zealand Dollar	2,245,984
Danish Krone	4,298,673	Norwegian Krone	3,354,207
Euro Dollars	112,317,199	Russian Ruble	2,537,192
Hong Kong Dollar	5,371,644	Singapore Dollar	4,074,867
Hungarian Forint	594,530	South African Rand	1,773,456
Indian Rupee	901,420	Swedish Krona	5,372,683
Indonesian Rupiah	980,322	Swiss Franc	19,067,277
Israeli Shekel	2,022,785	Thailand Baht	2,073,463
Japanese Yen	58,104,762	Turkish Lira	428,960
Korean Won	7,513,962	US Dollar	36,142,955

*Concentration of Credit Risk* - This is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not considered at risk.

- *Stanislaus County Treasurer's Pool.* Over 64% of the County's investments were in the U.S. Government or Government Sponsored Enterprises (Agencies). The following Agencies each comprised more than 5% of the pool investments:

<i>US Treasury Securities</i>	<i>30%</i>
<i>Federal Home Loan Bank</i>	<i>21%</i>
<i>Federal Farm Credit Bank</i>	<i>13%</i>

Of the 36% of the portfolio invested in other types of investments, no issuer exceeded 5% of the portfolio in each investment type at the time of investment.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

*Concentration of Credit Risk* (continued)

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes California State Municipal bonds that comprise 40% of the portfolio.
- *StanCERA's Investment Portfolio.* StanCERA's policy requires that not more than 5% of the total StanCERA stock portfolio, valued at market, be held in the common stock of any one corporation. Not more than 5% of the outstanding shares of any one company may be held. Individual investment managers are to hold no more than 8% of the market value of the manager's entire stock portfolio in any one company's stock. Not more than 25% of the stock valued at market may be held in any one industry category, as defined by the StanCERA consultant, without special permission from the StanCERA Board of Retirement.

With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue will represent more than 5% of the total portfolio as measured by market value at time of purchase. Holdings of any individual issue must be 5% or less of the value of the total issue.

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

<u>Fixed Income Securities</u>	
U.S. Treasury	\$ 100,231,030
Government Mortgage Backed Securities	169,336,520
Commercial Mortgage Backed Securities	5,474,753
Collateralized Mortgage Obligations	1,393,950
U.S. Government Agency	10,487,677
Asset Backed Securities	4,746,377
Emerging Market Non-U.S. Bonds	876,782
Corporate Bonds	213,777,714
Municipal/Revenue Bonds	13,963,770
Bank Loans	253,414
Other Bonds	2,680,793
	523,222,780
<u>Equities</u>	
Domestic	710,067,304
International	333,266,976
	1,043,334,280
<u>Real Estate Securities</u>	70,565,978
<u>Private Credit</u>	98,831,582
<u>Collateral on Loaned Securities</u>	196,552,545
Total Investments	\$ 1,932,507,165

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2016. The credit ratings listed are for Standard and Poor's. Certain investments, such as the State's Local Agency Investment Fund, are un-rated.

**Stanislaus County Treasury Pool**  
**Fair Value Maturity Distribution**  
**For the Year Ended June 30, 2016**  
**(Dollar amounts in thousands)**

	S&P Credit Rating	Maturity									Total	Total %
		≤ 30 Days	31 - 60 Days	61 - 90 Days	91 - 180 Days	181 - 360 Days	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years		
<b>Double A</b>												
Federal Agencies	AA+	\$ -	\$ -	\$ -	\$ -	\$ 61,954	\$ 157,866	\$ 180,099	\$ -	\$ -	\$ 399,919	34.22%
US Treasuries	AA+	-	-	-	20,016	35,077	140,515	151,585	-	-	347,193	29.72%
Medium Term Notes	AA+	10,002	-	-	10,077	-	-	-	-	-	20,079	1.72%
		<b>10,002</b>	<b>-</b>	<b>-</b>	<b>30,093</b>	<b>97,031</b>	<b>298,381</b>	<b>331,684</b>	<b>-</b>	<b>-</b>	<b>767,191</b>	<b>65.66%</b>
<b>Single A</b>												
Negotiable Cert of Deposit	A+	10,001	-	20,000	20,000	20,020	10,020	-	-	-	80,041	6.85%
Negotiable Cert of Deposit	A	10,000	-	-	-	30,034	40,098	-	-	-	80,132	6.86%
Commercial Paper	A-1+	-	9,989	-	-	-	-	-	-	-	9,989	0.85%
Commercial Paper	A-1	-	-	-	39,906	-	-	-	-	-	39,906	3.42%
Medium Term Notes	A+	-	-	-	-	-	-	10,193	-	-	10,193	0.87%
Medium Term Notes	A	-	18,368	-	55,305	14,987	-	-	-	-	88,660	7.59%
Medium Term Notes	A-	10,004	-	-	-	-	-	17,066	-	-	27,070	2.32%
		<b>30,005</b>	<b>28,357</b>	<b>20,000</b>	<b>115,211</b>	<b>65,041</b>	<b>50,118</b>	<b>27,259</b>	<b>-</b>	<b>-</b>	<b>335,991</b>	<b>28.76%</b>
<b>Unrated</b>												
Managed Pool Account - LAIF	N/R	55,000	-	-	-	-	-	-	-	-	55,000	4.71%
Calif Local Agency Indebt	N/R	-	4,925	-	-	-	4,990	-	-	-	9,915	0.85%
Money Market	N/R	250	-	-	-	-	-	-	-	-	250	0.02%
		<b>55,250</b>	<b>4,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,165</b>	<b>5.58%</b>
<b>Total Treasury Pool Investments</b>		<b>\$ 95,257</b>	<b>\$ 33,282</b>	<b>\$ 20,000</b>	<b>\$ 145,304</b>	<b>\$ 162,072</b>	<b>\$ 353,489</b>	<b>\$ 358,943</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,168,347</b>	<b>100.00%</b>

**Stanislaus County Tobacco Endowment Investments**  
**Fair Value Maturity Distribution**  
**For the Year Ended June 30, 2016**  
**(Dollar amounts in thousands)**

	S&P Credit Rating	Maturity								Total	% Total
		≤ 30 Days	31 - 365 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	20 - 25 Years		
<b>Triple A</b>											
Municipal Bonds	AAA	\$ -	\$ -	\$ -	\$ -	\$ 2,545	\$ 8,053	\$ -	\$ -	\$ 10,598	11.39%
		-	-	-	-	<b>2,545</b>	<b>8,053</b>	-	-	<b>10,598</b>	<b>11.39%</b>
<b>Double A</b>											
Municipal Bonds	AA+	-	-	-	-	4,707	2,542	-	-	7,249	7.79%
Municipal Bonds	AA	-	-	-	-	-	18,106	1,687	-	19,793	21.27%
Municipal Bonds	AA-	-	2,081	-	6,728	9,305	27,895	1,967	-	47,976	51.57%
		<b>-</b>	<b>2,081</b>	<b>-</b>	<b>6,728</b>	<b>14,012</b>	<b>48,544</b>	<b>3,654</b>	<b>-</b>	<b>75,019</b>	<b>80.63%</b>
<b>Single A</b>											
Municipal Bonds	A-	-	-	-	-	1,073	-	-	-	1,073	1.15%
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,073</b>	<b>1.15%</b>
<b>Unrated</b>											
Money Market Funds	N/R	3,839	-	-	-	-	-	-	-	3,839	4.13%
Mutual Funds	N/R	2,513	-	-	-	-	-	-	-	2,513	2.70%
		<b>6,352</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,352</b>	<b>6.83%</b>
<b>Combined Endowment Totals</b>		<b>\$ 6,352</b>	<b>\$ 2,081</b>	<b>\$ -</b>	<b>\$ 6,728</b>	<b>\$ 17,630</b>	<b>\$ 56,597</b>	<b>\$ 3,654</b>	<b>\$ -</b>	<b>\$ 93,042</b>	<b>100.00%</b>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

**Stanislaus County Treasury Pool**  
**Summary of Investments**  
**For the Year Ended June 30, 2016**

(Dollar amounts in thousands)

	<u>Fair Value</u>	<u>Dollar Cost</u>	<u>Interest Rate Range</u>	<u>Maturity Range</u>
Negotiable Certificates of Deposit	\$ 160,173	\$ 160,000	0.63% - 1.30%	07/01/16 - 02/28/18
Commercial Paper	49,895	49,798	0.75% - 0.85%	08/23/16 - 10/14/16
Managed Funds - LAIF	55,000	55,000	0.58% - 0.58%	07/01/16 - 07/01/16
Federal Agencies - Coupons	399,919	397,329	0.75% - 2.00%	03/10/17 - 05/03/19
US Treasuries - Coupons	347,193	344,781	0.50% - 1.38%	10/15/16 - 02/15/19
Medium Term Notes	146,002	145,088	1.13% - 3.35%	07/12/16 - 01/14/19
Calif Local Agency Indebt	9,915	9,915	1.50% - 1.50%	08/01/16 - 08/01/17
Money Market	250	250	0.23% - 0.23%	07/01/16 - 07/01/16
<b>Total Investments</b>	<b><u>\$ 1,168,347</u></b>	<b><u>\$ 1,162,161</u></b>		

In accordance with GASB Statement No. 31, investments are reported on the statement of net position/balance sheet at their fair value and all changes in fair value are reflected in income of the period in which they occur. Fair values were obtained from our custodial statement for all investments having greater than 360 days to maturity in the following categories:

- Negotiable Certificates of Deposit
- U.S. Agency and GSE Bonds and Notes
- U.S. Treasury Bonds, Notes and Bills
- Corporate Bonds and Notes
- Municipal Bonds

Amortized cost was used for all investments having 360 days or less to maturity, which may include the following categories:

- Negotiable Certificates of Deposit
- Commercial Paper
- State of California Local Agency Investment Fund
- U.S. Agency and GSE Bonds and Notes
- U.S. Treasury Bonds, Notes and Bills
- Corporate Bonds and Notes
- California Local Agency Debt
- Money Market Funds

The Stanislaus County Treasurer's Pool normally maintains the maximum allowable investment in the State of California Local Agency Investment Fund (L.A.I.F.). The total amount invested by all public agencies in L.A.I.F. at June 30, 2016 was \$22.7 billion. L.A.I.F. is part of the State of California Pooled Money Investment Account (P.M.I.A.) whose balance at June 30, 2016 was \$77.7 billion. No amount was invested in any derivative financial products.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 167 days as of June 30, 2016.

The Local Investment Advisory Board (Board) has oversight responsibility for L.A.I.F. The Board consists of five members as designated by state statute. The value of the pool shares in L.A.I.F., which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury's portion in the pool. Withdrawals from L.A.I.F. are done on a dollar to dollar basis.

In accordance with GASB Statement No. 31, investments are marked to fair values annually and an adjustment is made to each fund accordingly. However, actual daily activity is done on a dollar for dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool at June 30, 2016:

<u>Statement of Net Position</u>	
Net assets held for pool participants	<u>\$ 1,167,649,215</u>
Equity of external pool participants	734,023,334
Equity of internal pool participants	<u>433,625,881</u>
Total Equity	<u>\$ 1,167,649,215</u>
 <u>Statement of Changes in Net Position</u>	
Net assets at July 1, 2015	\$ 1,059,346,434
Net investment income	13,272,192
Net contributions and withdrawals	<u>95,030,589</u>
Net assets at June 30, 2016	<u>\$ 1,167,649,215</u>

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

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 4: **Cash and Investments** (continued)

**Fair Value Measurements**

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

- Level 1: Investments reflect prices 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 pool has the following recurring fair value measurements as of June 30, 2016:

		(Dollar amounts in thousands)		
		Fair Value Measurements Using		
Investments by fair value level		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt Securities</b>				
Negotiable Certificates of Deposit	\$ 140,173	\$ -	\$ 140,173	\$ -
Commercial Paper	49,895	-	49,895	-
Federal Agencies	399,919	-	399,919	-
US Treasuries	347,193	347,191	-	-
Medium Term Notes	146,002	-	146,002	-
Total Investments measured at fair value	\$ 1,083,182	\$ 347,191	\$ 735,989	\$ -
<b>Investments measured at amortized cost</b>				
Negotiable Certificates of Deposit (Unrated)	\$ 20,000			
LAIF	55,000			
Calif Local Agency Debt	9,915			
Money Market	250			
Total Investments	\$ 1,168,347			



**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 5: **Interfund Transactions**

**Interfund Receivables/Payables**

The compositions of interfund balances as of June 30, 2016 are as follows:

***Due To/From Other Funds***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
General fund	Capital projects	\$5,314,747	To cover deficit cash balance
General fund	Other governmental funds	<u>1,309,403</u>	To cover deficit cash balance
	Sub total	<u>6,624,150</u>	
Behavioral Health and Recovery	General fund	707,780	State realignment
Behavioral Health and Recovery	Community Service Agency	41,657	Reimbursement for service
Other governmental funds - Alliance Worknet	Community Service Agency	<u>21,731</u>	Reimbursement for service
	Sub total	<u>771,168</u>	
	Total	<u><u>\$7,395,318</u></u>	

***Advances To/From***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
General Fund	Other Governmental Funds	\$ 100,000	Long-term loan

The balance of the loan between the General Fund and the Public Works department for dangerous building abatement is \$100,000.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 5: **Interfund Transactions** (continued)

Transfer from	Transfer to	Amount	Purpose
General fund	Other governmental funds	\$ 23,763,937	County program contributions and debt service
	Community Services Agency	24,497,207	County program contributions
	Health clinics and ancillary services	5,008,580	County program contributions
	Behavioral Health and Recovery	3,615,245	County program contributions
	Internal service funds	16,407	General liability
		<u>56,901,376</u>	
Tobacco settlement	General fund	2,956,546	Interest distribution and debt service
	Other governmental funds	422	Miscellaneous
		<u>2,956,968</u>	
Public facility fees	General fund	2,593,271	Debt service payments
	Other governmental funds	13,478,652	Contributions to capital projects
	Other governmental funds	4,144,344	Contributions to roads and bridges
	Other governmental funds	387,227	Contributions to public works
	Other governmental funds	66,784	Contributions to parks
	Other governmental funds	11,122	Contributions to planning
		<u>20,681,400</u>	
Other governmental funds	General fund	2,841,139	Various contributions to programs
	PFF funds	310,674	Contributions to capital projects
	Health clinics and ancillary services	1,700,000	Various contributions to programs
		<u>4,851,813</u>	
Community Services Agency	General fund	181,632	Reimbursement for services
Fink Landfill	Other enterprise funds	1,195,629	Landfill closure/post-closure
Health clinics and ancillary services	Other governmental funds	31,143	Reimburse admin. costs of HSA and debt service
Other enterprise funds	General fund	18,065	Contribution to public works
Internal service funds	General fund	60,000	ICJS contribution
	General fund	16,280	Safety incentive program
	Internal service funds	81,971	Reimbursement for services
	Other governmental funds	12,232	Safety incentive program
	Community Services Agency	11,242	Safety incentive program
	Behavioral Health and Recovery	5,181	Safety incentive program
	Internal service funds	913	Safety incentive program
	Other enterprise funds	44	Safety incentive program
		<u>187,863</u>	
		<u>\$ 87,005,889</u>	

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 6: **Capital Assets**

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

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments &amp;</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land and right of ways	\$ 43,483,445	\$ 690,807	\$ -	\$ 360,000	\$ 44,534,252
Construction in progress	60,268,376	54,459,925	-	(252,987)	114,475,314
Total capital assets, not being depreciated	<u>103,751,821</u>	<u>55,150,732</u>	<u>-</u>	<u>107,013</u>	<u>159,009,566</u>
Capital assets, being depreciated:					
Infrastructure	827,531,857	2,020	-	-	827,533,877
Structures and improvements	232,977,236	3,445,060	(3,914,743)	(36,489)	232,471,064
Equipment	104,063,282	8,355,646	(2,875,470)	35,181	109,578,639
Intangible assets	4,533,611	-	(1,182,275)	-	3,351,336
Total capital assets, being depreciated	<u>1,169,105,986</u>	<u>11,802,726</u>	<u>(7,972,488)</u>	<u>(1,308)</u>	<u>1,172,934,916</u>
Less accumulated depreciation for:					
Infrastructure	(667,021,635)	(25,011,782)	-	-	(692,033,417)
Structures and improvements	(94,776,838)	(6,940,981)	2,818,689	517,787	(98,381,343)
Equipment	(67,093,966)	(6,420,052)	2,590,728	(35,783)	(70,959,073)
Intangible assets	(1,957,817)	(438,875)	407,076	-	(1,989,616)
Total accumulated depreciation	<u>(830,850,256)</u>	<u>(38,811,690)</u>	<u>5,816,493</u>	<u>482,004</u>	<u>(863,363,449)</u>
Total capital assets, being depreciated, net	<u>338,255,730</u>	<u>(27,008,964)</u>	<u>(2,155,995)</u>	<u>480,696</u>	<u>309,571,467</u>
Governmental activities capital assets, net	<u>\$ 442,007,551</u>	<u>\$28,141,768</u>	<u>\$ (2,155,995)</u>	<u>\$ 587,709</u>	<u>\$ 468,581,033</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land and right of ways	\$ 15,462,882	\$ -	\$ -	\$ -	\$ 15,462,882
Construction in progress	173,026	132,917	-	-	305,943
Total capital assets, not being depreciated	<u>15,635,908</u>	<u>132,917</u>	<u>-</u>	<u>-</u>	<u>15,768,825</u>
Capital assets, being depreciated:					
Structures and improvements	18,094,083	5,284	(54,511)	23,437	18,068,293
Equipment	17,842,234	5,625,963	(1,181,752)	(23,037)	22,263,408
Total capital assets, being depreciated	<u>35,936,317</u>	<u>5,631,247</u>	<u>(1,236,263)</u>	<u>400</u>	<u>40,331,701</u>
Less accumulated depreciation for:					
Structures and improvements	(12,870,772)	(991,031)	54,511	-	(13,807,292)
Equipment	(11,551,480)	(1,455,730)	1,118,873	(17,075)	(11,905,412)
Total accumulated depreciation	<u>(24,422,252)</u>	<u>(2,446,761)</u>	<u>1,173,384</u>	<u>(17,075)</u>	<u>(25,712,704)</u>
Total capital assets, being depreciated, net	<u>11,514,065</u>	<u>3,184,486</u>	<u>(62,879)</u>	<u>(16,675)</u>	<u>14,618,997</u>
Business-type activities capital assets, net	<u>\$ 27,149,973</u>	<u>\$ 3,317,403</u>	<u>\$ (62,879)</u>	<u>\$ (16,675)</u>	<u>\$ 30,387,822</u>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 6: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	<b>Equipment</b>	<b>Structures and Improvements</b>	<b>Intangible</b>	<b>Infrastructure</b>	<b>Total</b>
General government	\$ 210,777	\$ 2,079,205	\$ -	\$ -	\$ 2,289,982
Public protection	2,366,570	2,891,300	64,674	-	5,322,544
Public ways	9,480	51,563	-	25,011,782	25,072,825
Health and sanitation	544,709	293,064	-	-	837,773
Public assistance	355,871	649,927	-	-	1,005,798
Education	1,601,893	208,430	-	-	1,810,323
Recreation	211,791	742,135	-	-	953,926
Internal service funds	1,118,962	25,356	374,201	-	1,518,519
<b>Total</b>	<b>\$ 6,420,053</b>	<b>\$ 6,940,980</b>	<b>\$ 438,875</b>	<b>\$ 25,011,782</b>	<b>\$ 38,811,690</b>

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

	<b>Equipment</b>	<b>Structures and Improvements</b>	<b>Total</b>
Fink Road Landfill	\$ 353,780	\$ 895,537	\$ 1,249,317
Health Clinics and Ancillary Services	206,327	75,352	281,679
Inmate Welfare/Commissary	656	6,987	7,643
Transit	894,967	13,155	908,122
<b>Total</b>	<b>\$ 1,455,730</b>	<b>\$ 991,031</b>	<b>\$ 2,446,761</b>

Note 7: **Receivables**

The accounts receivable balance, net allowance, in the business type activities is \$17,306,809. This balance includes \$16,251,962 for Health Clinics and Ancillary Services.

In the government type \$109,713,830 includes receivables from federal, state, and local governments in the amount of \$37,165,633.

Note 8: **Notes Receivable**

As of June 30, 2016 a total of \$89,546 has been loaned and recorded as notes receivable.

On August 26, 2014, the Board of Supervisors approved \$200,000 for loans designed to help citizens living within unincorporated areas of Stanislaus County with repairs or replacement costs of water wells which provide supply for domestic use.

The loans are to be repaid within five to seven years with a 1% interest rate. The qualifying applicants sign a promissory note, secured by a recorded lien, deed of trust or similar instrument.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 9:

**Property Taxes**

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CPI) not to exceed an increase of 2%. Property is re-appraised from the 1975-1976 base year value to current full value upon either (1) a change in ownership, or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is re-appraised). Thereafter, it continues to be increased annually by the change in the CPI not to exceed 2%. The total gross assessed value for Fiscal Year 2015-2016 is \$41,820,842,408.

The County is permitted by Section 93, of the California Revenue and Taxation Code, to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by a two-thirds vote of its voters after June 4, 1986. Taxes are allotted to local agencies and school districts as outlined in Sections 95 through 100 of the California Revenue and Taxation Code.

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due on November 1 and February 1, and again subject to the late payment penalties if paid after December 10 and April 10, respectively.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code (otherwise known as the "Teeter Plan"). Under this method, the accounts of all political subdivisions that levy taxes on the County tax roll are credited with 100% of their respective secured ad valorem tax levy, regardless of the actual payments and delinquencies. This method then provides for all the delinquent penalties and redemptions flow to the County's General Fund. In addition, Sections 4703 and 4703.2 of the California Revenue and Taxation Code require that a property tax loss reserve fund be maintained at 1% of the total of all taxes and assessments levied on the secured roll for that year for participating entities in the county, or 25% of the total delinquent secured taxes. By Board of Supervisors resolution, dated September 9, 2008, the County has elected to maintain the tax loss reserve at 1% of the secured roll.

Taxes receivable balance of \$15,914,259 in the General Fund is comprised of teeter property tax receivable of \$15,813,676 and \$100,583 receivable balance for unsecured property taxes.

Unsecured taxes are accrued in the period when they are levied and are recognized when they become available. "Available" means, due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unsecured property taxes receivable that does not meet the "available" criteria are recorded as deferred inflow of resources.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 10: **Leases**

Operating Leases

The County is committed under various operating leases for building and office space and business and data processing equipment.

Aggregate rental expense for all operating leases approximated \$4,893,066 for all fund types for the year ended June 30, 2016. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2016.

Fiscal Year Ending <u>June 30, 2016</u>	
2017	\$ 4,094,935
2018	2,112,089
2019	1,408,034
2020	1,130,578
2021	1,044,976
2022-2027	<u>823,328</u>
Total Minimum Lease Payments	<u><u>\$ 10,613,940</u></u>

Revenue Leases

Effective July 1, 2012, the County of Stanislaus entered into a new facility site lease agreement with Covanta Stanislaus, Inc. (formerly Stanislaus Waste Energy Company). The original lease with Stanislaus Waste Energy Company was established in June 1986 with initial term of 35 years with an option to renew the lease for additional 15 years. This lease was to expire August 2021. The lease covers a 16.55 acre site owned by the County.

The new lease agreement extends the terms by six additional years with a one-time termination option on December 31, 2016. Covanta Stanislaus, Inc. retains a 15-year renewal option. The annual lease payment is \$198,000. If Covanta Stanislaus, Inc. exercises its 15-year renewal option, the annual rent would convert to the market rate for the highest and best use of land.



**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 10: **Leases** (continued)

**Revenue Leases** (continued)

On March 1, 2016, the County of Stanislaus entered into a new concession lease agreement with PFD Management Inc. to provide cafeteria services at the Community Services Facility. The recommended lease with PFD Management Inc. includes a minimum base rent of \$6,480 per year, an additional 3% commission based on gross sales over \$216,000, an additional 3% commission on vending machine sales over \$24,000 estimated to be \$720 and a flat \$500 commission on catering sales per year that can generate an estimated \$7,700 in revenue annually. The initial lease term began the day after Board approval and terminates February 28, 2017 and may be renewed for four additional one-year terms. The total maximum term of this lease shall be limited to five years, terminating on February 28, 2021. This agreement has the potential to generate \$38,500 in revenue over the five-year lease term.

Effective November 1, 2016, Stanislaus County Health Services Agency entered into a commercial lease agreement with Larry Brown, DBA Common Grounds Café. The original lease agreement was established in October 2008 at an initial term of 2 years with an option to remain in possession of the premises at a monthly rental rate of \$700 per month for continued occupancy. The premises consists of the ground floor kitchen area in the central unit of the Health Services Agency scenic campus which is approximately 750 sq. ft. Due to issues related to flooding of the premises, a new agreement was created to adjust the monthly rental rate to \$100 per month, where Health Services Agency guarantees a purchase of at least \$100 in vouchers from the tenant each month. The term of the new agreement extends to November 30, 2017 with an option to extend with mutual consent from both Health Services Agency and Larry Brown. The Health Services Agency is expected to receive \$1,200 in rental revenue over the term of the lease.

On January 1, 1997, the County of Stanislaus entered into a lease agreement with Mr. Dave Brown to lease 35 acres of agriculture land located at 3312 Crows Landing Road, Ceres, California. The lease was renewed on January 1, 2015. The annual rent is \$4,415 per year. The term of the lease is two years, terminating on December 31, 2016.

The County of Stanislaus and The Gallo Center for the Arts, LLC and the Central Valley Center for the Arts entered into an agreement on February 17<sup>th</sup>, 2004. The annual rent is one dollar. The leased property is located at 1030 11<sup>th</sup> Street, Modesto, California. The agreement expires 40 years from the date the Gallo Center for the Arts was completed and ready for occupancy. The completion date of the Gallo Center for the Arts was November 20, 2007.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 10: **Leases** (continued)

**Revenue Leases** (continued)

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2016.

Fiscal Year Ending <u>June 30, 2016</u>	
2017	\$ 198,001
2018	198,001
2019	198,001
2020	198,001
2021	198,001
2022-2047	<u>990,026</u>
Total Minimum Lease Revenue	<u><u>\$ 1,980,031</u></u>

**Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met:

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payments at June 30, 2016</u>
<b>Governmental activities:</b>		
Equipment	0.00-7.7%	<u>\$ 483,456</u>
Total capital lease obligations		<u><u>\$ 483,456</u></u>



**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 10: **Leases** (continued)

Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Fiscal Year Ending June 30, 2016	Governmental Activities
2017	\$ 218,221
2018	168,198
2019	62,324
2020	51,862
Total Minimum Lease Payments	500,605
Less: Amounts Representing Interest	(17,149)
Present Value of Minimum Lease Payments	483,456
Less: Current Portion of Capital Leases	(207,564)
Long-term Capital Lease Obligation	\$ 275,892

Equipment and related accumulated amortization under capital leases are as follows:

	Governmental Activities
Equipment	\$1,185,882
Less: accumulated depreciation	(664,896)
Net value	\$ 520,986

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 11: **Long-Term Debt**

A. **Summary of Long-Term Debt**

The following is a summary of long-term liability transactions for the year ended June 30, 2016:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Certificates of participation	\$ 11,725,000	\$ -	\$ (4,450,000)	\$ 7,275,000	\$ 4,345,000
2012 Lease Refunding	4,598,695	-	(1,471,266)	3,127,429	1,531,515
2013 Lease Refunding	14,765,000	-	(4,850,000)	9,915,000	4,925,000
Plus issuance premium	362,046	-	(140,147)	221,899	140,147
Tobacco securitization note	87,448,611	-	(2,105,000)	85,343,611	4,815,000
Accreted interest tobacco note	31,738,345	4,675,494	-	36,413,839	-
	<u>\$ 150,637,697</u>	<u>\$ 4,675,494</u>	<u>\$ (13,016,413)</u>	<u>\$ 142,296,778</u>	<u>\$ 15,756,662</u>
Risk management liability	32,391,466	10,015,624	(7,961,086)	34,446,004	13,984,205
Capital lease payable	466,372	247,658	(230,574)	483,456	207,564
Compensated absences	30,758,594	22,887,641	(23,040,184)	30,606,051	5,445,885
	<u>\$ 63,616,432</u>	<u>\$ 33,150,923</u>	<u>\$ (31,231,844)</u>	<u>\$ 65,535,511</u>	<u>\$ 19,637,654</u>
<b>Total Governmental Activities</b>	<u>\$ 214,254,129</u>	<u>\$ 37,826,417</u>	<u>\$ (44,248,257)</u>	<u>\$ 207,832,289</u>	<u>\$ 35,394,316</u>
<b>Business-type Activities:</b>					
Risk management liability	\$ 213,013	\$ -	\$ (26,850)	\$ 186,163	\$ 97,114
Compensated absences	1,350,868	1,125,006	(1,247,902)	1,227,972	301,654
<b>Total Business-type Activities</b>	<u>\$ 1,563,881</u>	<u>\$ 1,125,006</u>	<u>\$ (1,274,752)</u>	<u>\$ 1,414,135</u>	<u>\$ 398,768</u>

With the exception of the Professional Liability Insurance Fund, which serves the Health Clinics and Ancillary Services Enterprise Fund, internal service funds serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, risk management liability and compensated absences are generally liquidated by the General Fund.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 11: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

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

Year Ending June 30	Governmental Activities			
	Certificates of Participation		2012 Lease Refunding	
	Principal	Interest	Principal	Interest
2017	\$ 4,345,000	\$ 291,000	\$ 1,531,515	\$ 48,344
2018	2,930,000	117,200	1,595,914	17,157
<b>Totals</b>	<b>\$ 7,275,000</b>	<b>\$ 408,200</b>	<b>\$ 3,127,429</b>	<b>\$ 65,501</b>

Year Ending June 30	2013 Lease Refunding	
	Principal	Interest
	2017	\$ 4,925,000
2018	4,990,000	37,425
<b>Totals</b>	<b>\$ 9,915,000</b>	<b>\$ 149,212</b>

Year Ending June 30	Tobacco Securitization Note		Tobacco Securitization Note 2006	
	Principal	Interest	Principal	Interest
	2017	\$ 4,815,000	\$ 1,931,840	\$ -
2018	5,660,000	1,644,340	-	-
2019	6,095,000	1,317,836	-	-
2020	6,560,000	959,314	-	-
2021	7,055,000	573,474	-	2,935,222
2022-2026	13,005,000	269,883	-	39,889,695
2027-2031	-	-	23,793,381	42,546,901
2032-2036	-	-	9,446,325	47,665,309
2037-2041	-	-	-	50,794,058
2042-2046	-	-	8,913,905	42,299,911
<b>Totals</b>	<b>\$ 43,190,000</b>	<b>\$ 6,696,687</b>	<b>\$ 42,153,611</b>	<b>\$ 226,131,096</b>

The above Tobacco Securitization Note amortization schedule assumes that the accelerated payments will be made. If the projected tobacco sales do not occur, then the amortization schedule will change to reflect less principal being paid each year, maturing in 2055.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 11: **Long-Term Debt** (continued)

**B. Long-Term Obligations**

A summary of certificates of participation outstanding at year-end follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2016
<b>Governmental Activities:</b>					
2012 Lease Refunding	1.99	8/1/2012	6/1/2018	\$ 8,687,050	\$ 3,127,429
2013 Lease Refunding	1.50	8/1/2013	8/1/2017	19,540,000	9,915,000
2007 Series A COP	3.65-5.75	2/1/2007	5/1/2018	42,081,614 <sup>(1)</sup>	7,275,000
Total Governmental Activities				<u>\$ 70,308,664</u>	<u>\$ 20,317,429</u>

<sup>(1)</sup> Includes \$1,541,614 premium

A summary of notes payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2016
Tobacco Securitization Note	5.50-7.50	3/21/2002	6/1/2043	\$ 67,305,000	\$ 43,190,000
2006 Tobacco Securitization Note	5.75-7.25	3/29/2006	6/1/2055	42,153,611	78,567,450 *
Total				<u>\$109,458,611</u>	<u>\$ 121,757,450</u>

\* Includes accredited interest of \$36,413,839

Purpose for County Borrowings

2012 Lease Refunding	Refunded 1998 Series A COP which funded the construction of a portion of the Tenth Street Place building with the City of Modesto.
2013 Lease Refunding	Refunded 2004 A and B COPs which funded the construction of Gallo Center for the Arts, Public Safety Center, Salida Library, 801 11th Street building, 12th Street office building and parking garage
2007 Series A Refunding	Community Services Agency building
Tobacco Securitization Note	To purchase future tobacco settlement revenue
Tobacco Securitization Note 2006	To purchase future tobacco settlement revenue

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 11: **Long-Term Debt** (continued)

**C. Tobacco Settlement Asset-Backed Bonds**

The County has issued two series of capital appreciation bonds. The first series is the Series 2002 Tobacco Settlement Asset-Backed Bonds and 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 California County Tobacco Securitization Agency (CCTSA) issued bonds and loaned the proceeds to a nonprofit corporation formed by the County called the Stanislaus County Tobacco Funding Corporation (the Stanislaus Corporation) which, in turn paid the proceeds to the County. The bonds are limited obligations of the CCTSA payable solely from payments made by the Stanislaus Corporation from tobacco settlement revenues purchased from the County.

In April 2002, the CCTSA issued the Tobacco Settlement Asset-Backed Bonds on behalf of the Stanislaus Corporation, which is reported as a blended component unit of the County. The original issue amount of the bonds was \$67,305,000 and the expected maturity dates were from June 1, 2019-2043. The bonds' interest rates range from 5.5% to 7.5%.

In April 2006 the CCTSA issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 in the amount of \$42,153,611 and the expected maturity dates were from June 1, 2046-2055. The bonds' interest rates range from 5.75% to 7.25%.

**D. Arbitrage**

Arbitrage regulations pertain to the investment of 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 arbitrage rebates are not reported and paid to the Internal Revenue Service at least every five years. At June 30, 2016, The County did not have any outstanding liability for arbitrage.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 12: **Solid Waste Landfill Closure and Postclosure Care Costs**

There are two solid waste landfill sites in the County. The Fink Road Sanitary Landfill is owned by the County and is currently operating. The Geer Road Sanitary Landfill is on land jointly owned by the City of Modesto and the County of Stanislaus. This landfill has reached capacity and was closed in June 1990. The County of Stanislaus, by and through its Board of Supervisors, administered the closure operations of the Geer Road Sanitary Landfill. Both landfills are reported in their entirety as enterprise funds.

State and federal laws require the County to close a landfill once its capacity has been reached and to monitor and maintain the site for a minimum of thirty subsequent years. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until a landfill is closed. The amount recognized each year to date is based on the landfill capacity used as of the financial statement date.

	Fink Road	Geer Road	Total
Estimated total liability for closure/ postclosure at June 30, 2016	\$ 21,819,361	\$ 13,895,000	\$ 35,714,361
Liability recognized as of June 30, 2016	\$ 8,394,356	\$ 1,801,888	\$ 10,196,244
Landfill capacity used to date	38.00%	100%	
Estimated remaining useful life	14 years		

The estimated costs of closure and postclosure care are subject to changes such as the effects of inflation, technology, revision of laws and other variables including corrective action which is required when a release has been detected. State and federal laws require the County to establish a closure fund to accumulate assets needed for the actual payout of closure and postclosure care costs. Of the restricted cash and investments in the proprietary funds, the following amounts are held for this purpose:

Fink Road Sanitary Landfill	\$ 18,828,783
Geer Road Sanitary Landfill	\$ 516,042

Note 13: **Net Position/Fund Balances**

**Net Position**

The government-wide and business-type activities financial statements utilize a net position presentation. Net position components are as follows:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net assets. 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.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 13: **Net Position/Fund Balances** (continued)

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net assets of the County, not restricted for any project or other purpose.

As of June 30, 2016, the County had the following restrictions to net position:

	Governmental Activities	Business-type Activities
Restricted for:		
Capital projects	\$ 56,805,820	\$ -
Debt service	10,299,520	-
Other purposes:		
Landfill closure/postclosure	-	19,393,530
Tobacco settlement	102,201,785	-
Behavioral Health & Recovery	21,851,149	-
Probation grants	20,501,820	-
Road and bridge	16,205,909	-
Library	11,688,736	-
Environmental Resources	10,232,636	-
Health Services	10,105,292	-
Children and Families Commission	9,792,803	-
Planning	7,779,526	-
Tax loss reserve fund	4,506,356	-
Lighting/storm drain & service area districts	3,760,806	-
Sheriff's Office	3,601,876	-
Other	3,346,949	-
Probation	2,661,524	-
Clerk-Recorder - Capital Assets	2,548,061	-
Chief Executive Office	2,545,393	-
Department of Child Support	1,422,394	-
Area Agency on Aging	1,127,797	-
Parks	934,853	-
Court security	495,098	-
Subtotal other purposes	237,310,763	19,393,530
Total restricted net position	\$ 304,416,103	\$ 19,393,530
Amount of total restricted by enabling legislation	\$ 41,272	

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 13: **Net Position/Fund Balances** (continued)

**Fund Balances**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned (see Note 1 for a description of these categories). A detail schedule of fund balances at June 30, 2016 is as follows:

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
<b>Non-spendable</b>							
Teeter receivable	\$ 9,342,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,342,720
Advances to government and other funds	4,493,668	-	-	-	-	-	4,493,668
Inventory	-	-	-	-	-	436,762	436,762
Prepaid items	216,186	-	-	-	-	85,675	301,861
Imprest cash	85,355	-	8,550	25,450	-	11,695	131,050
Total non-spendable	<u>14,137,929</u>	<u>-</u>	<u>8,550</u>	<u>25,450</u>	<u>-</u>	<u>534,132</u>	<u>14,706,061</u>
<b>Restricted</b>							
Tobacco	-	102,201,785	-	-	-	6,124,296	108,326,081
Public facility fees	-	-	-	-	46,867,097	-	46,867,097
Program funds	-	-	16,242,093	(19,796)	-	79,735,576	95,957,873
Children and Families Commission	-	-	-	-	-	9,688,123	9,688,123
Debt services	-	-	-	-	-	4,056,907	4,056,907
AC tax loss	4,506,356	-	-	-	-	-	4,506,356
Special districts	-	-	-	-	-	3,324,325	3,324,325
Chief Executive Office County Fire Services	-	-	-	-	-	304,653	304,653
Court security	-	-	-	-	-	493,454	493,454
Chief Executive Office prop 69 DNA identification	-	-	-	-	-	225,267	225,267
Total restricted	<u>4,506,356</u>	<u>102,201,785</u>	<u>16,242,093</u>	<u>(19,796)</u>	<u>46,867,097</u>	<u>103,952,601</u>	<u>273,750,136</u>
<b>Committed</b>							
Capital acquisitions	6,237,382	-	2,957,886	-	-	565,161	9,760,429
Parks and litigation	1,535,387	-	-	-	-	-	1,535,387
Honor Farm waste water treatment facility	-	-	-	-	-	101,579	101,579
General plan maintenance	-	-	-	-	-	33,212	33,212
Total committed	<u>7,772,769</u>	<u>-</u>	<u>2,957,886</u>	<u>-</u>	<u>-</u>	<u>699,952</u>	<u>11,430,607</u>
<b>Assigned</b>							
Encumbrances	4,401,086	-	2,657,027	199,890	-	22,723,625	29,981,628
Debt service	27,453,222	-	-	-	-	-	27,453,222
Teeter plan	23,860,152	-	-	-	-	-	23,860,152
Contingencies	13,703,751	-	-	-	-	-	13,703,751
Carryover appropriations	9,331,225	-	-	-	-	-	9,331,225
Retirement obligation	8,800,000	-	-	-	-	-	8,800,000
Budget balance	7,471,888	-	-	-	-	-	7,471,888
Criminal justice system efficiencies	6,200,000	-	-	-	-	-	6,200,000
Community investment	5,000,000	-	-	-	-	-	5,000,000
Cash out obligation	4,000,000	-	-	-	-	-	4,000,000
ADA transition plan	2,000,000	-	-	-	-	-	2,000,000
Demolition of old county buildings	2,000,000	-	-	-	-	-	2,000,000
Deferred maintenance	2,000,000	-	-	-	-	-	2,000,000
Jail expansion	2,000,000	-	-	-	-	-	2,000,000
Automation fund	1,964,655	-	-	-	-	-	1,964,655
Pending litigation	1,835,000	-	-	-	-	-	1,835,000
Enterprise and technology upgrades	1,500,000	-	-	-	-	-	1,500,000
Public safety facility infrastructure	1,500,000	-	-	-	-	-	1,500,000
Invest fair value adjustment	1,102,081	-	209,709	-	248,852	400,892	1,961,534
Reserve CSA savings for match	1,000,000	-	-	-	-	-	1,000,000
Veteran's one-stop facility	999,075	-	-	-	-	-	999,075
Salida park	450,000	-	-	-	-	-	450,000
Total assigned	<u>128,572,135</u>	<u>-</u>	<u>2,866,736</u>	<u>199,890</u>	<u>248,852</u>	<u>23,124,517</u>	<u>155,012,130</u>
<b>Unassigned</b>							
General fund	9,966,047	-	-	-	-	-	9,966,047
Special revenue	-	-	(224,116)	-	-	-	(224,116)
Total unassigned	<u>9,966,047</u>	<u>-</u>	<u>(224,116)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,741,931</u>
<b>Total fund balance</b>	<u>\$ 164,955,236</u>	<u>\$ 102,201,785</u>	<u>\$ 21,851,149</u>	<u>\$ 205,544</u>	<u>\$ 47,115,949</u>	<u>\$ 128,311,202</u>	<u>\$ 464,640,865</u>



**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 14: **Risk Management**

The County CEO-Risk Management Division's program encompasses workers' compensation, general and professional liability, property, medical, dental, unemployment, and vision self-insurance. The County is self-insured for workers' compensation for the first \$500,000 per claim with excess insurance for amounts spent over \$500,000 on a statutory basis. The general liability insurance covers property damage, personal injury, auto and public officials' errors and omissions has a self-insured retention of \$250,000 per occurrence with excess insurance through CSAC-Excess Insurance Authority and several excess insurance carriers totaling to \$25,000,000. The County's property coverage limit is \$740,294,602 subject to variable deductibles including \$10,000 for All Risk Coverage and \$20,000 for vehicles per incident. Unemployment, vision care, and dental insurance are the sole responsibility of the County. Limited exposure precludes the need for outside insurance coverage. The County is self-insured for employee medical costs, and carries excess insurance for claims in excess of \$250,000.

The Health Services Agency, Behavioral Health and Recovery Services, Probation, and the Sheriff's Office participate in the medical malpractice program subject to a deductible of \$10,000 per claim. The excess insurance through CSAC-Excess Insurance Authority and the insurance carriers is capped at \$20,000,000 per claim.

The estimation of claims liability is dependent on factors including, but not limited to; inflation, changes in legal doctrine, and damage awards. Accordingly, an actuarial study is completed each year.

The County is named in several legal actions and while management cannot predict the ultimate outcome with certainty, management does not believe there will be an adverse impact on the financial position of the County.

	Fiscal Year ending 6/30/16	Fiscal Year ending 6/30/15
Unpaid claims as of July 1	\$ 32,604,479	\$ 32,894,341
Incurred claims (including IBNRs)	10,015,624	7,437,686
Claim payments	(7,987,936)	(7,727,548)
Unpaid claims as of June 30	\$ 34,632,167	\$ 32,604,479

Note 15: **Contingent Liabilities**

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Some audits of these programs prior to and for the year ended June 30, 2016, have not been conducted or concluded. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 16: **Joint Ventures**

Stanislaus Waste-to-Energy Financing Agency

Stanislaus Waste-to-Energy Financing Agency (SWEFA) was created May 1, 1989, pursuant to a joint exercise of powers agreement between the City of Modesto (the City) and the County of Stanislaus. The SWEFA is administered by a commission consisting of two members of the City Council and two members of the County's Board of Supervisors.

The agreement provides that the City and the County shall pay for costs associated with the operation of the SWEFA and are entitled to all rights and property of the SWEFA equally. The agreement was amended and approved by the County of Stanislaus Board of Supervisors on June 26, 2012.

On May 1, 1990, the Agency issued Certificates of Participation (COP) to refinance a bond issued through California Pollution Control Financing Authority. On February 1, 2000 Refunding Revenue Certificates were issued to refinance the 1990 COPs. The 2000 Refunding Revenue Certificates were paid off in full on December 3, 2008. As of June 30, 2016, the SWEFA did not have any outstanding debt.

Financial statements for the SWEFA may be obtained by writing to the County of Stanislaus, Environmental Resource Department, 3800 Cornucopia Way, Suite C, Modesto, CA 95358.

Tuolumne River Regional Park

The County participates with the City of Modesto and the City of Ceres in the operation and development of the Tuolumne River Regional Park (TRRP). TRRP is governed by the TRRP Committee which consists of two members of the County's Board of Supervisors, two members of the City of Modesto's City Council, and one member of the City of Ceres' City Council.

The TRRP Committee prepares the annual budget, which must be approved by both cities' councils and the Board of Supervisors. Each participant has an equity interest in the assets of TRRP based on the percentage of cumulative contributions paid. As of June 30, 2016, the County's equity interest was \$650,516. For the fiscal year ending June 30, 2016, the County contributed \$129,675 to TRRP. The financial statements for TRRP are prepared by the City of Modesto Finance Department and may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 16: **Joint Ventures** (continued)

Stanislaus Drug Enforcement Agency

Stanislaus County and the cities of Modesto, Oakdale, Ceres, Patterson, Turlock, Riverbank, Waterford, Hughson and Newman are the participants in the Stanislaus Drug Enforcement Agency (SDEA). The purpose of the SDEA is to maintain a fully operational and specially trained police unit to assist each of the participating agencies in the enforcement of drug control laws, and to study, plan and set priorities for effective enforcement of such laws throughout Stanislaus County.

The governing body consists of the Sheriff, the District Attorney and Chief Probation Officer of Stanislaus County and the Chief of Police for each participating city. All participants contributed to the funding of the SDEA budgeted expenditures, based on population. The County's cash contribution to the SDEA for fiscal year 2016 was \$28,247.

The total cash plus in-kind contribution was \$475,742. Upon termination of the agreement, assets will be distributed based on total contributions from each participant. Financial statements of the SDEA are available from the City of Modesto.

Financial Statements may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

The City-County Capital Improvements and Financing Agency

The City-County Capital Improvements and Financing Agency (CCCIFA) was created December 17, 1996, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The CCCIFA is administered by a six-member commission consisting of two members of the City Council, two members of the County's Board of Supervisors, the County Chief Executive Officer and the City Manager. The CCCIFA prepares the annual and project budgets, which must be approved by both the City Council and the Board of Supervisors. Each participant has an equity interest in the assets of the Agency in accordance with any project agreements or in the percentages as agreed upon by the CCCIFA which percentages shall be reviewed and approved in connection with the project and annual budgets of the CCCIFA. As of June 30, 2016, the County's equity interest in the CCCIFA was \$8,663,178 and is reported as Investments-joint ventures in the government-wide statement of net assets.

The City of Modesto was the CCCIFA's fiscal administrator after the construction phase of the City-County Administration Center through the end of June 2010. Since July 2010, the County of Stanislaus has been the CCCIFA's fiscal administrator. The Financial Statements may be obtained by writing to the County of Stanislaus, Auditor-Controller Department, P.O. Box 770, Modesto, CA 95353-0770.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 16: **Joint Ventures** (continued)

The California County Tobacco Securitization Agency

In November 1998, the attorneys general of 46 states (including California) and various other public entities (collectively, the “Settling States”) and the four largest United States tobacco manufacturers entered into a master settlement agreement (MSA) in resolution of cigarette smoking-related litigation. The MSA effectively releases the manufacturers from past, present and future smoking related claims in exchange for, among other things, certain payments to be made to the Settling States.

On August 5, 1998 the counsel for the State of California and various jurisdictions therein (“participating jurisdictions”) entered into a memorandum of understanding (MOU), made to the State of California in accordance to the MSA. However, the payments under the MSA are subject to numerous adjustments and potential delays.

On November 15, 2000, the County of Stanislaus entered into a Joint Powers Agreement (the “Agreement”) with the County of Kern, County of Merced, and the County of Sonoma, thereby creating the California County Tobacco Securitization Agency (CCTSA). The CCTSA then added the County of Alameda, County of Fresno, County of Los Angeles, County of Marin, and the County of Placer.

The CCTSA is governed by a Commission, which is comprised of two designees of the Board of Supervisors of each member.

The purpose of the Agreement is to provide for the exercise of powers common to each member, including, but not limited to, the power to insure, hedge or otherwise manage the risks associated with the receipt of the MSA payments. In furtherance of its purpose, the CCTSA has been empowered to issue Bonds secured by the MSA payments of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the rights to the MSA payments from a member or members.

On March 1, 2002, the Stanislaus County Tobacco Funding Corporation, a component unit of the County, entered into an agreement with the CCTSA for the purpose of issuing bonds in the principal amount of \$67,305,000 to acquire the County’s rights to receive the MSA payments when and as such funds are available. The County agreed to sell its rights, title and interest of the money due under the MSA and the MOU for \$52,403,206.

On March 1, 2006 the Stanislaus County Tobacco Funding Corporation entered into a subordinate secured loan agreement with the CCTSA to borrow the proceeds of the \$42,153,611 CCTSA 2006 bond issue. The proceeds were used to pay the issuance costs of the bond and the remainder placed in the residual trust established for the benefit of the County in connection with the sale of County tobacco assets mentioned above. The County received \$40,971,290.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 16: **Joint Ventures** (continued)

The California County Tobacco Securitization Agency (continued)

The financial statements of the CCTSA are produced annually and may be obtained by writing to the County of Stanislaus, Auditor-Controller, PO Box 770, Modesto, CA 95353-0770. The responsibility of preparing the audited financial statements is rotated among the nine counties mentioned above.

Consolidated Emergency Dispatch Agency

The Modesto/Stanslaus Consolidated Emergency Dispatch Agency (the MSCEDA) was created on September 1, 1999, pursuant to a joint exercise of powers agreement between the City of Modesto (the "City") and the County of Stanislaus (the "County"). The MSCEDA is administered by a seven-member commission consisting of one member of the Modesto City Council, one member of the County's Board of Supervisors, the County Chief Executive Officer, the Modesto City Manager, two members from the Dispatch Advisory Board, and one member from the City of Ceres' City Council or one member selected by the City Council of another participating City. The purpose of the MSCEDA is to consolidate the public safety communications system. The responsibilities of the County and the City include approval of the annual budget, claims, liabilities, and the use of MSCEDA property as collateral. Each participant will contribute sufficient funds to pay for all costs and expenses associated with providing Emergency Dispatch Services. Upon termination of the agreement, assets will be distributed equally to the City and County, unless otherwise approved. The financial statements may be obtained by writing to the Modesto/Stanslaus Consolidated Emergency Dispatch, Office Manager, 3705 Oakdale Road, Modesto, California 95357.

Regional Fire Training Center

On July 1, 1992 the County, Yosemite Community College District (YCCD), and the City of Modesto (City) entered into a 20 year agreement for the joint use and management of the regional fire training center (Center) at Modesto Junior College (MJC). Although the agreement had a sunset date of June 30, 2012, all parties continued to operate under terms of the expired agreement. A new agreement was put into place effective July 1, 2015. The Center's executive board is made up of the Chancellor of YCCD, the President of MJC, the City Manager and the Chief Executive Officer of the County. The Center was initially constructed using funds borrowed by YCCD with the City and County reimbursing a portion of these costs over 20 years. The buildings, grounds and equipment belong to YCCD. All three entities share in the Center's operating costs with YCCD responsible for the accounting and monitoring of the Center's budget. For fiscal year ending June 30, 2016, the County paid \$51,781 to YCCD under this agreement. Financial Statements may be obtained by writing to the Office of the Chancellor, Yosemite Community College District, 2201 Blue Gum Avenue, Modesto, CA 95352.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 16: **Joint Ventures** (continued)

California Statewide Automated Welfare System Consortium IV

The California Statewide Automated Welfare System Consortium IV (Authority) was formed in December of 1998, pursuant to a joint exercise of powers agreement between the Counties of San Bernardino, Riverside, Merced and Stanislaus. The Authority was created for the purpose of the design, development, implementation, and on-going operation and maintenance of a system that automates the eligibility and case management functions of various welfare programs.

On January 9, 2007, the Board of Supervisors approved the Amendment 1 of the Joint Powers Agreement to add thirty-five (35) counties to the current C-IV Joint Powers Authority (JPA). On March 30, 2010, the Board of Supervisors approved the Amendment 2 to the Joint Powers Agreement to reflect the implementation of the C-IV Automated System in the thirty-five (35) migration counties. The agreement further documents and establishes the new thirty-nine (39) C-IV Consortium County Regional Representation Model. The benefits of adding these counties create opportunities to expand and improve the current C-IV system along with lowering each county's share of costs.

Currently the Authority is governed by a Board of Directors comprised of seven (7) County Directors and all 39 County Directors participate as general members. All C-IV JPA meetings are open to the public and information updates are provided on the C-IV Website <http://www.c-iv.org/>.

The Community Services Agency total C-IV costs for Fiscal Year 2015/2016 were \$813,953 out of that Stanislaus County's portion was \$323,807. A copy of the Consortium IV Financial Statement's may be obtained by writing to the County of San Bernardino Auditor-Controller/Treasurer/Tax Collector (ATC), 222 West Hospitality Lane, 4<sup>th</sup> Floor, and San Bernardino, CA 92415.

North County Corridor Transportation Expressway Authority

On April 1, 2008, the Board of Supervisors approved the establishment of a Joint Powers Authority between the County and the cities of Modesto, Oakdale and Riverbank to create the North County Corridor Transportation Expressway Authority (NCCTEA). The purpose of the Authority is to prepare, identify, and adopt a precise alignment, and prepare and certify environmental documents for a route to improve east/west traffic circulation in the County.

The intent of the NCCTEA is to provide a high capacity high speed east-west roadway to accommodate anticipated traffic growth, alleviate traffic on parallel roads, and to accommodate multi-modal travel. Under the terms of the agreement, the County will incur 40% of the costs of the project while each of the participating cities will be contributing 20%. The preliminary project development costs are funded by State Transportation Program and Public Facility Fees. The NCCTEA Board of Directors is comprised of two directors appointed by the County, and one director from each participating city.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 16: **Joint Ventures** (continued)

North County Corridor Transportation Expressway Authority (continued)

The board acts autonomously from the respective member agencies. The County of Stanislaus Public Works Director is designated as the NCCTEA's manager. Upon completion of the agreement, all assets will be distributed to the respective parties of the agreement as determined by the Board of Directors of the Authority. Financial statements may be obtained by writing to the County of Stanislaus, Public Works Department, 1716 Morgan Road, Modesto, CA 95358.

Stanislaus Animal Services Agency

Stanislaus Animal Services Agency (SASA) was created October 27, 2009, pursuant to a Joint Powers Agreement (JPA) among the cities of Ceres, Hughson, Modesto, Patterson, Waterford, and the County of Stanislaus. The Agency is governed by a Board, the members of which are the city manager of each member agency and the Chief Executive Officer of the County.

The purpose of SASA is to operate a regional agency providing animal services to their respective communities. The SASA Executive Director is responsible for the annual budget which must be approved by the SASA Board of Directors. Each partner agency will contribute sufficient funds to pay for all costs approved in the budget to provide animal services. The financial statements may be obtained by writing to Stanislaus Animal Services Agency, Executive Director, 3647 Cornucopia Way, Modesto, CA 95358.

Note 17: **Pensions**

Plan Description

The County is a major participant in the Stanislaus County Employees Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple-employer Public Employee Retirement System (PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits. Health and welfare insurance for retirees and their dependents is available however administered independently of StanCERA. The plan is administered by the Stanislaus County Employees Retirement Association. An actuarial valuation is performed for the system annually as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres and six special districts located in the County not governed by the County's Board of Supervisors. StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to Stanislaus County Employees Retirement Association, P O Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 17: **Pensions** (continued)

Plan Description (continued)

The StanCERA CAFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported market price at current exchange rates.

***Summary of Plans and Eligible Participants***

General Tiers 1, 2, 4, 5 (not open to new members)	Vests after five years of credited service & may retire at age 50 or older with 10 or more years of membership with StanCERA or any age with 30 or more years of credited service.
General Tier 3 (not open to new members)	Vests after ten years of credited service & may retire at age 55 with 10 or more years of credited service.
General Tier 6 (open to new members)	Vests after five years of credited service & may retire at age 52 with 5 years of service credit or age 70 regardless of service credit.
Safety Tiers 1, 2, 4, 5 (not open to new members)	Vests after five years of credited service & may retire at age 50 or older with 10 or more years of membership with StanCERA or any age with 20 or more years of credited service.
Safety Tier 6 (open to new members)	Vests after five years of credited service & may retire at age 50 with 5 years of service credit or age 70 regardless of service credit.

**Benefits Provided**

Members terminating employment before accruing five years (ten years for Tier 3) of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested members who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Members who terminate after earning five or ten years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Difference between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

For members with Tier 1, Tier 4 or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2, Tier 3, or Tier 6 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.



**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 17: **Pensions** (continued)

**Benefits Provided** (continued)

The retirement benefit for Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 members includes a post-retirement cost-of-living (COL) adjustment based upon the Consumer Price Index. COL increases/decreases are limited to a maximum of 3% annually. Total COL decrease(s) cannot exceed the cumulative amount of previous COL increase(s). Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 provide death and disability benefits.

Those members participating in Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 are required by statute to contribute to the pension plan. Members' contribution rates for Tier 1, Tier 2, Tier 4, and Tier 5 are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. Members' contribution rate for Tier 6 is a flat rate based on the actuarially calculated future benefit. The County is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Member and employer contribution rates for each plan are as follows:

<u>Plan</u>	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>
General Tier 1	26.01%	4.83-7.29%
General Tier 2	20.08%	6.29-10.48%
General Tier 3	14.07%	Non-contributory
General Tier 4	24.59%	4.71-7.09%
General Tier 5	22.97%	7.60-11.70%
General Tier 6	20.10%	7.28%
Safety Tier 2	30.62%	10.32-16.36%
Safety Tier 4	43.31%	7.87-11.36%
Safety Tier 5	31.36%	11.71-17.12%
Safety Tier 6	25.43%	11.83%

The County's contributions to StanCERA for the past three fiscal years were equal to the required contributions for each year and is noted in the below chart. The County does not contribute towards post-employment benefits other than retirement.

<u>Fiscal Year Ended</u>	<u>Contributions*</u>
June 30, 2014	\$41,477,186
June 30, 2015	\$47,578,169
June 30, 2016	\$51,455,859

\* Contributions made by call entities processed through County payroll

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 17: **Pensions** (continued)

**Benefits Provided** (continued)

The County Employees' Retirement Law of 1937 establishes the basic obligations for employer and member contributions and benefits to and of the retirement system. The actual employer and member contribution rates in effect each year are based on recommendations made by an independent actuary and adopted by the Board of Retirement.

StanCERA provides a death benefit of \$5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the members' last public employer.

Ad-hoc benefits are non-vested benefits determined by the Board of Retirement. Approved changes to the excess earnings policy by the Board of Retirement on June 30, 2014 placed restrictions on offering ad-hoc benefits, specifically that the system must be 100% actuarially funded prior to the Board of Retirement offering any ad-hoc benefits. StanCERA is 73.7% actuarially funded as of June 30, 2015.

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

At June 30, 2016, the County reported a liability of \$256,442,634 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the liability used to calculate the net pension liability was determined by an actuarial valuation date June 30, 2014. The County's proportion of the net pension liability 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 participants, actuarially determined. At June 30, 2015, the County's proportion was 88.73%, compared to 88.69% at June 30, 2014, an increase of .04%

For the year ended June 30, 2016, the County recognized pension expense of \$20,768,828. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method and plan benefits.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 17: **Pensions** (continued)

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

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred outflows of resources - change in proportion	\$ 2,209,878	\$ -
County contributions subsequent to the measurement date	50,612,961	-
Deferred inflows of resources - change in actual vs. proportionate contributions	-	298,570
Deferred inflows of resources - proportionate share of collective investment return	-	33,453,133
	\$ 52,822,839	\$ 33,751,702

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

The County contributions of \$50,612,961 made subsequent to the measurement date are reported as deferred outflows of resources for fiscal year ending June 30, 2016 and will be recognized as reduction of the net pension liability in the fiscal year ending June 30, 2017.

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

Fiscal Year Ended	Amount
2016	\$ (14,629,275)
2017	(14,629,275)
2018	(14,629,272)
2019	12,346,997
Thereafter	-
	\$ (31,540,825)

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 17: **Pensions** (continued)

Actuarial Assumptions (continued)

Inflation	3.00%
Salary increases	3.25% plus merit component
COLA increases	3% for those eligible for COLA
Investment rate of return	7.25%, net of investment expense
Post-retirement mortality	Fully generational mortality improvement projection from base year 2009 using scale MP-2015

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 – June 30, 2015.

Asset Class	2016 Long-Term Expected Real Rate of Return	2016 Target Allocation
Domestic Equities		
U.S. Large Cap	5.90%	12.00%
U.S. Small Cap	5.20%	3.00%
International Equities		
Int'l Development	9.20%	16.00%
Emerging Market Equity	11.30%	4.00%
U.S. Fixed Income		
Core fixed income (1)	3.20%	0.00%
U.S. Treasury (1)	2.30%	3.00%
Short-term Gov/Credit (1)	2.50%	18.00%
Real Estate		
Core (1)	4.70%	5.00%
Value-add	6.70%	5.00%
Risk Parity	7.00%	14.00%
Private Equity	8.20%	5.00%
Private Credit	9.10%	14.00%
Infrastructure	4.70%	0.00%
Cash	2.00%	1.00%

(1) Asset classes added for fiscal year ending June 30, 2016 with the adoption of a new asset allocation by the Board of Retirement on April 20, 2016.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 17: **Pensions** (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
County's proportionate share of the net retirement plan	\$ 496,672,127	\$ 256,442,634	\$ 57,164,434

Pension Plan Fiduciary Net Position

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

Note 18: **Other Post Employment Benefits (OPEB)**

Plan Description

Stanislaus County is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a cost-sharing multiple-employer defined benefit public employee retirement system. StanCERA provides retirement benefits only. However, County retirees and active County employees are rated in the same pool to determine health insurance premiums. This ability for retirees to obtain coverage at active employee rates results in an economic benefit or implicit subsidy even though the retirees pay their entire premiums (substantive plan).

Funding Policy

The County makes no direct contributions to the StanCERA to fund the OPEB plan. The implicit subsidy is financed on a pay-as-you-go basis. The County does not intend to adopt a policy to pre-fund the implicit subsidy to retirees.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 18: **Other Post Employment Benefits (OPEB)** (continued)

Funding Policy (continued)

The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities (UAAL) which consist of current retirees, current vested terminated and current active employees.

The following are the components of the County's annual OPEB cost for the year ended June 30, 2016:

Annual required contribution (ARC)	\$ 2,900,304
Interest on net OPEB obligation	362,590
Amortization adjustment to ARC	<u>(524,215)</u>
Annual OPEB cost	2,738,679
Employer contribution	<u>1,489,071</u>
Change in Net OPEB obligation	1,249,608
Net OPEB obligation - beginning of year	<u>9,304,449</u>
Net OPEB obligation - end of year	<u><u>\$ 10,554,057</u></u>

Based on the recent actuarial valuation dated June 30, 2014, the following is the funded status of the OPEB Plan:

Actuarial accrued liability (AAL)	\$ 28,141,627
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 28,141,627</u></u>
Covered payroll (active plan members)	\$ 209,757,468
UAAL as percentage of covered payroll	13.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2016**

Note 18: **Other Post Employment Benefits (OPEB)** (continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Based on the July 1, 2014 valuation, the actuarial cost was based on the Projected Unit Credit cost method to derive the Accrued Liability (AL) and Annual Required Contributions (ARC). The actuarial assumption used a four percent discount rate and a medical trend assumption of eight percent for 2012-2013, graded down by one percent per year to an ultimate of five percent per year beginning in 2015-2016. The Level Dollar amortization method is being used to accrue County's unfunded actuarial accrued liability over 30 years.

Note 19: **Subsequent Events**

Community Services Facility HVAC Debt

On August 16, 2016, the Board of Supervisors approved a series of actions to support the financial plan for the installation of a Heating, Ventilation and Air Conditioning (HVAC) system at the Stanislaus County Community Services Facility through a private placement financing with the Bank of the West. Included within this action was approval for defeasance of the 2007 financing related to Certificates of Participation (Capital Improvement Program) to allow the CSF to be used as capital in the new debt. The new Direct Purchase COP/lease for the HVAC project has a 15 year term and a par amount of approximately \$7.8 million. The county pledged a portion of the CSF, Pod C, as the leased asset. Existing fund balance of \$1.3 million was committed to the remainder of the HVAC system cost, for an estimated total cost of \$9.1 million, including financing costs. Construction has begun and is scheduled for completion in 2017.





Required  
Supplementary  
Information



**County of Stanislaus**  
**Required Supplementary Information (Unaudited)**  
**For the Year Ended June 30, 2016**

**Stanislaus County Employees Other Post Employment Benefit (OPEB) Plan**  
**Schedule of Funding Progress**  
**(Dollar amounts in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll c	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Accrued Liability (AAL) Projected Unit Credit b	Unit Credit				
7/1/2006	\$ -	\$36,090,083		\$36,090,083	-	\$200,149,637	18.0%
7/1/2008	\$ -	\$40,174,546		\$40,174,546	-	\$215,818,211	18.6%
7/1/2010	\$ -	\$36,877,098		\$36,877,098	-	\$216,990,039	17.0%
7/1/2012	\$ -	\$35,347,085		\$35,347,085	-	\$193,848,830	18.2%
7/1/2014	\$ -	\$28,141,627		\$28,141,627	-	\$209,757,468	13.4%

Based on the latest actuarial valuation date of July 1, 2014.

Notes to the Required Supplementary Information

The schedule for StanCERA, a cost-sharing, multiple employer retirement system, relates to the association as a whole. The County represents approximately 88.41% of StanCERA's covered payroll.

The OPEB schedule presented relates solely to the County.

**County of Stanislaus**  
**Required Supplementary Information (Unaudited)**  
**For the Year Ended June 30, 2016**

**Required Supplementary Information**

**Schedule of the County's Proportionate Share of the Net Pension Liability**

	<u>FYE 6/30/2015</u>	<u>FYE 6/30/2014</u>	<u>FYE 6/30/2013</u>
County's proportion of the net pension liability (asset)	88.73%	88.6947%	88.4162%
County's proportion share of the net pension liability (asset)	\$ 256,442,634	\$202,065,617	\$ 329,072,460
County's covered-employee payroll	\$ 205,719,027	\$196,780,722	\$ 192,297,278
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	124.66%	102.69%	171.13%
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.13%	88.49%	80.23%

**Schedule of County's Contributions**

	<u>FYE 6/30/15</u>	<u>FYE 6/30/14</u>
Actuarially determined contribution	\$ 47,779,167	\$ 41,477,186
Actual contributions	<u>47,521,099</u>	<u>41,313,088</u>
Contribution deficiency (excess)	<u>\$ 258,068</u>	<u>\$ 164,098</u>
County's covered-employee payroll	\$ 205,719,027	\$ 196,780,722
Actual contributions as a percentage of County's covered-employee payroll	23.10%	20.99%

Data to be reported for the last 10 years. Additional years will be presented as data becomes available.

Other  
Supplementary  
Information



Non-major  
Governmental  
Funds

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

### **Capital Projects Fund**

The Capital Projects funds were established to account for financial resources for the acquisition or construction of major capital facilities.

### **Debt Service Funds**

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds include:

#### **Capital Improvement Financing Authority**

The Capital Improvement Financing Authority is used to accumulate resources for payment of principal and interest incurred by the sale of Certificates of Participation issued to finance various capital projects.

#### **Stanislaus County Tobacco Funding Corporation**

This fund is used to account for the receipt and disbursement of tobacco securitization revenues from the State. The Stanislaus County Tobacco Funding Corporation acquired all the rights to the future County tobacco settlement payments and borrowed money secured by these tobacco payments.



**County of Stanislaus**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2016**

	Special Revenue Funds	Capital Projects	Debt Service Funds		Totals
			Capital Improvement Finance Authority	Stanislaus County Tobacco Funding Corp	
<b>Assets</b>					
Cash and investments	\$ 98,590,869	\$ -	\$ -	\$ 128,450	\$ 98,719,319
Investments with fiscal agent	-	-	4,056,907	6,124,586	10,181,493
Account receivable	24,035,482	18,206,568	-	2,998,913	45,240,963
Interest and other receivables	118,919	17,610	-	24	136,553
Inventory	484,204	-	-	-	484,204
Due from other funds	21,731	-	-	-	21,731
Prepaid items	199,101	-	-	-	199,101
<b>Total assets</b>	<b>123,450,306</b>	<b>18,224,178</b>	<b>4,056,907</b>	<b>9,251,973</b>	<b>154,983,364</b>
<b>Liabilities</b>					
Accounts payable	9,553,123	3,177,236	-	3,009,359	15,739,718
Salaries and benefits payable	3,412,214	42,324	-	-	3,454,538
Due to other funds	1,309,403	5,314,747	-	-	6,624,150
Due to other governments	128,178	-	-	-	128,178
Advances from grantors & third parties	625,578	-	-	-	625,578
Advances from other funds	100,000	-	-	-	100,000
<b>Total liabilities</b>	<b>15,128,496</b>	<b>8,534,307</b>	<b>-</b>	<b>3,009,359</b>	<b>26,672,162</b>
<b>Fund balances</b>					
Non-spendable	534,132	-	-	-	534,132
Restricted	93,771,398	-	4,056,907	6,124,296	103,952,601
Committed	598,373	101,579	-	-	699,952
Assigned	13,417,907	9,588,292	-	118,318	23,124,517
<b>Total fund balances</b>	<b>108,321,810</b>	<b>9,689,871</b>	<b>4,056,907</b>	<b>6,242,614</b>	<b>128,311,202</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 123,450,306</b>	<b>\$ 18,224,178</b>	<b>\$ 4,056,907</b>	<b>\$ 9,251,973</b>	<b>\$ 154,983,364</b>

**County of Stanislaus**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Special Revenue Funds	Capital Projects	Debt Service Funds		Totals
			Capital Improvement Finance Authority	Stanislaus County Tobacco Funding Corp	
<b>Revenues</b>					
Taxes	\$ 12,153,653	\$ -	\$ -	\$ -	\$ 12,153,653
Licenses, permits and franchises	2,078,761	-	-	-	2,078,761
Fines, forfeitures and penalties	981,729	882,522	-	-	1,864,251
Revenue from use of money and property	532,559	69,035	3,102	402,412	1,007,108
Intergovernmental revenue	186,287,281	47,657,469	-	-	233,944,750
Charges for services	37,687,279	-	-	-	37,687,279
Miscellaneous revenue	854,732	-	-	4,470,626	5,325,358
<b>Total revenues</b>	<b>240,575,994</b>	<b>48,609,026</b>	<b>3,102</b>	<b>4,873,038</b>	<b>294,061,160</b>
<b>Expenditures</b>					
General government	425,830	-	-	-	425,830
Public protection	60,744,638	-	-	-	60,744,638
Public ways and facilities	45,491,840	-	-	-	45,491,840
Health and sanitation	34,499,038	-	-	-	34,499,038
Public assistance	97,760,626	-	-	-	97,760,626
Education	9,715,473	-	-	-	9,715,473
Recreation and cultural services	916,966	-	-	-	916,966
Capital outlay	-	61,691,021	-	-	61,691,021
Debt service:					
Interest and fiscal charges	3,671	-	778,051	2,721,803	3,503,525
Principal	47,309	-	10,771,267	2,105,000	12,923,576
<b>Total expenditures</b>	<b>249,605,391</b>	<b>61,691,021</b>	<b>11,549,318</b>	<b>4,826,803</b>	<b>327,672,533</b>
Excess (deficiency) of revenues over (under) expenditures	(9,029,397)	(13,081,995)	(11,546,216)	46,235	(33,611,373)
<b>Other financing sources (uses)</b>					
Transfers in	16,867,844	13,478,652	11,548,945	422	41,895,863
Transfers out	(3,261,243)	(1,590,570)	-	-	(4,851,813)
Sale of capital assets	8,828	735,397	-	-	744,225
<b>Total other financing sources (uses)</b>	<b>13,615,429</b>	<b>12,623,479</b>	<b>11,548,945</b>	<b>422</b>	<b>37,788,275</b>
<b>Net changes in fund balances</b>	<b>4,586,032</b>	<b>(458,516)</b>	<b>2,729</b>	<b>46,657</b>	<b>4,176,902</b>
<b>Fund balances -- beginning</b>	<b>103,735,778</b>	<b>10,148,387</b>	<b>4,054,178</b>	<b>6,195,957</b>	<b>124,134,300</b>
<b>Fund balances -- ending</b>	<b>\$ 108,321,810</b>	<b>\$ 9,689,871</b>	<b>\$ 4,056,907</b>	<b>\$ 6,242,614</b>	<b>\$ 128,311,202</b>

Non-major  
Special Revenue  
Funds

## **NON-MAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Special revenue funds include:

### **Environmental Resources**

This fund was established as a Comprehensive Environmental Department whose mandated goal was to control those factors in our physical environment, which exercise or may exercise a deleterious effect on our health and environment. Its revenues come from charges for services and federal and state sources.

### **Children and Families Commission**

This fund was established to account for a comprehensive system of services to support childhood development from the prenatal stage to five years of age. Its revenues come from an increase in the tobacco tax. The tax is divided among the counties based in the annual number of live births.

### **Public Works Engineering**

This fund was established to provide engineering services to other divisions in the Public Works Department and other County departments. Revenue consists primarily of charges for services.

### **Road and Bridge**

This fund was established to provide maintenance and construction of roadways and bridges. Revenue consists primarily of the County's share of state highway users taxes and is supplemented by federal funds, vehicle code fines, and reimbursements for services provided.

### **Employment and Training**

This fund was established to account for the Workforce Incentive Act. The County serves as the grant recipient and administrator. The federal government funds the program for the purposes of providing employment and training services to youth and adults, who are unskilled, economically disadvantaged, unemployed, or underemployed.

### **Child Support Services**

This fund was established to account for the Department of Child Support Services, which is responsible for locating absent parents, establishing paternity, establishing child and medical support orders, collecting and distributing child support from absent parents and initiating remedial actions to collect on delinquencies. Federal and state funding are the primary source of revenues.

## **NON-MAJOR SPECIAL REVENUE FUNDS (continued)**

### **Public Authority**

This fund was established to operate as the Employer of Record for In-Home Supportive Service Providers (Providers). The Public Authority negotiates with the union for wages and benefits for Providers, operates a registry and conducts background checks on Providers.

### **Health Services Agency**

This fund was established to oversee the delivery of health care to Stanislaus County residents. It includes the Public Health and Managed Care divisions and oversees the Health Clinics and Ancillary Services (enterprise fund). The revenues for this fund are primarily intergovernmental sources and charges for services, supplemented by transfers from the General Fund.

### **Indigent Health Care**

This fund was established to administer state and county funds for the delivery for quality medical care for indigent and medically indigent county residents. The primary funding source is the State.

### **Library**

This fund was established to account for library services in 13 branches throughout the County. Support is derived principally from 1/8% sales tax increment beginning in July 1995, and from general fund discretionary revenues.

### **Lighting Districts**

This fund was established for lighting districts that are controlled by the Board of Supervisors. The revenue sources are property taxes and direct assessments.

### **All Other Special Revenue Funds**

Accounts for the activities of several special revenue funds, including:

- Area Agency on Aging
- Federal & State Grants
- County Service Areas
- Storm Drain Districts
- Landscape and Lighting Districts
- County Fire Service

**County of Stanislaus  
Combining Balance Sheet  
Non-major Special Revenue Funds  
June 30, 2016**

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority	Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals
<b>Assets</b>													
Cash and investments	\$ 11,139,848	\$ 9,369,860	\$ 3,649,133	\$ 14,859,154	\$ 809,270	\$ 1,393,403	\$ -	\$ 8,324,578	\$ -	\$ 10,690,631	\$ 721,332	\$ 37,633,660	\$ 98,590,869
Account receivable	170,338	950,538	137,824	5,623,452	350,711	618,769	1,479,520	4,515,802	1,117,999	1,695,786	-	7,374,743	24,035,482
Interest and other receivables	6,434	26,737	-	49,060	-	5,174	-	386	924	-	1,740	28,464	118,919
Inventory	-	-	-	297,160	13,645	-	-	173,399	-	-	-	-	484,204
Due from other funds	-	-	-	-	21,731	-	-	-	-	-	-	-	21,731
Prepaid items	-	-	-	-	14,055	-	-	184,925	121	-	-	-	199,101
<b>Total assets</b>	<b>11,316,620</b>	<b>10,347,135</b>	<b>3,786,957</b>	<b>20,828,826</b>	<b>1,209,412</b>	<b>2,017,346</b>	<b>1,479,520</b>	<b>13,199,090</b>	<b>1,119,044</b>	<b>12,386,417</b>	<b>723,072</b>	<b>45,036,867</b>	<b>123,450,306</b>
<b>Total assets and deferred outflow of resources</b>	<b>11,316,620</b>	<b>10,347,135</b>	<b>3,786,957</b>	<b>20,828,826</b>	<b>1,209,412</b>	<b>2,017,346</b>	<b>1,479,520</b>	<b>13,199,090</b>	<b>1,119,044</b>	<b>12,386,417</b>	<b>723,072</b>	<b>45,036,867</b>	<b>123,450,306</b>
<b>Liabilities</b>													
Accounts payable	326,025	535,821	86,797	4,452,364	278,973	66,081	415,897	2,028,916	112,588	356,281	11,209	882,171	9,553,123
Salaries and benefits payable	327,331	18,510	271,313	170,553	290,872	528,871	-	912,697	655	309,366	-	582,046	3,412,214
Due to other funds	-	-	-	-	-	-	935,445	-	373,958	-	-	-	1,309,403
Due from other governments	-	-	-	-	-	-	128,178	-	-	-	-	-	128,178
Advances from grantors & third parties	430,628	-	10,731	-	-	-	-	152,185	-	32,034	-	-	625,578
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
<b>Total liabilities</b>	<b>1,083,984</b>	<b>554,331</b>	<b>368,841</b>	<b>4,622,917</b>	<b>569,845</b>	<b>594,952</b>	<b>1,479,520</b>	<b>3,093,798</b>	<b>487,201</b>	<b>697,681</b>	<b>11,209</b>	<b>1,564,217</b>	<b>15,128,496</b>
<b>Total liabilities and deferred inflow of resources</b>	<b>1,083,984</b>	<b>554,331</b>	<b>368,841</b>	<b>4,622,917</b>	<b>569,845</b>	<b>594,952</b>	<b>1,479,520</b>	<b>3,093,798</b>	<b>487,201</b>	<b>697,681</b>	<b>11,209</b>	<b>1,564,217</b>	<b>15,128,496</b>
<b>Fund Balances</b>													
Non spendable	800	-	300	312,460	-	100	-	210,177	-	2,295	-	8,000	534,132
Restricted	10,166,822	9,688,123	2,958,543	8,416,544	638,860	1,317,849	-	9,351,263	505,133	10,969,732	708,043	39,050,486	93,771,398
Committed	-	-	-	-	-	-	-	-	-	-	-	598,373	598,373
Assigned	65,014	104,681	459,273	7,476,905	707	104,445	-	543,852	126,710	716,709	3,820	3,815,791	13,417,907
<b>Total fund balances</b>	<b>10,232,636</b>	<b>9,792,804</b>	<b>3,418,116</b>	<b>16,205,909</b>	<b>639,567</b>	<b>1,422,394</b>	<b>-</b>	<b>10,105,292</b>	<b>631,843</b>	<b>11,688,736</b>	<b>711,863</b>	<b>43,472,650</b>	<b>108,321,810</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,316,620</b>	<b>\$ 10,347,135</b>	<b>\$ 3,786,957</b>	<b>\$ 20,828,826</b>	<b>\$ 1,209,412</b>	<b>\$ 2,017,346</b>	<b>\$ 1,479,520</b>	<b>\$ 13,199,090</b>	<b>\$ 1,119,044</b>	<b>\$ 12,386,417</b>	<b>\$ 723,072</b>	<b>\$ 45,036,867</b>	<b>\$ 123,450,306</b>

**County of Stanislaus**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority	Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals
<b>Revenues</b>													
Taxes	\$ -	\$ -	\$ -	\$ 1,007,674	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,663,076	\$ 80,340	\$ 1,402,563	\$ 12,153,653
Licenses, permits and franchises	-	-	2,038,386	22,256	-	-	-	15,559	-	-	-	2,560	2,078,761
Fines, forfeitures and penalties	-	-	-	-	-	-	-	98,790	622,589	-	-	260,350	981,729
Revenue from use of money and property	27,719	110,184	314	214,145	-	21,159	145	17,441	4,644	2,881	7,628	126,299	532,559
Intergovernmental revenue	763,646	5,287,482	57,016	30,117,788	6,822,694	14,592,337	73,514,307	13,704,237	20,660	279,060	650	41,127,404	186,287,281
Charges for services	6,428,247	-	5,401,356	324,457	10,917,670	-	-	9,960,081	332,503	548,933	343,047	3,430,985	37,687,279
Miscellaneous revenue	91,769	51	2,581	-	31,817	1,630	149,767	129,495	91,896	100,677	-	255,049	854,732
<b>Total revenues</b>	<b>7,311,381</b>	<b>5,397,717</b>	<b>7,499,653</b>	<b>31,686,320</b>	<b>17,772,181</b>	<b>14,615,126</b>	<b>73,664,219</b>	<b>23,925,603</b>	<b>1,072,292</b>	<b>10,594,627</b>	<b>431,665</b>	<b>46,605,210</b>	<b>240,575,994</b>
<b>Expenditures</b>													
General government	-	399,595	-	-	-	-	-	-	-	-	-	26,235	425,830
Public protection	9,132,777	-	2,230,332	-	-	14,739,499	-	-	-	-	276,896	34,365,134	60,744,638
Public ways and facilities	-	-	5,236,660	38,390,797	-	-	-	-	-	-	-	1,864,383	45,491,840
Health and sanitation	-	5,887,031	-	-	-	-	-	27,701,634	910,373	-	-	-	34,499,038
Public assistance	-	-	-	-	18,285,010	-	76,119,247	-	-	-	-	3,356,369	97,760,626
Education	-	-	-	-	-	-	-	-	-	9,713,331	-	2,142	9,715,473
Recreation and cultural services	-	-	-	-	-	-	-	-	-	-	-	916,966	916,966
Debt Service:													
Interest and fiscal charges	-	-	-	-	-	-	-	2,197	-	-	-	1,474	3,671
Principal	-	-	-	-	-	-	-	38,514	-	-	-	8,795	47,309
<b>Total expenditures</b>	<b>9,132,777</b>	<b>6,286,626</b>	<b>7,466,992</b>	<b>38,390,797</b>	<b>18,285,010</b>	<b>14,739,499</b>	<b>76,119,247</b>	<b>27,742,345</b>	<b>910,373</b>	<b>9,713,331</b>	<b>276,896</b>	<b>40,541,498</b>	<b>249,605,391</b>
Excess revenues over (under) expenditures	(1,821,396)	(888,909)	32,661	(6,704,477)	(512,829)	(124,373)	(2,455,028)	(3,816,742)	161,919	881,296	154,769	6,063,712	(9,029,397)
<b>Other financing sources (uses)</b>													
Transfers in	1,974,694	33	517,237	4,154,915	946	1,606	2,455,028	5,949,172	300,000	618,542	-	895,671	16,867,844
Transfers out	-	-	-	(175,435)	(18,108)	(29,421)	-	(9,077)	(1,700,000)	-	-	(1,329,182)	(3,261,243)
Sale of capital assets	3,263	-	-	-	-	3,564	-	-	-	-	-	2,001	8,828
<b>Total other financing sources (uses)</b>	<b>1,977,957</b>	<b>33</b>	<b>517,237</b>	<b>3,979,460</b>	<b>(17,162)</b>	<b>(24,251)</b>	<b>2,455,028</b>	<b>5,940,095</b>	<b>(1,400,000)</b>	<b>618,542</b>	<b>-</b>	<b>(431,510)</b>	<b>13,615,429</b>
Net change in fund balance	156,561	(888,876)	549,898	(2,725,017)	(529,991)	(148,624)	-	2,123,333	(1,238,081)	1,499,838	154,769	5,632,202	4,586,032
<b>Fund balances – beginning</b>	<b>10,076,075</b>	<b>10,681,680</b>	<b>2,868,218</b>	<b>18,930,926</b>	<b>1,169,558</b>	<b>1,571,018</b>	<b>-</b>	<b>7,981,939</b>	<b>1,869,924</b>	<b>10,188,898</b>	<b>557,094</b>	<b>37,840,448</b>	<b>103,735,778</b>
<b>Fund balances – ending</b>	<b>\$ 10,232,636</b>	<b>\$ 9,792,804</b>	<b>\$ 3,418,116</b>	<b>\$ 16,205,909</b>	<b>\$ 639,567</b>	<b>\$ 1,422,394</b>	<b>\$ -</b>	<b>\$ 10,105,292</b>	<b>\$ 631,843</b>	<b>\$ 11,688,736</b>	<b>\$ 711,863</b>	<b>\$ 43,472,650</b>	<b>\$ 108,321,810</b>



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Environmental Resources**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 71,220	\$ 71,220	\$ (6,621)	\$ (77,841)
Revenue from use of money and property	7,505	7,505	27,719	20,214
Intergovernmental revenue	1,387,708	1,006,381	763,646	(242,735)
Charges for services	6,523,259	6,540,294	6,434,869	(105,425)
Miscellaneous revenue	10,517	10,517	91,769	81,252
Total revenues - Environmental Resources	<u>8,000,209</u>	<u>7,635,917</u>	<u>7,311,382</u>	<u>(324,535)</u>
<b>Expenditures: Public Protection</b>				
<b>Environmental Resources</b>				
Salaries and employee benefits	7,446,025	7,446,025	7,037,970	408,055
Services and supplies	1,144,994	1,295,818	480,390	815,428
Other charges	688,618	708,675	701,910	6,765
Expenditure transfer	(1,320,758)	(1,320,758)	(999,951)	(320,807)
Fixed assets	336,738	329,857	206,121	123,736
Total expenditures	<u>8,295,617</u>	<u>8,459,617</u>	<u>7,426,440</u>	<u>1,033,177</u>
<b>Beverage Container Recycling</b>				
Services and supplies	18,000	15,641	15,593	48
Expenditure transfer	12,000	14,359	14,359	-
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>29,952</u>	<u>48</u>
<b>Household Hazardous Waste</b>				
Services and supplies	339,200	327,200	102,326	224,874
Other charges	8,000	8,000	2,529	5,471
Expenditure transfer	486,000	498,000	497,675	325
Total expenditures	<u>833,200</u>	<u>833,200</u>	<u>602,530</u>	<u>230,670</u>
<b>Vehicle Registration Fee Surcharge</b>				
Services and supplies	67,733	67,733	-	67,733
Total expenditures	<u>67,733</u>	<u>67,733</u>	<u>-</u>	<u>67,733</u>
<b>AB 939/Source Reduction and Recycle</b>				
Services and supplies	410,000	410,000	315,003	94,997
Expenditure transfer	359,368	359,368	-	359,368
Total expenditures	<u>769,368</u>	<u>769,368</u>	<u>315,003</u>	<u>454,365</u>
<b>Disclosure Program</b>				
Services and supplies	25,658	25,658	21,690	3,968
Expenditure transfer	357,000	357,000	347,125	9,875
Total expenditures	<u>382,658</u>	<u>382,658</u>	<u>368,815</u>	<u>13,843</u>
<b>Underground Storage Tank Pilot Program</b>				
Services and supplies	6,448	-	-	-
Expenditure transfer	252,522	93,819	-	93,819
Total expenditures	<u>258,970</u>	<u>93,819</u>	<u>-</u>	<u>93,819</u>



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Environmental Resources (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Code Enforcement Abatement</b>				
Services and supplies	20,000	20,000	(14,200)	34,200
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>(14,200)</u>	<u>34,200</u>
<b>Used Oil Recycling</b>				
Services and supplies	58,692	56,239	41,142	15,097
Expenditure transfer	23,898	26,351	26,351	-
Total expenditures	<u>82,590</u>	<u>82,590</u>	<u>67,493</u>	<u>15,097</u>
<b>Environmental Enforcement</b>				
Other charges	41,174	41,174	-	41,174
Total expenditures	<u>41,174</u>	<u>41,174</u>	<u>-</u>	<u>41,174</u>
<b>Waste Tire Enforcement Grant</b>				
Services and supplies	1,000	1,000	874	126
Expenditure transfer	119,270	119,270	63,005	56,265
Total expenditures	<u>120,270</u>	<u>120,270</u>	<u>63,879</u>	<u>56,391</u>
<b>Abandoned Vehicle Abatement</b>				
Services and supplies	7,500	7,500	5,688	1,812
Other charges	965	1,965	1,787	178
Expenditure transfer	43,000	42,000	40,545	1,455
Total expenditures	<u>51,465</u>	<u>51,465</u>	<u>48,020</u>	<u>3,445</u>
<b>E Waste Collection Facility</b>				
Services and supplies	29,912	9,181	(2,886)	12,067
Other charges	700	700	-	700
Expenditure transfer	(1,000)	25,000	10,890	14,110
Total expenditures	<u>29,612</u>	<u>34,881</u>	<u>8,004</u>	<u>26,877</u>
Total expenditures - Environmental Resources	<u>10,982,657</u>	<u>10,986,775</u>	<u>8,915,936</u>	<u>2,070,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,982,448)</u>	<u>(3,350,858)</u>	<u>(1,604,554)</u>	<u>1,746,304</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,871,495	2,157,852	2,062,790	(95,062)
Transfers out	-	-	(88,096)	(88,096)
Sale of capital assets	-	-	3,263	3,263
Total other financing sources (uses)	<u>1,871,495</u>	<u>2,157,852</u>	<u>1,977,957</u>	<u>(179,895)</u>
Net change in fund balance	<u>(1,110,953)</u>	<u>(1,193,006)</u>	<u>373,403</u>	<u>1,566,409</u>
<b>Fund balance -- beginning</b>	<u>10,076,075</u>	<u>10,076,075</u>	<u>10,076,075</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 8,965,122</u>	<u>\$ 8,883,069</u>	<u>\$ 10,449,478</u>	<u>\$ 1,566,409</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Children and Families Commission**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Revenue from use of money and property	\$ 84,821	\$ 84,821	\$ 110,184	\$ 25,363
Intergovernmental revenue	5,094,712	5,094,712	5,287,482	192,770
Miscellaneous revenue	-	-	51	51
Total revenues - Children and Families Commission	<u>5,179,533</u>	<u>5,179,533</u>	<u>5,397,717</u>	<u>218,184</u>
<b>Expenditures: General Government</b>				
Salaries and employee benefits	366,687	366,687	304,659	62,028
Services and supplies	79,353	79,353	72,008	7,345
Other charges	16,858	16,858	22,150	(5,292)
Total expenditures	<u>462,898</u>	<u>462,898</u>	<u>398,817</u>	<u>64,081</u>
<b>Expenditures: Health and Sanitation</b>				
Salaries and employee benefits	155,639	155,639	91,096	64,543
Services and supplies	3,625,675	3,625,675	2,961,279	664,396
Other charges	3,045,105	3,045,105	2,763,744	281,361
Total expenditures	<u>6,826,419</u>	<u>6,826,419</u>	<u>5,816,119</u>	<u>1,010,300</u>
Total expenditures - Children and Families Commission	<u>7,289,317</u>	<u>7,289,317</u>	<u>6,214,936</u>	<u>1,074,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,109,784)</u>	<u>(2,109,784)</u>	<u>(817,219)</u>	<u>1,292,565</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	33	33
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
Net change in fund balance	<u>(2,109,784)</u>	<u>(2,109,784)</u>	<u>(817,186)</u>	<u>1,292,598</u>
<b>Fund balance -- beginning</b>	<u>10,681,680</u>	<u>10,681,680</u>	<u>10,681,680</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 8,571,896</u>	<u>\$ 8,571,896</u>	<u>\$ 9,864,494</u>	<u>\$ 1,292,598</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Public Works Engineering**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes				
Licenses, permits and franchises	\$ 1,731,742	\$ 1,731,742	\$ 2,038,386	\$ 306,644
Revenue from use of money and property	200	200	314	114
Intergovernmental revenue	136,000	136,000	57,016	(78,984)
Charges for services	5,602,177	5,602,177	5,401,358	(200,819)
Miscellaneous revenue	1,441	1,441	2,581	1,140
Total revenues - Public Works Engineering	<u>7,471,560</u>	<u>7,471,560</u>	<u>7,499,655</u>	<u>28,095</u>
<b>Expenditures: Public Protection</b>				
Salaries and employee benefits	1,784,976	1,444,976	1,396,577	48,399
Services and supplies	347,185	667,185	548,369	118,816
Other charges	323,538	323,538	279,444	44,094
Expenditure transfer	160	160	-	160
Fixed assets	73,699	93,699	59,475	34,224
Total expenditures	<u>2,529,558</u>	<u>2,529,558</u>	<u>2,283,865</u>	<u>245,693</u>
<b>Expenditures: Public Ways</b>				
Salaries and employee benefits	4,812,022	4,795,122	4,489,788	305,334
Services and supplies	474,240	498,420	369,636	128,784
Other charges	514,867	546,767	431,836	114,931
Fixed assets	-	34,290	-	34,290
Total expenditures	<u>5,801,129</u>	<u>5,874,599</u>	<u>5,291,260</u>	<u>583,339</u>
Total expenditures - Public Works Engineering	<u>8,330,687</u>	<u>8,404,157</u>	<u>7,575,125</u>	<u>829,032</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(859,127)</u>	<u>(932,597)</u>	<u>(75,470)</u>	<u>857,127</u>
<b>Other financing sources (uses)</b>				
Transfers in	396,000	469,470	517,237	47,767
Total other financing sources (uses)	<u>396,000</u>	<u>469,470</u>	<u>517,237</u>	<u>47,767</u>
Net change in fund balance	<u>(463,127)</u>	<u>(463,127)</u>	<u>441,767</u>	<u>904,894</u>
<b>Fund balance -- beginning</b>	<u>2,868,218</u>	<u>2,868,218</u>	<u>2,868,218</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 2,405,091</u>	<u>\$ 2,405,091</u>	<u>\$ 3,309,985</u>	<u>\$ 904,894</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Road and Bridge**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,007,674	\$ (792,326)
Licenses, permits and franchises	22,000	22,000	22,256	256
Revenue from use of money and property	147,700	147,700	214,145	66,445
Intergovernmental revenue	52,942,692	52,942,692	30,117,788	(22,824,904)
Charges for services	118,000	118,000	324,457	206,457
Total revenues - Road & Bridge	<u>55,030,392</u>	<u>55,030,392</u>	<u>31,686,320</u>	<u>(23,344,072)</u>
<b>Expenditures: Public Ways and Facilities</b>				
Salaries and employee benefits	5,120,975	5,020,975	4,506,285	514,690
Services and supplies	51,901,446	51,120,103	25,592,625	25,527,478
Other charges	8,123,452	8,829,340	7,048,164	1,781,176
Fixed assets	399,991	8,366,326	8,101,071	265,255
Total expenditures - Road & Bridge	<u>65,545,864</u>	<u>73,336,744</u>	<u>45,248,145</u>	<u>28,088,599</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,515,472)</u>	<u>(18,306,352)</u>	<u>(13,561,825)</u>	<u>4,744,527</u>
<b>Other financing sources (uses)</b>				
Transfers in	6,944,626	7,034,626	8,154,915	1,120,289
Transfers out	-	(175,455)	(4,175,455)	(4,000,000)
Total other financing sources (uses)	<u>6,944,626</u>	<u>6,859,171</u>	<u>3,979,460</u>	<u>(2,879,711)</u>
Net change in fund balance	<u>(3,570,846)</u>	<u>(11,447,181)</u>	<u>(9,582,365)</u>	<u>1,864,816</u>
<b>Fund balance -- beginning</b>	<u>18,930,927</u>	<u>18,930,927</u>	<u>18,930,927</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 15,360,081</u>	<u>\$ 7,483,746</u>	<u>\$ 9,348,562</u>	<u>\$ 1,864,816</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Employment and Training**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Intergovernmental revenue	\$ 8,020,217	\$ 8,020,217	\$ 6,822,695	\$ (1,197,522)
Charges for services	11,296,153	11,296,153	10,917,670	(378,483)
Miscellaneous revenue	242,000	242,000	31,817	(210,183)
Total revenues - Employment and Training	<u>19,558,370</u>	<u>19,558,370</u>	<u>17,772,182</u>	<u>(1,786,188)</u>
<b>Expenditures: Public Assistance</b>				
Alliance Worknet				
Salaries and employee benefits	5,163,501	5,163,501	3,993,476	1,170,025
Services and supplies	3,810,699	3,788,099	3,374,323	413,776
Other charges	309,322	309,322	268,936	40,386
Total expenditures	<u>9,283,522</u>	<u>9,260,922</u>	<u>7,636,735</u>	<u>1,624,187</u>
Alliance Worknet - Stanworks				
Salaries and employee benefits	8,315,163	7,764,649	7,727,244	37,405
Services and supplies	2,171,455	2,641,969	2,624,956	17,013
Other charges	235,124	315,124	296,783	18,341
Total expenditures	<u>10,721,742</u>	<u>10,721,742</u>	<u>10,648,983</u>	<u>72,759</u>
Total expenditures - Employment and Training	<u>20,005,264</u>	<u>19,982,664</u>	<u>18,285,718</u>	<u>1,696,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(446,894)</u>	<u>(424,294)</u>	<u>(513,536)</u>	<u>(89,242)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	61,031	61,031
Transfers out	-	(22,600)	(78,193)	(55,593)
Total other financing sources (uses)	<u>-</u>	<u>(22,600)</u>	<u>(17,162)</u>	<u>5,438</u>
Net change in fund balance	<u>(446,894)</u>	<u>(446,894)</u>	<u>(530,698)</u>	<u>(83,804)</u>
<b>Fund balance -- beginning</b>	<u>1,169,558</u>	<u>1,169,558</u>	<u>1,169,558</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 722,664</u>	<u>\$ 722,664</u>	<u>\$ 638,860</u>	<u>\$ (83,804)</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Child Support Services**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Revenue from use of money and property	\$ 25,000	\$ 25,000	\$ 21,159	\$ (3,841)
Intergovernmental revenue	15,854,686	15,872,263	14,592,336	(1,279,927)
Miscellaneous revenue	-	-	1,630	1,630
Total revenues - Child Support Services	<u>15,879,686</u>	<u>15,897,263</u>	<u>14,615,125</u>	<u>(1,282,138)</u>
<b>Expenditures: Public Protection</b>				
Salaries and employee benefits	13,015,081	12,867,701	12,073,498	794,203
Services and supplies	1,353,304	1,339,688	1,072,601	267,087
Other charges	1,634,124	1,634,124	1,370,627	263,497
Fixed assets	-	166,223	161,814	4,409
Total expenditures - Child Support Services	<u>16,002,509</u>	<u>16,007,736</u>	<u>14,678,540</u>	<u>1,329,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(122,823)</u>	<u>(110,473)</u>	<u>(63,415)</u>	<u>47,058</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	1,606	1,606
Transfers out	-	(12,350)	(29,421)	(17,071)
Sale of capital assets	-	-	3,564	3,564
Total other financing sources (uses)	<u>-</u>	<u>(12,350)</u>	<u>(24,251)</u>	<u>(11,901)</u>
Net change in fund balance	<u>(122,823)</u>	<u>(122,823)</u>	<u>(87,666)</u>	<u>35,157</u>
<b>Fund balance -- beginning</b>	<u>1,571,018</u>	<u>1,571,018</u>	<u>1,571,018</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 1,448,195</u>	<u>\$ 1,448,195</u>	<u>\$ 1,483,352</u>	<u>\$ 35,157</u>



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Public Authority**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Revenue from use of money and property	\$ -	\$ -	\$ 145	\$ 145
Intergovernmental revenue	68,630,027	75,662,258	73,514,307	(2,147,951)
Miscellaneous revenue	749,460	749,460	149,767	(599,693)
Total revenues - Public Authority	<u>69,379,487</u>	<u>76,411,718</u>	<u>73,664,219</u>	<u>(2,747,499)</u>
<b>Expenditures: Public Assistance</b>				
<b>CSA - IHSS Administration</b>				
Services and supplies	55,676	55,676	16,051	39,625
Other charges	618,994	691,909	528,548	163,361
Total expenditures	<u>674,670</u>	<u>747,585</u>	<u>544,599</u>	<u>202,986</u>
<b>CSA - IHSS Benefits</b>				
Services and supplies	749,460	840,396	240,951	599,445
Other charges	-	13,479	13,479	-
Total expenditures	<u>749,460</u>	<u>853,875</u>	<u>254,430</u>	<u>599,445</u>
<b>CSA - IHSS Provider wages</b>				
Other charges	70,371,716	77,271,743	75,320,218	1,951,525
Total expenditures	<u>70,371,716</u>	<u>77,271,743</u>	<u>75,320,218</u>	<u>1,951,525</u>
Total expenditures - Public Authority	<u>71,795,846</u>	<u>78,873,203</u>	<u>76,119,247</u>	<u>2,753,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,416,359)</u>	<u>(2,461,485)</u>	<u>(2,455,028)</u>	<u>6,457</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,416,359	2,461,941	2,455,484	(6,457)
Transfers out	-	(456)	(456)	-
Total other financing sources (uses)	<u>2,416,359</u>	<u>2,461,485</u>	<u>2,455,028</u>	<u>(6,457)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance -- beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Health Services Agency**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Licenses, permits and franchises	\$ 10,000	\$ 10,000	\$ 15,559	\$ 5,559
Fines, forfeitures and penalties	106,000	106,000	98,790	(7,210)
Revenue from use of money and property	9,150	9,150	17,441	8,291
Intergovernmental revenue	14,986,192	14,986,192	13,704,237	(1,281,955)
Charges for services	10,925,242	10,925,242	9,960,082	(965,160)
Miscellaneous revenue	135,656	135,656	129,495	(6,161)
Total revenues - Health Services Agency	<u>26,172,240</u>	<u>26,172,240</u>	<u>23,925,604</u>	<u>(2,246,636)</u>
<b>Expenditures: Health and Sanitation</b>				
EMS - Discretionary Fund				
Salaries and employee benefits	17,577,612	17,431,448	14,255,430	3,176,018
Services and supplies	4,479,883	4,603,737	2,896,260	1,707,477
Other charges	681,195	681,195	653,224	27,971
Expenditure transfer	3,538,141	3,538,141	3,208,505	329,636
Fixed assets	61,563	80,063	(16,214)	96,277
Total expenditures	<u>26,338,394</u>	<u>26,334,584</u>	<u>20,997,205</u>	<u>5,337,379</u>
Administration				
Salaries and employee benefits	6,734,953	6,734,953	6,506,480	228,473
Services and supplies	1,883,693	1,868,693	1,387,058	481,635
Other charges	1,794,485	1,794,485	1,560,031	234,454
Expenditure transfer	(3,603,139)	(3,603,139)	(3,208,505)	(394,634)
Fixed assets	257,100	272,100	131,721	140,379
Total expenditures	<u>7,067,092</u>	<u>7,067,092</u>	<u>6,376,785</u>	<u>690,307</u>
Total expenditures - Health Services Agency	<u>33,405,486</u>	<u>33,401,676</u>	<u>27,373,990</u>	<u>6,027,686</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,233,246)</u>	<u>(7,229,436)</u>	<u>(3,448,386)</u>	<u>3,781,050</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,558,763	7,558,763	6,152,593	(1,406,170)
Transfers out	(333,657)	(337,467)	(212,498)	124,969
Total other financing sources (uses)	<u>7,225,106</u>	<u>7,221,296</u>	<u>5,940,095</u>	<u>(1,281,201)</u>
Net change in fund balance	<u>(8,140)</u>	<u>(8,140)</u>	<u>2,491,709</u>	<u>2,499,849</u>
<b>Fund balance -- beginning</b>	<u>7,981,939</u>	<u>7,981,939</u>	<u>7,981,939</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 7,973,799</u>	<u>\$ 7,973,799</u>	<u>\$ 10,473,648</u>	<u>\$ 2,499,849</u>



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Indigent Health Care**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		Actual Amount on Budgetary Basis	Variance with Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 671,000	\$ 671,000	\$ 622,589	\$ (48,411)
Revenue from use of money and property	2,500	2,500	4,644	2,144
Intergovernmental revenue	-	-	20,660	20,660
Charges for services	265,207	265,207	332,502	67,295
Miscellaneous revenue	-	-	91,896	91,896
Total revenues - Indigent Health Care	<u>938,707</u>	<u>938,707</u>	<u>1,072,291</u>	<u>133,584</u>
<b>Expenditures: Health and Sanitation</b>				
EMS Hospital				
Services and supplies	228,000	228,000	154,406	73,594
Total expenditures	<u>228,000</u>	<u>228,000</u>	<u>154,406</u>	<u>73,594</u>
Indigent Health Care Program				
Services and supplies	558,538	558,538	283,725	274,813
Total expenditures	<u>558,538</u>	<u>558,538</u>	<u>283,725</u>	<u>274,813</u>
Administration				
Salaries and employee benefits	180,143	139,143	33,812	105,331
Services and supplies	59,285	85,285	53,690	31,595
Other charges	325,864	340,864	339,613	1,251
Total expenditures	<u>565,292</u>	<u>565,292</u>	<u>427,115</u>	<u>138,177</u>
Total expenditures - Indigent Health Care	<u>1,351,830</u>	<u>1,351,830</u>	<u>865,246</u>	<u>486,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(413,123)</u>	<u>(413,123)</u>	<u>207,045</u>	<u>620,168</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	(1,700,000)	(1,700,000)
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>(1,400,000)</u>	<u>(1,700,000)</u>
Net change in fund balance	<u>(113,123)</u>	<u>(113,123)</u>	<u>(1,192,955)</u>	<u>(1,079,832)</u>
<b>Fund balance -- beginning</b>	<u>1,869,924</u>	<u>1,869,924</u>	<u>1,869,924</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 1,756,801</u>	<u>\$ 1,756,801</u>	<u>\$ 676,969</u>	<u>\$ (1,079,832)</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Library**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 9,420,500	\$ 9,663,076	\$ 9,663,076	\$ -
Revenue from use of money and property	3,330	3,330	2,881	(449)
Intergovernmental revenue	149,550	290,920	279,060	(11,860)
Charges for services	344,420	466,920	548,933	82,013
Miscellaneous revenue	97,650	117,763	100,677	(17,086)
Total revenues - Library	<u>10,015,450</u>	<u>10,542,009</u>	<u>10,594,627</u>	<u>52,618</u>
<b>Expenditures: Public Ways and Facilities</b>				
Salaries and employee benefits	6,438,367	6,665,857	6,365,887	299,970
Services and supplies	3,532,787	3,724,975	2,697,045	1,027,930
Other charges	781,248	827,513	771,072	56,441
Fixed assets	688,750	846,395	396,605	449,790
Total expenditures - Library	<u>11,441,152</u>	<u>12,064,740</u>	<u>10,230,609</u>	<u>1,834,131</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,425,702)</u>	<u>(1,522,731)</u>	<u>364,018</u>	<u>1,886,749</u>
<b>Other financing sources (uses)</b>				
Transfers in	491,810	616,958	618,542	1,584
Total other financing sources (uses)	<u>491,810</u>	<u>616,958</u>	<u>618,542</u>	<u>1,584</u>
Net change in fund balance	<u>(933,892)</u>	<u>(905,773)</u>	<u>982,560</u>	<u>1,888,333</u>
<b>Fund balance -- beginning</b>	<u>10,188,898</u>	<u>10,188,898</u>	<u>10,188,898</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 9,255,006</u>	<u>\$ 9,283,125</u>	<u>\$ 11,171,458</u>	<u>\$ 1,888,333</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Lighting Districts**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 54,692	\$ 54,692	\$ 80,340	\$ 25,648
Revenue from use of money and property	-	-	7,628	7,628
Intergovernmental revenue	-	-	650	650
Charges for services	340,394	340,394	343,048	2,654
Total revenues - Lighting Districts	<u>395,086</u>	<u>395,086</u>	<u>431,666</u>	<u>36,580</u>
<b>Expenditures: Public Ways and Facilities</b>				
Services and supplies	386,823	386,823	276,896	109,927
Total expenditures - Lighting Districts	<u>386,823</u>	<u>386,823</u>	<u>276,896</u>	<u>109,927</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,263</u>	<u>8,263</u>	<u>154,770</u>	<u>146,507</u>
Net change in fund balance	<u>8,263</u>	<u>8,263</u>	<u>154,770</u>	<u>146,507</u>
<b>Fund balance -- beginning</b>	557,094	557,094	557,094	-
<b>Fund balance -- ending</b>	<u>\$ 565,357</u>	<u>\$ 565,357</u>	<u>\$ 711,864</u>	<u>\$ 146,507</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Other Special Revenue Funds**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 1,143,899	\$ 1,143,899	\$ 1,402,563	\$ 258,664
Licenses, permits and franchises	2,000	2,000	2,560	560
Fines, forfeitures and penalties	176,000	176,000	260,350	84,350
Revenue from use of money and property	11,000	11,000	126,299	115,299
Intergovernmental revenue	37,089,712	38,668,480	41,127,404	2,458,924
Charges for services	3,237,148	3,237,148	3,430,985	193,837
Miscellaneous revenue	165,717	165,717	255,049	89,332
Total revenues - Other	<u>41,825,476</u>	<u>43,404,244</u>	<u>46,605,210</u>	<u>3,200,966</u>
<b>Expenditures: General</b>				
<b>12th Street Office Building</b>				
Services and supplies	14,949	14,949	8,690	6,259
Other charges	31,203	31,203	17,546	13,657
Total expenditures	<u>46,152</u>	<u>46,152</u>	<u>26,236</u>	<u>19,916</u>
<b>Expenditures: Public Protection</b>				
<b>Stanislaus Family Justice Center</b>				
Salaries and employee benefits	53,723	53,723	46,985	6,738
Services and supplies	250,943	250,943	145,085	105,858
Other charges	5,906	5,906	3,434	2,472
Total expenditures	<u>310,572</u>	<u>310,572</u>	<u>195,504</u>	<u>115,068</u>
<b>County Fire Service Fund</b>				
Salaries and employee benefits	805,238	770,238	702,093	68,145
Services and supplies	582,553	605,553	509,041	96,512
Other charges	112,197	124,197	119,679	4,518
Total expenditures	<u>1,499,988</u>	<u>1,499,988</u>	<u>1,330,813</u>	<u>169,175</u>
<b>Department of Justice Drug and Alcohol</b>				
Services and supplies	126,673	126,673	99,826	26,847
Other charges	5	5	-	5
Total expenditures	<u>126,678</u>	<u>126,678</u>	<u>99,826</u>	<u>26,852</u>
<b>PSIC Grant Program</b>				
Fixed assets	-	-	(115)	115
Total expenditures	<u>-</u>	<u>-</u>	<u>(115)</u>	<u>115</u>
<b>Homeland Security Grant</b>				
Salaries and employee benefits	100,239	225,777	79,783	145,994
Services and supplies	177,152	399,030	202,401	196,629
Other charges	-	-	1,932	(1,932)
Fixed assets	274,666	538,009	460,273	77,736
Total expenditures	<u>552,057</u>	<u>1,162,816</u>	<u>744,389</u>	<u>418,427</u>
<b>Clerk Recorder Modernization Trust Fund</b>				
Salaries and employee benefits	689,246	689,246	479,778	209,468
Services and supplies	1,277,475	1,277,475	373,555	903,920
Fixed assets	150,000	150,000	105,894	44,106
Total expenditures	<u>2,116,721</u>	<u>2,116,721</u>	<u>959,227</u>	<u>1,157,494</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Other Special Revenue Funds (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Clerk Recorder Vital and Health Statistics</b>				
Services and supplies	132,743	132,743	(33,127)	165,870
Total expenditures	<u>132,743</u>	<u>132,743</u>	<u>(33,127)</u>	<u>165,870</u>
<b>Arson Task Force</b>				
Services and supplies	20,524	20,524	19,903	621
Total expenditures	<u>20,524</u>	<u>20,524</u>	<u>19,903</u>	<u>621</u>
<b>Enforce Consumer Protection Laws</b>				
Salaries and employee benefits	411,977	411,977	225,097	186,880
Services and supplies	5,500	5,500	1,178	4,322
Total expenditures	<u>417,477</u>	<u>417,477</u>	<u>226,275</u>	<u>191,202</u>
<b>Federal Asset Forfeiture</b>				
Services and supplies	9,600	9,600	748	8,852
Total expenditures	<u>9,600</u>	<u>9,600</u>	<u>748</u>	<u>8,852</u>
<b>Unservd/Underservd Victim Advocacy and Outreach Program</b>				
Salaries and employee benefits	74,038	237,644	80,593	157,051
Services and supplies	45,044	37,241	33,332	3,909
Total expenditures	<u>119,082</u>	<u>274,885</u>	<u>113,925</u>	<u>160,960</u>
<b>Impaired Driver Vertical Prosecution Program</b>				
Salaries and employee benefits	330,220	305,154	305,154	-
Services and supplies	10,308	4,000	3,981	19
Total expenditures	<u>340,528</u>	<u>309,154</u>	<u>309,135</u>	<u>19</u>
<b>Auto Insurance Fraud Program</b>				
Salaries and employee benefits	187,648	149,991	149,991	-
Services and supplies	12,640	12,640	12,484	156
Total expenditures	<u>200,288</u>	<u>162,631</u>	<u>162,475</u>	<u>156</u>
<b>Victim Services Program</b>				
Salaries and employee benefits	346,311	464,336	366,655	97,681
Services and supplies	10,698	58,345	40,247	18,098
Total expenditures	<u>357,009</u>	<u>522,681</u>	<u>406,902</u>	<u>115,779</u>
<b>Victim Compensation and Government Claims</b>				
Salaries and employee benefits	63,853	63,853	63,853	-
Total expenditures	<u>63,853</u>	<u>63,853</u>	<u>63,853</u>	<u>-</u>
<b>Real Estate Fraud Prosecution</b>				
Salaries and employee benefits	347,948	347,948	354,329	(6,381)
Services and supplies	17,363	17,363	4,283	13,080
Total expenditures	<u>365,311</u>	<u>365,311</u>	<u>358,612</u>	<u>6,699</u>



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Other Special Revenue Funds (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Planning Special Revenue Grants</b>				
Services and supplies	5,539,448	5,539,448	195,579	5,343,869
Other charges	913,773	913,773	396,317	517,456
Total expenditures	<u>6,453,221</u>	<u>6,453,221</u>	<u>591,896</u>	<u>5,861,325</u>
<b>Planning General Plan Maintenance</b>				
Services and supplies	382,289	382,289	(302,796)	685,085
Other charges	125,000	125,000	101,553	23,447
Total expenditures	<u>507,289</u>	<u>507,289</u>	<u>(201,243)</u>	<u>708,532</u>
<b>Juvenile Accountability Block Grant</b>				
Salaries and employee benefits	-	7,000	7,000	-
Services and supplies	203,218	161,218	124,396	36,822
Other charges	20,741	55,741	42,370	13,371
Total expenditures	<u>223,959</u>	<u>223,959</u>	<u>173,766</u>	<u>50,193</u>
<b>JJCPA Grant</b>				
Salaries and employee benefits	1,618,969	1,618,969	1,561,176	57,793
Services and supplies	44,622	29,622	2,185	27,437
Other charges	30,239	45,239	35,259	9,980
Total expenditures	<u>1,693,830</u>	<u>1,693,830</u>	<u>1,598,620</u>	<u>95,210</u>
<b>Youthful Offender Block Grant</b>				
Salaries and employee benefits	554,365	618,365	624,067	(5,702)
Services and supplies	7,445	8,445	7,644	801
Other charges	5,438	5,438	10,578	(5,140)
Total expenditures	<u>567,248</u>	<u>632,248</u>	<u>642,289</u>	<u>(10,041)</u>
<b>Ward Welfare Fund</b>				
Services and supplies	25,000	25,000	21,919	3,081
Fixed assets	15,000	15,000	5,295	9,705
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>27,214</u>	<u>12,786</u>
<b>Corrections Performance Incentive Act</b>				
Salaries and employee benefits	539,912	539,912	536,096	3,816
Services and supplies	10,000	70,500	437	70,063
Other charges	6,539	6,539	5,393	1,146
Expenditure transfer	-	-	(175,290)	175,290
Total expenditures	<u>556,451</u>	<u>616,951</u>	<u>366,636</u>	<u>250,315</u>
<b>Local Community Corrections</b>				
Services and supplies	345,000	395,000	241,940	153,060
Other charges	15,978,569	15,978,569	14,795,523	1,183,046
Expenditure transfer	-	-	175,290	(175,290)
Total expenditures	<u>16,323,569</u>	<u>16,373,569</u>	<u>15,212,753</u>	<u>1,160,816</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Other Special Revenue Funds (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Court Security</b>				
Salaries and employee benefits	5,416,428	5,416,428	5,141,482	274,946
Services and supplies	30,700	30,700	27,331	3,369
Other charges	261,555	261,555	237,750	23,805
Total expenditures	<u>5,708,683</u>	<u>5,708,683</u>	<u>5,406,563</u>	<u>302,120</u>
<b>California Identification Program</b>				
Salaries and employee benefits	83,457	124,479	100,797	23,682
Services and supplies	441,650	440,400	316,242	124,158
Other charges	6,023	7,273	6,317	956
Total expenditures	<u>531,130</u>	<u>572,152</u>	<u>423,356</u>	<u>148,796</u>
<b>JAG</b>				
Services and supplies	667,047	1,123,378	650,758	472,620
Other charges	74,010	127,968	108,406	19,562
Total expenditures	<u>741,057</u>	<u>1,251,346</u>	<u>759,164</u>	<u>492,182</u>
<b>Vehicle Theft Unit</b>				
Salaries and employee benefits	91,471	91,471	-	91,471
Services and supplies	169,785	128,785	89,181	39,604
Other charges	191,683	232,683	230,959	1,724
Fixed assets	8,000	8,000	-	8,000
Total expenditures	<u>460,939</u>	<u>460,939</u>	<u>320,140</u>	<u>140,799</u>
<b>Civil Process Fee</b>				
Services and supplies	114,953	114,953	48,068	66,885
Other charges	1,723	1,723	1,036	687
Fixed assets	400,000	400,000	352,172	47,828
Total expenditures	<u>516,676</u>	<u>516,676</u>	<u>401,276</u>	<u>115,400</u>
<b>Driving Training Program</b>				
Salaries and employee benefits	134,905	134,905	109,462	25,443
Services and supplies	15,111	15,111	13,795	1,316
Other charges	55,646	55,646	47,232	8,414
Total expenditures	<u>205,662</u>	<u>205,662</u>	<u>170,489</u>	<u>35,173</u>
<b>CAL-MMET Program</b>				
Salaries and employee benefits	282,343	282,343	18,227	264,116
Services and supplies	261,420	261,420	223,741	37,679
Other charges	194,212	194,212	192,943	1,269
Fixed assets	696,103	696,103	(13,903)	710,006
Total expenditures	<u>1,434,078</u>	<u>1,434,078</u>	<u>421,008</u>	<u>1,013,070</u>
<b>Special Districts</b>				
Services and supplies	1,710,254	1,710,254	803,175	907,079
Total expenditures	<u>1,710,254</u>	<u>1,710,254</u>	<u>803,175</u>	<u>907,079</u>

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Other Special Revenue Funds (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>Dangerous Building Abatement</b>				
Services and supplies	110,000	110,000	1,021	108,979
Other charges	50,000	50,000	1,636	48,364
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>2,657</u>	<u>157,343</u>
<b>Expenditures: Public Ways and Facilities</b>				
<b>Parklawn Sewer Project</b>				
Services and supplies	2,284,713	2,167,476	1,513,903	653,573
Other charges	-	117,236	117,236	-
Total expenditures	<u>2,284,713</u>	<u>2,284,712</u>	<u>1,631,139</u>	<u>653,573</u>
<b>Expenditures: Public Assistance</b>				
<b>Area Agency on Aging</b>				
Salaries and employee benefits	1,540,500	1,475,470	1,437,979	37,491
Services and supplies	411,759	422,015	304,576	117,439
Other charges	1,627,612	1,712,469	1,510,585	201,884
Total expenditures	<u>3,579,871</u>	<u>3,609,954</u>	<u>3,253,140</u>	<u>356,814</u>
<b>Expenditures: Education</b>				
<b>Coop-Extension Farm and Home Advisors Research</b>				
Services and supplies	16,239	16,239	2,142	14,097
Total expenditures	<u>16,239</u>	<u>16,239</u>	<u>2,142</u>	<u>14,097</u>
<b>Expenditures: Recreation</b>				
<b>Off Highway Vehicle Parks</b>				
Services and supplies	141,813	149,017	136,467	12,550
Other charges	31,746	32,042	10,971	21,071
Expenditure transfer	396,370	396,370	354,668	41,702
Fixed assets	617,993	610,493	356,312	254,181
Total expenditures	<u>1,187,922</u>	<u>1,187,922</u>	<u>858,418</u>	<u>329,504</u>
<b>Fish and Game</b>				
Services and supplies	37,800	37,800	5,951	31,849
Total expenditures	<u>37,800</u>	<u>37,800</u>	<u>5,951</u>	<u>31,849</u>
<b>Modesto Reservoir Patrol</b>				
Services and supplies	79,246	79,246	7,032	72,214
Other charges	37,000	37,000	-	37,000
Fixed assets	-	200,000	-	200,000
Total expenditures	<u>116,246</u>	<u>316,246</u>	<u>7,032</u>	<u>309,214</u>
<b>Regional Water Safety Training Center</b>				
Services and supplies	25,000	23,500	22,945	555
Other charges	14,000	15,500	15,352	148
Total expenditures	<u>39,000</u>	<u>39,000</u>	<u>38,297</u>	<u>703</u>
 Total expenditures - Other	 <u>51,774,420</u>	 <u>53,594,516</u>	 <u>37,900,459</u>	 <u>15,694,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,948,944)</u>	<u>(10,190,272)</u>	<u>8,704,751</u>	<u>(12,493,091)</u>



**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**All Other Special Revenue Funds (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amount on Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Other financing sources (uses)</b>				
Transfers in	984,072	984,072	895,671	(88,401)
Transfers out	(1,377,339)	(1,377,339)	(1,329,182)	48,157
Sale of capital assets	-	-	2,001	2,001
Total other financing sources (uses)	<u>(393,267)</u>	<u>(393,267)</u>	<u>(431,510)</u>	<u>(38,243)</u>
Net change in fund balance	<u>(10,342,211)</u>	<u>(10,583,539)</u>	<u>8,273,241</u>	<u>18,856,780</u>
<b>Fund balance -- beginning</b>	<u>37,840,447</u>	<u>37,840,447</u>	<u>37,840,447</u>	<u>-</u>
<b>Fund balance -- ending</b>	<u>\$ 27,498,236</u>	<u>\$ 27,256,908</u>	<u>\$ 46,113,688</u>	<u>\$ 18,856,780</u>



Non-major  
Enterprise  
Funds

## **NON-MAJOR ENTERPRISE FUNDS**

Enterprise funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user-charge basis to the general public.

### **County Transit System**

This fund was established to account for the operation of a transit system within the county which performs intra-city transit service, medical transportation, and Senior Opportunity Services Program's nutrition deliveries. Revenues are generated from state grants and fees to transit users.

### **Geer Road Sanitary Landfill**

The Geer Road Sanitary Landfill Fund was established to account for the operation of Geer Road Sanitary Landfill, which provided a dumping site for the disposal of solid wastes. The landfill was closed in July 1990 and is jointly owned with the City of Modesto.

### **Inmate Welfare/Commissary**

This fund was established to account for the activity of the Jail Commissary and the use of revenue generated from the sale of goods for the benefit of inmates.

**County of Stanislaus**  
**Combining Statement of Net Position**  
**Non-major Enterprise Funds**  
**June 30, 2016**

	County Transit System	Geer Road Sanitary Landfill	Inmate Welfare/ Commissary	Total
<b>Assets</b>				
<b>Current assets:</b>				
Cash and investments	\$ 11,020,049	\$ 251,149	\$ 1,388,273	\$ 12,659,471
Accounts receivable, net	643,267	-	70,000	713,267
Interest and other receivables	29,411	2,627	2,898	34,966
Inventory	-	-	5,497	5,497
<b>Total current assets</b>	<u>11,692,757</u>	<u>253,776</u>	<u>1,466,668</u>	<u>13,413,201</u>
<b>Noncurrent assets:</b>				
Restricted cash and investments	-	516,042	-	516,042
<b>Capital assets</b>				
Land and right of ways	-	1,906,261	-	1,906,261
Building and improvements	131,545	-	216,731	348,276
Equipment	14,322,523	-	144,907	14,467,430
Construction in progress	305,943	-	-	305,943
Less: Accumulated depreciation	<u>(5,291,214)</u>	<u>-</u>	<u>(236,371)</u>	<u>(5,527,585)</u>
Net capital assets	<u>9,468,797</u>	<u>1,906,261</u>	<u>125,267</u>	<u>11,500,325</u>
Total noncurrent assets	<u>9,468,797</u>	<u>2,422,303</u>	<u>125,267</u>	<u>12,016,367</u>
<b>Total assets</b>	<u>21,161,554</u>	<u>2,676,079</u>	<u>1,591,935</u>	<u>25,429,568</u>
<b>Deferred outflows of resources</b>				
Deferred pensions	61,300	-	30,060	91,360
<b>Total deferred outflows of resources</b>	<u>61,300</u>	<u>-</u>	<u>30,060</u>	<u>91,360</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	1,554,922	212,300	90,368	1,857,590
Salaries and benefits payable	21,544	-	13,559	35,103
Compensated absences - current	7,934	-	413	8,347
<b>Total current liabilities</b>	<u>1,584,400</u>	<u>212,300</u>	<u>104,340</u>	<u>1,901,040</u>
<b>Noncurrent liabilities:</b>				
Estimated cost of closure/postclosure	-	1,801,888	-	1,801,888
Other post-employment benefits (OPEB)	9,935	-	18,726	28,661
Compensated absences	36,238	-	15,875	52,113
Net pension liability	<u>297,598</u>	<u>-</u>	<u>145,928</u>	<u>443,526</u>
Total noncurrent liabilities	<u>343,771</u>	<u>1,801,888</u>	<u>180,529</u>	<u>2,326,188</u>
<b>Total liabilities</b>	<u>1,928,171</u>	<u>2,014,188</u>	<u>284,869</u>	<u>4,227,228</u>
<b>Deferred inflows of resources</b>				
Deferred pensions	39,168	-	19,207	58,375
<b>Total deferred inflows of resources</b>	<u>39,168</u>	<u>-</u>	<u>19,207</u>	<u>58,375</u>
<b>Net position</b>				
Net investment in capital assets	9,468,797	1,906,261	125,267	11,500,325
Restricted	-	518,015	-	518,015
Unrestricted	<u>9,786,718</u>	<u>(1,762,385)</u>	<u>1,192,652</u>	<u>9,216,985</u>
<b>Total net position</b>	<u>\$ 19,255,515</u>	<u>\$ 661,891</u>	<u>\$ 1,317,919</u>	<u>\$ 21,235,325</u>

**County of Stanislaus**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Non-major Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2016**

	County Transit System	Geer Road Sanitary Landfill	Inmate Welfare/ Commissary	Total
<b>Operating revenues</b>				
Charges for services	\$ 510,822	\$ -	\$ 1,859,908	\$ 2,370,730
Total operating revenues	<u>510,822</u>	<u>-</u>	<u>1,859,908</u>	<u>2,370,730</u>
<b>Operating expenses</b>				
Salaries and benefits	408,782	-	305,260	714,042
Services and supplies	5,031,819	2,224,381	1,329,608	8,585,808
Depreciation	908,121	-	7,644	915,765
Total operating expenses	<u>6,348,722</u>	<u>2,224,381</u>	<u>1,642,512</u>	<u>10,215,615</u>
Operating income (loss)	<u>(5,837,900)</u>	<u>(2,224,381)</u>	<u>217,396</u>	<u>(7,844,885)</u>
<b>Nonoperating revenues (expenses)</b>				
Investment income	121,502	13,880	13,740	149,122
(Loss) on sale of fixed assets	(62,563)	-	-	(62,563)
Intergovernmental	7,938,445	-	-	7,938,445
Total nonoperating revenues (expenses)	<u>7,997,384</u>	<u>13,880</u>	<u>13,740</u>	<u>8,025,004</u>
Income before contributions and transfers	<u>2,159,484</u>	<u>(2,210,501)</u>	<u>231,136</u>	<u>180,119</u>
Transfers in	44	1,195,629	-	1,195,673
Transfers (out)	(18,065)	-	-	(18,065)
Transfer in (out), net	<u>(18,021)</u>	<u>1,195,629</u>	<u>-</u>	<u>1,177,608</u>
Change in net position	<u>2,141,463</u>	<u>(1,014,872)</u>	<u>231,136</u>	<u>1,357,727</u>
Total net position - beginning	<u>17,114,052</u>	<u>1,676,763</u>	<u>1,086,783</u>	<u>19,877,598</u>
Total net position - ending	<u>\$ 19,255,515</u>	<u>\$ 661,891</u>	<u>\$ 1,317,919</u>	<u>\$ 21,235,325</u>

**County of Stanislaus**  
**Statement of Cash Flows**  
**Non-major Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2016**

	County Transit System	Geer Road Landfill	Inmate Welfare/ Commissary	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers and users	\$ 331,719	\$ -	\$ 1,851,908	\$ 2,183,627
Cash paid to suppliers	(3,882,541)	(2,048,361)	(1,285,215)	(7,216,117)
Cash paid to employees	(413,810)	-	(305,534)	(719,344)
Net cash provided (used) by operating activities	<u>(3,964,632)</u>	<u>(2,048,361)</u>	<u>261,159</u>	<u>(5,751,834)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	44	3,325,629	-	3,325,673
Subsidy from state and federal grant	7,938,445	-	-	7,938,445
Transfers out	(18,065)	(2,130,000)	-	(2,148,065)
Net cash provided (used) by noncapital financing activities	<u>7,920,424</u>	<u>1,195,629</u>	<u>-</u>	<u>9,116,053</u>
<b>Cash flows from capital and related financing activities:</b>				
Purchase of capital assets	(5,255,991)	-	-	(5,255,991)
Net cash (used) by capital and related financing activities	<u>(5,255,991)</u>	<u>-</u>	<u>-</u>	<u>(5,255,991)</u>
<b>Cash flows from investing activities:</b>				
Interest received	121,502	13,880	13,740	149,122
Net cash provided by investing activities	<u>121,502</u>	<u>13,880</u>	<u>13,740</u>	<u>149,122</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,178,697)</u>	<u>(838,852)</u>	<u>274,899</u>	<u>(1,742,650)</u>
Cash and equivalents - beginning	12,198,746	1,606,043	1,113,374	14,918,163
Cash and equivalents - ending	<u>\$ 11,020,049</u>	<u>\$ 767,191</u>	<u>\$ 1,388,273</u>	<u>\$ 13,175,513</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Assets</b>				
Cash and investments	\$ 11,020,049	\$ 251,149	\$ 1,388,273	\$ 12,659,471
Restricted cash and investments & investment with fiscal agent	-	516,042	-	516,042
Total cash and cash equivalents	<u>\$ 11,020,049</u>	<u>\$ 767,191</u>	<u>\$ 1,388,273</u>	<u>\$ 13,175,513</u>

**County of Stanislaus**  
**Statement of Cash Flows (continued)**  
**Non-major Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2016**

	County Transit System	Geer Road Landfill	Inmate Welfare/ Commissary	Total
Cash provided (used) by operating activities				
Operating income (loss)	\$ (5,837,900)	\$ (2,224,381)	\$ 217,396	\$ (7,844,885)
Depreciation	908,121	-	7,644	915,765
(Increase) decrease in accounts receivable	(179,103)	-	(8,000)	(187,103)
(Increase) decrease in other receivables	(2,509)	578	(639)	(2,570)
(Increase) decrease in inventory	-	-	3,699	3,699
(Increase) decrease in deferred outflows	(9,201)	-	(4,638)	(13,839)
Increase (decrease) in accounts payable and accrued liabilities	1,151,787	45,138	41,333	1,238,258
Increase (decrease) in salaries and benefits payable	8,374	-	3,301	11,675
Increase (decrease) in liability for compensated absences	3,987	-	3,218	7,205
Increase (decrease) in other post-employment benefits (OPEB)	1,267	-	1,623	2,890
Increase (decrease) in deferred inflows	(81,812)	-	(39,819)	(121,631)
Increase (decrease) in pension liability	72,357	-	36,041	108,398
Increase (decrease) in estimated cost of closure/postclosure	-	130,304	-	130,304
Net cash provided (used) by operating activities	<u>\$ (3,964,632)</u>	<u>\$ (2,048,361)</u>	<u>\$ 261,159</u>	<u>\$ (5,751,834)</u>



# Internal Service Funds

## **INTERNAL SERVICE FUNDS**

Internal service funds were established to finance and account for the services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit. Since the services and commodities are supplied exclusively to other departments of a governmental jurisdiction, they are distinguishable from the public services which are rendered to the public in general and which are accounted for in general, special revenue, or enterprise funds.

### **General Liability Insurance**

This fund is a risk management fund which was established to account for administrative cost, insurance premiums and the cost of claims for the County's property damage, general liability, auto liability, fiduciary, bonds, dishonesty, and legal defense. Revenues are generated by premiums paid by other funds and interest on investments.

### **Unemployment Insurance**

This fund is a risk management fund which accounts for administrative cost and cost for the County's unemployment claims. Revenues are generated by premiums paid by other funds and interest on investments.

### **Workers' Compensation Insurance**

This fund is a risk management fund which accounts for administrative cost, loss control and cost of Workers' Compensation claims and benefits. Revenues are generated by premiums paid by other funds and interest on investments.

### **Medical Self-Insurance**

This fund is a risk management fund to account for the cost of County health benefit claims. Revenues are generated by premiums paid by other funds.

### **Other Employee Benefits**

This fund is a risk management fund to account for employee benefits such as basic life insurance, long-term disability insurance and deferred compensation. Revenues are generated by premiums paid by other funds and interest on investments.

### **Dental Insurance**

This fund is a risk management fund to account for administrative cost and the cost for the County's employee dental claims. Revenues are generated by premiums paid by other funds and interest on investments.

## **INTERNAL SERVICE FUNDS (Continued)**

### **Vision Care Insurance**

This fund is a risk management fund to account for administrative cost and the cost for the County's employee vision care claims. Revenues are generated by premiums paid by other funds and interest on investments.

### **Professional Liability Insurance**

This fund is a risk management fund to account for the purchase of insurance and the cost of claims for medical malpractice cases, administrative costs and legal defense. Revenues are generated by premiums paid predominantly by the Health Services Agency Clinics and Ancillary Services Enterprise Fund, and interest on investments.

### **Central Services**

This fund was established to account for the cost of purchasing services, printing, duplication, postage, mail room service, warehouse storage and salvage and messenger service. Revenues are generated based on billings for services provided.

### **Fleet Services**

This fund was established to account for the cost of maintaining all County-owned automobiles, trucks, and heavy equipment for County departments. Revenues are based on fee charges for services provided.

### **Technology and Communications**

This fund was established to account for the costs of providing information services, computer processing and communication services. Revenues are based on billings to customers for services provided.

### **Morgan Shop Garage**

This fund was established to account for the cost of maintaining Public Works light and heavy equipment. Revenues are based on fee charges for services provided.

### **Facility Maintenance**

This fund was established to account for the costs of providing maintenance on all County buildings. Revenues are based on fee charges for services provided.

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

	Self Insurance Funds												Total	
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Medical Self-Insurance	Other Employee Benefits	Dental Insurance	Vision Care Insurance	Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage		Facility Maintenance
<b>Assets</b>														
<b>Current assets:</b>														
Cash and investments	\$ 5,230,378	\$ 817,202	\$ 22,984,139	\$ 11,951,157	\$ 427,919	\$ 932,786	\$ 249,530	\$ 980,597	\$ 321,052	\$ 891,181	\$ 3,779,477	\$ 3,382,386	\$ 1,827,777	\$ 53,775,581
Accounts receivable, net	-	-	6,991	194,812	790	2,859	572	-	6,318	-	3,407	85,473	8,871	310,093
Interest and other receivables	12,075	2,150	57,622	32,976	1,107	2,818	581	2,367	-	-	-	-	-	111,696
Inventory	-	-	-	-	-	-	-	-	43,594	71,872	-	231,181	697	347,344
Total current assets	5,242,453	819,352	23,048,752	12,178,945	429,816	938,463	250,683	982,964	370,964	963,053	3,782,884	3,699,040	1,837,345	54,544,714
<b>Capital assets:</b>														
Intangible assets	-	-	-	-	-	-	-	-	-	-	2,704,597	-	-	2,704,597
Structures and improvements	-	-	-	-	-	-	-	-	11,735	990,773	-	-	-	1,002,508
Equipment	-	-	-	-	-	-	-	-	69,895	3,958,861	2,574,302	14,661,352	127,263	21,391,673
Less: Accumulated depreciation	-	-	-	-	-	-	-	-	(74,736)	(4,328,502)	(2,931,903)	(9,028,556)	(126,592)	(16,490,289)
Net capital assets	-	-	-	-	-	-	-	-	6,894	621,132	2,346,996	5,632,796	671	8,608,489
Total assets	5,242,453	819,352	23,048,752	12,178,945	429,816	938,463	250,683	982,964	377,858	1,584,185	6,129,880	9,331,836	1,838,016	63,153,203
<b>Deferred outflows of resources</b>														
Deferred pensions	-	-	-	-	-	-	-	-	119,219	111,489	442,628	112,233	309,216	1,094,785
Total deferred outflows of resources	-	-	-	-	-	-	-	-	119,219	111,489	442,628	112,233	309,216	1,094,785
<b>Liabilities</b>														
<b>Current liabilities:</b>														
Accounts payable	135,564	150,000	29,870	1,326,863	34,924	86,196	44,809	3,534	5,069	95,721	117,475	467,003	310,652	2,807,680
Salaries and benefits payable	-	-	-	-	61	-	-	-	36,686	36,578	135,436	37,370	104,504	350,635
Risk management liability	1,040,122	125,000	3,961,636	8,600,000	-	218,447	39,000	97,114	-	-	-	-	-	14,081,319
Compensated absences	-	-	-	-	-	-	-	-	7,642	12,513	49,720	11,556	47,751	129,182
Total current liabilities	1,175,686	275,000	3,991,506	9,926,863	34,985	304,643	83,809	100,648	49,397	144,812	302,631	515,929	462,907	17,368,816
<b>Noncurrent liabilities:</b>														
Risk management liability	2,130,430	-	18,331,369	-	-	-	-	89,049	-	-	-	-	-	20,550,848
Other post-employment benefits (OPEB)	-	-	-	-	-	-	-	-	49,703	30,507	77,254	31,806	92,856	282,126
Compensated absences	-	-	-	-	-	-	-	-	74,141	123,026	355,872	84,233	209,372	846,644
Net pension liability	-	-	-	-	-	-	-	-	578,779	541,255	2,148,846	544,869	1,501,175	5,314,924
Total noncurrent liabilities	2,130,430	-	18,331,369	-	-	-	-	89,049	702,623	694,788	2,381,972	660,908	1,803,403	26,994,542
Total liabilities	3,306,116	275,000	22,322,875	9,926,863	34,985	304,643	83,809	189,697	752,020	839,600	2,884,603	1,176,837	2,266,310	44,363,358
<b>Deferred inflows of resources</b>														
Deferred pensions	-	-	-	-	-	-	-	-	76,176	71,237	282,820	71,713	197,577	699,523
Total deferred inflows of resources	-	-	-	-	-	-	-	-	76,176	71,237	282,820	71,713	197,577	699,523
<b>Net Position</b>														
Net investment in capital assets	-	-	-	-	-	-	-	-	6,894	621,132	2,346,996	5,632,796	671	8,608,489
Unrestricted	1,936,337	544,352	725,877	2,252,082	394,831	633,820	166,874	793,267	(338,013)	163,705	1,058,089	2,562,723	(317,326)	10,576,618
Total net position	\$ 1,936,337	\$ 544,352	\$ 725,877	\$ 2,252,082	\$ 394,831	\$ 633,820	\$ 166,874	\$ 793,267	\$ (331,119)	\$ 784,837	\$ 3,405,085	\$ 8,195,519	\$ (316,655)	\$ 19,185,107

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

	Self Insurance Funds												Total	
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Medical Self-insurance	Other Employee Benefits	Dental Insurance	Vision Care Insurance	Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage		Facility Maintenance
<b>Operating revenues</b>														
Charges for services	\$ 5,201,188	\$ 204,450	\$ 4,702,807	\$ 54,543,544	\$ 489,247	\$ 3,950,420	\$ 722,366	\$ 400,000	\$ 1,328,646	\$ 2,740,269	\$ 6,029,579	\$ 3,301,903	\$ 9,006,706	\$ 92,621,125
Total operating revenues	5,201,188	204,450	4,702,807	54,543,544	489,247	3,950,420	722,366	400,000	1,328,646	2,740,269	6,029,579	3,301,903	9,006,706	92,621,125
<b>Operating expenses</b>														
Salaries and benefits	-	-	-	-	46,289	-	-	-	875,392	778,876	2,695,659	751,751	2,303,041	7,451,008
Services and supplies	4,175,877	463,108	6,017,539	51,283,873	449,187	4,020,953	705,253	344,168	351,068	1,810,647	2,415,414	2,796,286	6,772,379	81,605,752
Depreciation	-	-	-	-	-	-	-	-	587	29,083	555,079	932,722	1,048	1,518,519
Total operating expenses	4,175,877	463,108	6,017,539	51,283,873	495,476	4,020,953	705,253	344,168	1,227,047	2,618,606	5,666,152	4,480,759	9,076,468	90,575,279
Operating income (loss)	1,025,311	(258,658)	(1,314,732)	3,259,671	(6,229)	(70,533)	17,113	55,832	101,599	121,663	363,427	(1,178,856)	(69,762)	2,045,846
<b>Nonoperating revenues (expenses)</b>														
Investment income	52,067	8,708	249,322	164,595	4,741	12,211	2,680	10,259	-	-	-	-	11,391	515,974
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	187,084	-	187,084
Gain(loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	5,340	(775,199)	13,780	1,212	(754,867)
Total nonoperating revenues (expenses), net	52,067	8,708	249,322	164,595	4,741	12,211	2,680	10,259	-	5,340	(775,199)	200,864	12,603	(51,809)
Income (loss) before contributions and transfers	1,077,378	(249,950)	(1,065,410)	3,424,266	(1,488)	(58,322)	19,793	66,091	101,599	127,003	(411,772)	(977,992)	(57,159)	1,994,037
Transfers in	81,250	-	-	-	-	-	-	721	121	99	264	88	16,748	99,291
Transfers (out)	(721)	-	(45,892)	-	-	-	-	(81,250)	-	-	(60,000)	-	-	(187,863)
Transfer in (out), net	80,529	-	(45,892)	-	-	-	-	(80,529)	121	99	(59,736)	88	16,748	(88,572)
Change in net position	1,157,907	(249,950)	(1,111,302)	3,424,266	(1,488)	(58,322)	19,793	(14,438)	101,720	127,102	(471,508)	(977,904)	(40,411)	1,905,465
Total net position - beginning	778,430	794,302	1,837,179	(1,172,184)	396,319	692,142	147,081	807,705	(432,839)	657,735	3,876,593	9,173,423	(276,244)	17,279,642
Total net position (deficit) - ending	\$ 1,936,337	\$ 544,352	\$ 725,877	\$ 2,252,082	\$ 394,831	\$ 633,820	\$ 166,874	\$ 793,267	\$ (331,119)	\$ 784,837	\$ 3,405,085	\$ 8,195,519	\$ (316,655)	\$ 19,185,107

**County of Stanislaus**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Self Insurance Funds												Total	
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Medical Self-Insurance	Other EE Employee Benefits	Dental Insurance	Vision Care Insurance	Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage		Facility Maintenance
<b>Cash flows from operating activities:</b>														
Cash received from interfund services	\$ 5,368,182	\$ 204,830	\$ 4,696,238	\$ 54,379,570	\$ 489,175	\$ 3,950,886	\$ 722,557	\$ 399,782	\$ 1,322,477	\$ 2,740,269	\$ 6,033,023	\$ 3,216,884	\$ 9,011,809	\$ 92,540,682
Cash paid to suppliers	(4,227,808)	(488,109)	(5,997,658)	(50,408,493)	(447,972)	(4,012,655)	(713,889)	(347,976)	(353,255)	(1,871,360)	(2,635,345)	(2,506,821)	(6,763,151)	(80,775,492)
Cash paid to employees	437,486	-	891,284	800,000	(46,236)	(74,232)	-	(26,850)	(873,429)	(839,421)	(3,020,561)	(798,424)	(2,464,815)	(6,015,198)
Net cash provided (used) by operating activities	1,577,860	(283,279)	(410,136)	4,771,077	(5,033)	(136,001)	8,668	24,956	95,793	29,488	381,117	(88,361)	(216,157)	5,749,992
<b>Cash flows from noncapital financing activities:</b>														
Transfers in	81,250	-	-	-	-	-	-	721	121	99	264	88	16,748	99,291
Subsidy from state & federal grant	-	-	-	-	-	-	-	-	-	-	-	187,084	-	187,084
Transfers out	(721)	-	(45,892)	-	-	-	-	(81,250)	-	-	(60,000)	-	-	(187,863)
Net cash provided (used) by noncapital financing activities	80,529	-	(45,892)	-	-	-	-	(80,529)	121	99	(59,736)	187,172	16,748	98,512
<b>Cash flows from capital and related financing activities:</b>														
Sale of fixed assets	-	-	-	-	-	-	-	-	-	5,341	-	13,780	1,212	20,333
Purchase of fixed assets	-	-	-	-	-	-	-	-	-	-	(297,765)	(902,057)	-	(1,199,822)
Net cash provided (used) by capital and related financing activities	-	-	-	-	-	-	-	-	-	5,341	(297,765)	(888,277)	1,212	(1,179,489)
<b>Cash flows from investing activities:</b>														
Interest received	52,067	8,708	249,322	164,595	4,741	12,211	2,680	10,259	-	-	-	-	11,391	515,974
Net cash provided (used) by investing activities	52,067	8,708	249,322	164,595	4,741	12,211	2,680	10,259	-	-	-	-	11,391	515,974
Net increase (decrease) in cash and cash equivalents	1,710,456	(274,571)	(206,706)	4,935,672	(292)	(123,790)	11,348	(45,314)	95,914	34,928	23,616	(789,466)	(186,806)	5,184,989
Beginning Cash Balance	3,519,922	1,091,773	23,190,845	7,015,485	428,211	1,056,576	238,182	1,025,911	225,138	856,253	3,753,861	4,171,852	2,014,583	48,590,592
Ending Cash Balance	\$ 5,230,378	\$ 817,202	\$ 22,984,139	\$ 11,951,157	\$ 427,919	\$ 932,786	\$ 249,530	\$ 980,597	\$ 321,052	\$ 891,181	\$ 3,779,477	\$ 3,382,386	\$ 1,827,777	\$ 53,775,581
<b>Cash provided (used) by operating activities:</b>														
Operating income	\$ 1,025,311	\$ (258,658)	\$ (1,314,732)	\$ 3,259,671	\$ (6,229)	\$ (70,533)	\$ 17,113	\$ 55,832	\$ 101,599	\$ 121,663	\$ 363,427	\$ (1,178,856)	\$ (69,762)	\$ 2,045,846
Adjustments to reconcile operating income to net cash provided (used) by operating activities:														
Depreciation	-	-	-	-	-	-	-	-	587	29,083	555,079	932,722	1,048	1,518,519
(Increase) decrease in accounts receivable	171,836	-	(990)	(145,637)	(13)	731	261	-	(6,169)	-	3,444	(85,019)	5,103	(51,453)
(Increase) decrease in other receivables	(4,842)	380	(5,579)	(18,337)	(59)	(265)	(70)	(218)	-	-	-	-	-	(28,990)
(Increase) decrease in inventory	-	-	-	-	-	-	-	-	2,019	-	-	(134,640)	-	(132,621)
(Increase) decrease in deferred outflows	-	-	-	-	-	-	-	-	(17,924)	(9,161)	(32,957)	(11,454)	(38,018)	(109,514)
Increase (decrease) in accounts payable	(51,931)	(25,001)	19,881	875,380	1,215	8,298	(8,636)	(3,808)	(4,206)	(60,713)	(220,931)	424,105	9,228	962,881
Increase (decrease) in salaries and benefits payable	-	-	-	-	53	-	-	-	8,539	6,402	13,916	6,417	24,707	62,034
Increase (decrease) in risk mgmt current liability	142,104	-	210,652	800,000	-	(74,232)	-	(14,417)	-	-	-	-	-	1,064,107
Increase (decrease) in current liability comp abs	-	-	-	-	-	-	-	-	3,250	3,187	16,911	3,000	12,517	38,865
Increase (decrease) in risk mgmt long-term liability	295,382	-	680,632	-	-	-	-	(12,433)	-	-	-	-	-	963,581
Increase (decrease) in other post-employment benefits (OPEB)	-	-	-	-	-	-	-	-	6,935	3,708	9,124	4,030	14,375	38,172
Increase (decrease) in LT liability comp abs	-	-	-	-	-	-	-	-	19,530	2,995	(42,119)	4,583	(71,265)	(86,276)
Increase (decrease) in pension liability	-	-	-	-	-	-	-	-	140,717	98,741	376,943	109,085	328,231	1,053,717
Increase (decrease) in deferred inflows	-	-	-	-	-	-	-	-	(159,084)	(166,417)	(668,720)	(162,334)	(432,321)	(1,588,876)
Net cash provided (used) by operating activities	\$ 1,577,860	\$ (283,279)	\$ (410,136)	\$ 4,771,077	\$ (5,033)	\$ (136,001)	\$ 8,668	\$ 24,956	\$ 95,793	\$ 29,488	\$ 381,117	\$ (88,361)	\$ (216,157)	\$ 5,749,992



# Successor Agency





**County of Stanislaus**  
**Successor Agency to the Stanislaus County Redevelopment Agency**  
**For the Year Ended June 30, 2016**

The agency had the following long-term debt liabilities as of June 30, 2016:

	Beginning Principal Balance	Deletions	Ending Principal Balance	Due Within One Year
<u>Notes Payable</u>				
United States Department of Agriculture	\$ 3,850,000	\$ 80,000	\$ 3,770,000	\$ 80,000
State of California, State Water Resources Control Board	173,758	173,758	-	-
Total notes payable	<u>4,023,758</u>	<u>253,758</u>	<u>3,770,000</u>	<u>80,000</u>
<u>Bonds Payable</u>				
2005 tax allocation bonds	<u>11,510,000</u>	<u>435,000</u>	<u>11,075,000</u>	<u>445,000</u>
Total long-term liabilities	<u>\$ 15,533,758</u>	<u>\$ 688,758</u>	<u>\$ 14,845,000</u>	<u>\$ 525,000</u>

Debt service requirements for principal and interest of long-term liabilities for future years are as follows:

Fiscal Year Ending	Principal	Interest	Total
2017	\$ 525,000	\$ 733,944	\$ 1,258,944
2018	535,000	707,623	1,242,623
2019	550,000	681,153	1,231,153
2020	560,000	653,805	1,213,805
2021	570,000	626,079	1,196,079
2022-2026	3,050,000	2,675,304	5,725,304
2027-2031	3,400,000	1,847,157	5,247,157
2032-2036	3,775,000	925,287	4,700,287
2037-2041	1,645,000	179,749	1,824,749
2042	235,000	4,953	239,953
	<u>\$ 14,845,000</u>	<u>\$ 9,035,054</u>	<u>\$ 23,880,054</u>

**County of Stanislaus**  
**Successor Agency to the Stanislaus County Redevelopment Agency**  
**For the Year Ended June 30, 2016**

United States Department of Agriculture Note – The Agency refinanced a tax revenue anticipation loan in 2001. The loan was used to finance a storm drainage system in Salida, California. The principal amount of the note is \$4,525,000 to be paid in 40 years. Principal payments are due each August. The interest rate for the note is 5.125% with payments due February and August each year. The note matures in August 2041.

Fiscal Year Ending	Principal	Interest	Total
2017	\$ 80,000	\$ 158,950	\$ 238,950
2018	85,000	155,004	240,004
2019	90,000	151,284	241,284
2020	95,000	147,352	242,352
2021	95,000	143,713	238,713
2022-2026	550,000	650,505	1,200,505
2027-2031	675,000	520,269	1,195,269
2032-2036	835,000	360,374	1,195,374
2037-2041	1,030,000	163,221	1,193,221
2042	235,000	4,953	239,953
	<u>\$ 3,770,000</u>	<u>\$ 2,455,625</u>	<u>\$ 6,225,625</u>

**County of Stanislaus**  
**Successor Agency to the Stanislaus County Redevelopment Agency**  
**For the Year Ended June 30, 2016**

2005 Tax Allocation Bonds – The Agency issued bonds to finance construction of a storm drainage collection and transfer system within the Agency’s project area. The bonds will be paid and secured with future tax increment revenues derived from the project area. The principal amount of the bonds is \$15,615,000 to be paid in 30 years. Principal payments are due each August. The interest rate for the bonds ranges from 3.5% to 5.375% with payments due February and August each year. The bonds maturing on or after August 1, 2014, are subject to redemption at the option of the Agency. The bonds maturing on August 1, 2026, and August 1, 2036, are also subject to mandatory sinking fund redemption. The bonds mature in August 2036.

Fiscal Year Ending	Principal	Interest	Total
2017	\$ 445,000	\$ 574,993	\$ 1,019,993
2018	450,000	552,619	1,002,619
2019	460,000	529,869	989,869
2020	465,000	506,453	971,453
2021	475,000	482,366	957,366
2022-2026	2,500,000	2,024,800	4,524,800
2027-2031	2,725,000	1,326,888	4,051,888
2032-2036	2,940,000	564,913	3,504,913
2037-2040	615,000	16,528	631,528
	<u>\$ 11,075,000</u>	<u>\$ 6,579,429</u>	<u>\$ 17,654,429</u>



# Statistical Information



**County of Stanislaus  
Net Position by Component  
(accrual basis of accounting)  
Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets	\$ 464,402,025	\$ 435,204,374	\$ 418,149,972	\$ 397,176,565	\$ 393,212,996	\$ 385,331,672	\$ 383,152,489	\$ 380,595,362	\$ 411,359,448	\$ 447,336,350
Restricted	163,255,952	193,992,595	189,524,182	182,467,381	291,389,268	312,275,044	306,281,464	310,193,664	308,311,889	304,416,103
Unrestricted (deficit)	64,162,858	72,110,910	81,056,076	53,951,001	(47,246,228)	(42,965,529)	(10,910,256)	(1,978,513)	(244,384,302)	(197,360,931)
<b>Total governmental activities net position</b>	<u>691,820,835</u>	<u>701,307,879</u>	<u>688,730,230</u>	<u>633,594,947</u>	<u>637,356,036</u>	<u>654,641,187</u>	<u>678,523,697</u>	<u>688,810,513</u>	<u>475,287,035</u>	<u>554,391,522</u>
<b>Business-type activities</b>										
Net investment in capital assets	29,205,014	23,544,958	24,087,472	24,537,140	24,275,953	23,350,343	26,864,465	28,812,078	27,149,973	30,387,822
Restricted	18,925,816	20,404,464	20,831,269	20,697,693	20,453,722	20,711,930	19,457,319	20,102,454	20,111,762	19,393,530
Unrestricted (deficit)	(22,237,324)	(6,364,621)	(13,496,679)	(14,739,508)	(13,181,272)	(8,194,825)	(1,263,633)	3,778,008	16,825,936	24,697,283
<b>Total business-type activities net position</b>	<u>25,893,506</u>	<u>37,584,801</u>	<u>31,422,062</u>	<u>30,495,325</u>	<u>31,548,403</u>	<u>35,867,448</u>	<u>45,058,151</u>	<u>52,692,540</u>	<u>64,087,671</u>	<u>74,478,635</u>
<b>Net position</b>										
Net investment in capital assets	493,607,039	458,749,332	442,237,444	421,713,705	417,488,949	408,682,015	410,016,954	409,407,440	438,509,421	477,724,172
Restricted	182,181,768	214,397,059	210,355,451	203,165,074	311,842,990	332,986,974	325,738,783	330,296,118	328,423,651	323,809,633
Unrestricted (deficit)	41,925,534	65,746,289	67,559,397	39,211,493	(60,427,500)	(51,160,354)	(12,173,889)	1,799,495	(227,558,366)	(172,663,648)
<b>Total net position</b>	<u>\$ 717,714,341</u>	<u>\$ 738,892,680</u>	<u>\$ 720,152,292</u>	<u>\$ 664,090,272</u>	<u>\$ 668,904,439</u>	<u>\$ 690,508,635</u>	<u>\$ 723,581,848</u>	<u>\$ 741,503,053</u>	<u>\$ 539,374,706</u>	<u>\$ 628,870,157</u>

**County of Stanislaus**  
**Changes in Net Position**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Primary government expenses</b>										
Governmental activities:										
General government	\$ 40,326,944	\$ 43,025,653	\$ 41,874,466	\$ 53,939,423	\$ 39,047,915	\$ 31,262,204	\$ 34,640,462	\$ 29,418,322	\$ 34,068,208	\$ 39,924,809
Public protection	179,232,723	191,239,717	188,612,369	187,171,627	178,821,359	172,544,110	180,757,835	203,134,867	208,625,928	226,360,587
Public ways and facilities	48,425,573	55,988,788	53,935,268	48,937,845	35,995,934	49,480,040	52,929,458	61,684,798	59,796,563	70,723,726
Health and sanitation	117,136,073	121,365,271	117,806,204	123,260,103	130,697,663	114,881,433	131,314,972	128,083,298	124,226,055	133,992,756
Public assistance	234,184,853	259,362,079	269,101,718	280,497,676	280,276,073	265,885,829	282,044,591	294,889,889	306,804,683	325,543,153
Education	13,230,701	15,610,881	14,687,440	12,784,666	9,726,317	8,149,446	9,738,176	9,457,254	10,001,794	10,575,336
Recreation	5,172,418	6,879,842	5,811,357	6,986,331	5,171,457	5,669,167	7,123,274	6,466,131	6,506,067	7,130,168
Interest and fiscal charges on long-term debt	18,532,357	16,122,979	15,244,566	16,481,243	14,149,048	11,308,210	11,492,957	12,441,241	(14,796,048)	(15,049,070)
Total governmental activities expenses	656,241,642	709,595,210	707,073,388	730,058,914	693,885,766	659,180,439	710,041,725	745,575,800	735,233,250	799,201,465
Business-type activities:										
Landfills	4,495,812	4,561,797	4,766,494	8,600,496	5,020,344	3,285,042	3,486,212	4,570,478	6,252,577	7,353,713
Behavioral Health	14,981,467	3,403,472	(2,472)	-	-	-	-	-	-	-
Health Clinics and Ancillary	46,566,334	44,898,435	44,109,491	47,269,019	42,109,590	39,470,220	34,752,858	37,029,440	38,176,229	38,183,676
Inmate Welfare and Commissary	1,553,968	1,555,411	1,864,632	1,820,149	1,344,932	1,239,584	1,404,060	1,389,576	1,506,293	1,642,511
Transit	2,879,015	3,133,519	3,588,704	3,784,351	3,971,811	4,262,606	4,655,628	6,165,247	6,141,560	6,348,722
Total business-type activities expenses	70,476,596	57,552,634	54,326,849	61,474,015	52,446,677	48,257,452	44,298,758	49,154,741	52,076,659	53,528,622
<b>Total primary government expenses</b>	<b>726,718,238</b>	<b>767,147,844</b>	<b>761,400,237</b>	<b>791,532,929</b>	<b>746,332,443</b>	<b>707,437,891</b>	<b>754,340,483</b>	<b>794,730,541</b>	<b>787,309,909</b>	<b>852,730,087</b>
<b>Primary government program revenues</b>										
Governmental activities:										
Charges for services:										
General government	24,445,799	28,325,318	29,188,498	25,288,833	21,461,403	16,844,922	17,831,574	17,702,441	19,053,035	19,503,916
Public protection	45,100,432	44,468,709	42,232,145	40,563,656	39,900,420	38,134,653	44,846,489	47,801,929	48,427,401	48,864,976
Public ways and facilities	11,821,776	10,880,736	7,689,430	6,969,697	5,782,680	5,782,815	6,916,936	6,835,337	8,161,907	8,190,648
Health and sanitation	32,012,248	33,728,583	30,132,125	35,071,044	34,607,863	33,689,959	34,539,726	38,459,900	43,037,345	48,465,224
Public assistance	4,454,712	4,306,539	4,276,140	7,475,063	8,130,839	6,336,221	6,962,414	8,408,836	10,627,429	12,578,244
Education	1,119,136	929,447	323,221	456,377	363,933	323,092	439,237	486,331	371,470	736,246
Recreation	3,785,258	3,464,167	2,795,544	2,791,644	2,841,387	3,359,825	3,451,645	3,060,901	3,056,431	3,559,754
Operating grants and contributions	388,750,336	407,883,255	404,255,872	415,579,530	422,599,832	435,135,939	456,187,128	485,384,295	493,130,740	515,871,262
Capital grants and contributions	23,998,543	24,598,071	25,452,497	19,331,088	18,457,150	6,662,251	22,426,787	16,423,263	43,111,386	67,291,846
Total governmental activities program revenues	535,488,260	558,584,845	546,547,472	553,527,132	554,147,527	546,271,677	593,601,936	624,563,433	669,177,144	725,062,116
Business-type activities:										
Charges for services:										
Landfills	5,316,886	5,976,090	4,902,033	4,220,903	4,208,446	4,588,277	5,217,737	5,598,975	6,499,463	6,969,365
Behavioral Health	13,767,234	2,747,730	-	-	-	-	-	-	-	-
Health Clinics and Ancillary	27,505,872	40,609,257	40,307,063	44,994,702	39,625,230	38,216,020	34,807,751	32,587,731	37,510,027	38,369,412
Inmate Welfare and Commissary	1,584,935	1,576,214	1,568,646	1,379,595	1,180,418	1,369,506	1,688,466	1,528,952	1,670,882	1,859,908
Transit	271,523	287,648	363,804	346,729	502,139	465,005	687,089	506,184	539,266	510,822
Operating grants and contributions	1,906,353	2,567,553	2,952,731	1,296,301	1,470,103	1,519,071	1,307,816	4,312,029	3,339,513	1,491,073
Capital grants and contributions	-	742,258	-	-	-	-	-	-	-	-
Total business-type activities program revenues	50,352,803	54,506,750	50,094,277	52,238,230	46,986,336	46,157,879	43,708,859	44,533,871	49,559,151	49,200,580
<b>Total primary government program revenues</b>	<b>585,841,063</b>	<b>613,091,595</b>	<b>596,641,749</b>	<b>605,765,362</b>	<b>601,133,863</b>	<b>592,429,556</b>	<b>637,310,795</b>	<b>669,097,304</b>	<b>718,736,295</b>	<b>774,262,696</b>
<b>Net (expense)/revenue</b>										
Governmental activities	(120,753,382)	(151,010,365)	(160,525,916)	(176,531,782)	(139,738,240)	(112,908,762)	(116,439,789)	(121,012,367)	(66,056,106)	(74,139,349)
Business-type activities	(20,123,793)	(3,045,884)	(4,232,568)	(9,235,785)	(5,460,341)	(2,099,573)	(589,899)	(4,620,870)	(2,517,508)	(4,328,042)
<b>Total primary government net (expense)/revenue</b>	<b>(140,877,175)</b>	<b>(154,056,249)</b>	<b>(164,758,484)</b>	<b>(185,767,567)</b>	<b>(145,198,581)</b>	<b>(115,008,335)</b>	<b>(117,029,688)</b>	<b>(125,633,237)</b>	<b>(68,573,614)</b>	<b>(78,467,391)</b>



**County of Stanislaus**  
**Changes in Net Position (continued)**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	106,497,765	113,743,380	103,175,578	83,397,110	90,486,458	86,124,943	94,552,082	90,233,301	97,990,771	111,785,574
Sales taxes	32,520,456	29,552,774	26,568,776	20,677,876	23,329,577	26,796,833	30,024,222	32,606,659	32,819,560	34,211,664
Other taxes	3,390,027	2,583,804	2,765,178	2,220,643	2,157,019	2,284,530	2,298,871	2,607,534	3,264,767	3,451,718
Franchise fees	1,090,128	1,126,758	1,175,849	958,324	1,005,292	1,013,027	1,008,261	1,111,071	1,235,724	1,189,904
Payment in lieu of taxes										
Open space subvention	1,545,374	1,466,943	1,332,316	-	-	-	-	-	-	-
Unrestricted investment earnings	13,903,636	11,247,849	7,448,383	9,327,724	8,173,086	9,608,355	1,975,516	818,300	884,347	718,321
Miscellaneous	9,516,094	10,011,674	9,734,087	7,719,050	21,020,693	8,077,436	9,950,570	8,952,442	13,269,382	8,465,542
Transfers	(14,124,658)	(11,265,358)	(4,251,900)	(5,250,856)	(2,673,525)	(2,432,361)	512,777	(5,030,124)	(20,466,733)	(6,578,887)
Total governmental activities	<u>154,338,822</u>	<u>158,467,824</u>	<u>147,948,267</u>	<u>119,049,871</u>	<u>143,498,600</u>	<u>131,472,763</u>	<u>140,322,299</u>	<u>131,299,183</u>	<u>128,997,818</u>	<u>153,243,836</u>
Business-type activities:										
Sales taxes	2,626,260	2,528,268	2,781,611	2,962,729	3,026,730	3,490,576	5,863,652	6,537,281	4,895,572	6,856,640
Unrestricted investment earnings	848,117	943,553	673,368	95,463	813,164	495,681	374,703	687,854	758,618	1,345,053
Sale of fixed assets	-	-	-	-	-	-	-	-	12,985	(61,574)
Transfers	14,124,658	11,265,358	4,251,900	5,250,856	2,673,525	2,432,361	(512,777)	5,030,124	20,466,733	6,578,887
Total business-type activities	<u>17,599,035</u>	<u>14,737,179</u>	<u>7,706,879</u>	<u>8,309,048</u>	<u>6,513,419</u>	<u>6,418,618</u>	<u>5,725,578</u>	<u>12,255,259</u>	<u>26,133,908</u>	<u>14,719,006</u>
<b>Total primary government revenues and other changes</b>	<u>171,937,857</u>	<u>173,205,003</u>	<u>155,655,146</u>	<u>127,358,919</u>	<u>150,012,019</u>	<u>137,891,381</u>	<u>146,047,877</u>	<u>143,554,442</u>	<u>155,131,726</u>	<u>167,962,842</u>
<b>Change in net position excluding extraordinary items</b>										
Governmental activities	33,585,440	7,457,459	(12,577,649)	(57,481,911)	3,760,360	18,564,001	23,882,510	10,286,816	62,941,712	79,104,487
Business-type activities	(2,524,758)	11,691,295	3,474,311	(926,737)	1,053,078	4,319,045	5,135,679	7,634,389	23,616,400	10,390,964
<b>Total primary government</b>	<u>31,060,682</u>	<u>19,148,754</u>	<u>(9,103,338)</u>	<u>(58,408,648)</u>	<u>4,813,438</u>	<u>22,883,046</u>	<u>29,018,189</u>	<u>17,921,205</u>	<u>86,558,112</u>	<u>89,495,451</u>
<b>Extraordinary items</b>										
RDA debt write-off	-	-	-	-	-	18,141,513	-	-	-	-
RDA due to successor agency	-	-	-	-	-	(19,421,089)	-	-	-	-
Net extraordinary loss	-	-	-	-	-	(1,279,576)	-	-	-	-
<b>Change in net position</b>	<u>\$ 31,060,682</u>	<u>\$ 19,148,754</u>	<u>\$ (9,103,338)</u>	<u>\$ (58,408,648)</u>	<u>\$ 4,813,438</u>	<u>\$ 21,603,470</u>	<u>\$ 29,018,189</u>	<u>\$ 17,921,205</u>	<u>\$ 86,558,112</u>	<u>\$ 89,495,451</u>

**County of Stanislaus**  
**Governmental Activities Tax Revenues by Source**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

Fiscal Year	Property Tax	Sales Tax	Other Tax	Total
2007	\$ 106,497,765	\$ 32,520,456	\$ 3,390,027	\$ 142,408,248
2008	\$ 113,743,380	\$ 29,552,774	\$ 2,583,804	\$ 145,879,958
2009	\$ 103,175,578	\$ 26,568,776	\$ 2,765,178	\$ 132,509,532
2010	\$ 83,397,110	\$ 20,677,876	\$ 2,220,643	\$ 106,295,629
2011	\$ 90,486,461	\$ 23,329,577	\$ 2,157,019	\$ 115,973,057
2012	\$ 86,124,943	\$ 26,796,833	\$ 2,284,530	\$ 115,206,306
2013	\$ 94,552,082	\$ 30,024,222	\$ 2,298,871	\$ 126,875,175
2014	\$ 90,233,301	\$ 32,606,659	\$ 2,607,534	\$ 125,447,494
2015	\$ 97,990,771	\$ 32,819,560	\$ 3,264,767	\$ 134,075,098
2016	\$ 111,785,574	\$ 34,211,664	\$ 3,451,718	\$ 149,448,956

**County of Stanislaus**  
**Fund Balances of Governmental Funds**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General fund</b>										
Reserved	\$ 44,479,034	\$ 62,679,395	\$ 41,020,498	\$ 33,648,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	72,660,005	61,246,112	81,512,275	72,768,168	-	-	-	-	-	-
Non-spendable	-	-	-	-	22,816,700	21,106,188	19,683,239	15,515,016	14,029,333	14,137,929
Restricted	-	-	-	-	3,902,067	3,766,553	3,728,477	3,872,119	4,240,486	4,506,356
Committed	-	-	-	-	7,360,782	2,835,387	7,460,200	4,510,888	6,933,209	7,772,769
Assigned	-	-	-	-	53,427,519	71,991,359	92,656,760	97,448,659	101,215,033	128,572,135
Unassigned	-	-	-	-	20,761,362	16,066,425	9,599,149	16,765,674	15,945,066	9,966,047
<b>Total general fund</b>	<u>117,139,039</u>	<u>123,925,507</u>	<u>122,532,773</u>	<u>106,416,452</u>	<u>108,268,430</u>	<u>115,765,912</u>	<u>133,127,825</u>	<u>138,112,356</u>	<u>142,363,127</u>	<u>164,955,236</u>
<b>All other governmental funds</b>										
Reserved	41,362,101	33,055,756	44,950,684	38,392,864	-	-	-	-	-	-
Unreserved										
Special Revenue	163,980,081	167,860,880	165,211,615	166,634,879	-	-	-	-	-	-
Capital Projects	116,592,397	127,469,211	113,352,227	107,615,020	-	-	-	-	-	-
Debt Service	716,295	803,917	(53,215)	343,325	-	-	-	-	-	-
Non-spendable	-	-	-	-	604,486	629,283	567,030	567,922	567,757	568,132
Restricted	-	-	-	-	275,406,521	275,903,217	258,631,067	277,156,074	278,069,806	269,243,780
Committed	-	-	-	-	7,673,957	8,006,919	5,958,731	3,700,637	3,657,838	3,657,838
Assigned	-	-	-	-	31,321,622	23,969,078	37,470,379	24,896,916	21,776,005	26,439,995
Unassigned	-	-	-	-	(606,674)	(1,309,161)	(1,166,409)	(1,036,901)	(372,416)	(224,116)
<b>Total all other governmental funds</b>	<u>\$ 322,650,874</u>	<u>\$ 329,189,764</u>	<u>\$ 323,461,311</u>	<u>\$ 312,986,088</u>	<u>\$ 314,399,912</u>	<u>\$ 307,199,336</u>	<u>\$ 301,460,798</u>	<u>\$ 305,284,648</u>	<u>\$ 303,698,990</u>	<u>\$ 299,685,629</u>



**County of Stanislaus**  
**Changes in Fund Balances of Governmental Funds**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 142,332,996	\$ 146,040,455	\$ 132,516,011	\$ 106,302,266	\$ 116,024,106	\$ 115,217,548	\$ 126,869,802	\$ 125,522,743	\$ 134,075,103	\$ 149,448,956
Licenses, permits and franchises	5,632,176	4,850,084	4,362,507	3,779,539	3,346,635	3,251,371	3,427,357	4,528,028	4,316,195	4,597,396
Fines, forfeitures and penalties	13,334,536	16,471,765	18,740,397	15,853,039	14,102,259	11,277,500	11,731,463	11,250,391	9,913,309	8,444,144
Revenue from use of money and prope	23,993,844	20,366,844	13,135,585	11,628,724	10,951,594	12,046,180	3,544,350	14,961,376	7,231,730	14,398,251
Intergovernmental revenue	399,060,197	423,136,156	424,320,463	432,391,862	437,920,991	439,019,276	476,840,206	487,407,449	529,630,722	568,977,461
Charges for services	105,010,453	106,066,595	95,147,099	99,969,868	96,719,319	90,939,405	100,787,593	108,153,835	119,742,371	130,012,070
Miscellaneous revenue	9,516,094	10,012,180	9,734,085	7,700,801	20,758,655	8,053,236	9,831,879	8,932,426	13,207,716	6,693,645
Donation	3,736,752	-	-	-	188,052	-	-	-	-	-
<b>Total revenues</b>	<b>702,617,048</b>	<b>726,944,079</b>	<b>697,956,147</b>	<b>677,626,099</b>	<b>700,011,611</b>	<b>679,804,516</b>	<b>733,032,650</b>	<b>760,756,248</b>	<b>818,117,146</b>	<b>882,571,923</b>
<b>Expenditures</b>										
General	36,843,138	42,117,731	35,384,104	32,492,953	32,199,947	27,597,103	30,181,242	27,206,222	31,258,034	35,856,602
Public protection	181,167,098	191,335,195	187,668,670	184,488,026	164,981,273	165,575,535	183,212,316	195,378,255	207,452,347	220,974,865
Public ways and facilities	28,138,841	33,640,576	33,072,185	24,836,257	33,152,617	29,360,660	28,921,543	37,490,486	46,219,528	45,967,327
Health and sanitation	117,532,564	121,486,760	117,463,923	117,204,330	128,343,261	114,687,805	130,738,595	127,482,966	125,835,208	134,725,048
Public assistance	233,950,056	258,662,538	268,783,428	278,429,040	278,379,256	264,657,512	280,991,671	292,431,366	308,531,925	326,933,459
Education	12,683,522	14,038,114	12,614,620	11,426,521	8,439,844	7,945,714	8,565,946	9,020,692	9,509,756	10,167,303
Recreation and cultural services	5,288,606	6,548,470	5,393,150	5,180,469	5,147,480	5,454,792	4,915,595	5,578,898	5,353,945	6,450,793
Capital outlay	18,105,515	7,032,270	11,398,556	17,536,137	13,993,830	13,759,973	22,696,280	13,175,917	44,074,289	61,736,561
Debt Service										
Interest and fiscal charges	16,070,101	13,622,687	12,187,477	11,420,042	10,220,117	9,296,468	7,436,146	5,570,802	3,954,070	3,517,796
Principal	18,429,803	16,444,563	18,125,510	18,546,652	19,887,473	20,159,733	32,516,086	49,618,106	12,734,637	13,112,133
<b>Total expenditures</b>	<b>668,209,244</b>	<b>704,928,904</b>	<b>702,091,623</b>	<b>701,560,427</b>	<b>694,745,098</b>	<b>658,495,295</b>	<b>730,175,420</b>	<b>762,953,710</b>	<b>794,923,739</b>	<b>859,441,887</b>
Excess of revenues over (under) expenditures	34,407,804	22,015,175	(4,135,476)	(23,934,328)	5,266,513	21,309,221	2,857,230	(2,197,462)	23,193,407	23,130,036
<b>Other financing sources (uses)</b>										
Capital lease proceeds	129,559	254,451	1,005,918	1,224,693	363,711	-	370,612	394,368	-	247,658
Transfers in	77,077,052	81,047,677	84,579,807	67,347,196	74,906,929	66,041,234	78,625,650	74,412,744	83,460,934	79,002,346
Transfers (out)	(91,273,994)	(92,022,031)	(88,571,434)	(71,247,366)	(77,346,060)	(67,656,660)	(79,035,846)	(83,361,274)	(104,050,890)	(85,573,189)
Loan proceeds	42,081,614	-	-	-	-	-	8,687,050	19,540,000	61,662	-
Sale of capital assets	15,401	501	-	18,266	73,981	24,200	118,679	20,005	-	1,771,897
Payment to refund bond agent	(41,999,424)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(13,969,792)</b>	<b>(10,719,402)</b>	<b>(2,985,709)</b>	<b>(2,657,211)</b>	<b>(2,001,439)</b>	<b>(1,591,226)</b>	<b>8,766,145</b>	<b>11,005,843</b>	<b>(20,528,294)</b>	<b>(4,551,288)</b>
<b>Extraordinary items</b>										
Amount due to Successor Agency	-	-	-	-	-	(19,421,089)	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 20,438,012</b>	<b>\$ 11,295,773</b>	<b>\$ (7,121,185)</b>	<b>\$ (26,591,539)</b>	<b>\$ 3,265,074</b>	<b>\$ 296,906</b>	<b>\$ 11,623,375</b>	<b>\$ 8,808,381</b>	<b>\$ 2,665,113</b>	<b>\$ 18,578,748</b>
Debt service as a percentage of noncapital expenditures	5.72%	4.57%	4.68%	4.65%	4.82%	5.13%	5.79%	7.42%	2.34%	2.10%

**County of Stanislaus  
Net Assessed and Estimated Actual Value  
of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year	Secured	Unsecured	Unitary	Exemption	Total Assessed Value	(1) Total Direct Tax Rate
2006/2007	\$ 38,674,249,826	\$ 1,695,927,861	\$ 316,626,598	\$ (1,214,376,403)	\$ 39,472,427,882	1.0%
2007/2008	\$ 42,751,224,126	\$ 1,745,534,689	\$ 370,786,974	\$ (1,522,013,751)	\$ 43,345,532,038	1.0%
2008/2009	\$ 39,861,440,733	\$ 1,861,399,243	\$ 398,040,004	\$ (1,696,421,199)	\$ 40,424,458,781	1.0%
2009/2010	\$ 36,721,899,745	\$ 1,974,607,091	\$ 409,095,572	\$ (1,808,453,455)	\$ 37,297,148,953	1.0%
2010/2011	\$ 35,013,648,694	\$ 1,939,997,482	\$ 393,961,387	\$ (1,788,699,500)	\$ 35,558,908,063	1.0%
2011/2012	\$ 33,922,860,970	\$ 1,894,647,699	\$ 428,218,674	\$ (1,470,636,584)	\$ 34,775,090,759	1.0%
2012/2013	\$ 33,453,356,537	\$ 1,922,433,762	\$ 437,990,226	\$ (1,889,181,108)	\$ 33,924,599,417	1.0%
2013/2014	\$ 35,144,058,624	\$ 1,942,053,158	\$ 459,071,732	\$ (1,944,954,990)	\$ 35,600,228,524	1.0%
2014/2015	\$ 38,926,957,292	\$ 2,099,919,013	\$ 493,095,264	\$ (1,844,694,448)	\$ 39,675,277,121	1.0%
2015/2016	\$ 41,481,258,519	\$ 2,209,060,152	\$ 529,533,521	\$ (1,865,008,788)	\$ 42,354,843,404	1.0%

Note: Exemption field includes all exemptions except the Homeowners Property Tax Relief Exemption which is State subvented.

The assessed value does not include adjustments and cancellations after lien date. The assessed value includes non-commercial aircraft.

Due to the passage of the property tax initiative Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1975 market value with an annual increase limited to the lesser of 2% or the California Consumer Price Index (CCPI), unless there is a change in ownership or property has undergone construction. Property involving change of ownership is assessed at market value. Property which has undergone construction will include the value of the additional parcel plus the existing base value.

Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter approved bonds and special assessments.

SOURCE: Assessor to Auditor Certified Values by TRA Report and Auditor Certified Values by Tax Code Report from Megabyte

**County of Stanislaus  
Property Tax Rates and Distributions  
of General Levy Property Tax Rate  
Among Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal Year	Property Tax Rates		Allocation Percentages				
	Per \$100 of Assessed Valuation		County	Cities	(1)	(2)	Total
(Low)	(High)	School District			Special District		
2006/2007	0.9283	1.1683	10.81%	6.79%	71.62%	10.78%	100.00%
2007/2008	0.9383	1.1683	10.84%	6.81%	71.25%	11.10%	100.00%
2008/2009	0.9233	1.2053	10.98%	6.52%	71.11%	11.39%	100.00%
2009/2010	1.0202	1.2168	11.09%	6.37%	71.23%	11.31%	100.00%
2010/2011	1.0259	1.2440	11.07%	6.39%	71.57%	10.97%	100.00%
2011/2012	1.0246	1.2541	11.10%	6.39%	71.89%	10.62%	100.00%
2012/2013	1.0213	1.2731	11.20%	6.32%	71.91%	10.57%	100.00%
2013/2014	1.0194	1.2707	11.23%	6.40%	71.84%	10.53%	100.00%
2014/2015	1.0160	1.2751	10.59%	6.37%	72.67%	10.37%	100.00%
2015/2016	1.0269	1.2757	13.00%	6.37%	70.28%	10.35%	100.00%

Note: The County is divided into approximately 1,630 Tax Rate Areas, which are unique combinations of various jurisdictions serving a specific geographical area. The above Property Tax Rates, which include levies for general obligation bonds, represent the lowest and highest tax rates levied throughout the County.

The above allocation percentages are for general levies only and exclude general obligation bond rates and special assessments.

The passage of Proposition 13 on June 6, 1978 enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for existing voter-approved bonded debt, in excess of the general tax rate of 1% of assessed value (4% prior to year ended June 30, 1982). The proceeds of this tax are shared by all overlapping local government entities.

<sup>(1)</sup> Includes Superintendent of Schools

<sup>(2)</sup> Includes independent special districts, dependent special districts, redevelopment successor agencies and County Fire Service.

**County of Stanislaus  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	Secured Assessed Value	2015/2016			2006/2007		
		Property Taxes Billed	Rank	Percentage of Total Property Taxes Billed	Property Taxes	Rank	Percentage of Total Property Taxes
Gallo Winery	\$ 341,819,330	\$ 3,868,685	1	0.7348%	\$ 1,278,949	5	0.3224%
Pacific Gas and Electric	281,159,695	3,586,671	2	0.6812%	1,534,284	3	0.3867%
Gallo Glass Co	290,999,571	3,235,222	3	0.6145%	1,606,426	2	0.4049%
World International, LLC	21,622,479	3,223,497	4	0.6122%	-		-
Doctor's Medical Center	254,451,297	2,766,264	5	0.5254%	1,199,568	6	0.3024%
Bronco Wine Company	139,843,806	1,601,003	6	0.3041%	941,297	10	0.2373%
Hunt Wesson Foods, Inc	118,965,168	1,311,590	7	0.2491%	978,020	9	0.2465%
Macerich Vintage Faire Ltd Prtn	118,924,208	1,301,176	8	0.2471%	-		-
WW Grainger, Inc	96,619,996	1,293,242	9	0.2456%	-		-
Beard Land Imp Co	78,288,241	1,237,257	10	0.2350%	-		-
Diablo Grande, LTD	-	-		-	3,831,060	1	0.9656%
Signature Fruit	-	-		-	1,357,821	4	0.3422%
Hershey's Chocolate, Inc	-	-		-	1,128,228	7	0.2844%
Foster Dairy Farms	-	-		-	1,020,492	8	0.2572%
<b>Total</b>	<b>\$ 1,742,693,791</b>	<b>\$ 23,424,607</b>		<b>4.4491%</b>	<b>\$ 14,876,145</b>		<b>3.7496%</b>



**County of Stanislaus  
Property Tax Levy and Collections\*  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2006/2007	\$ 461,085,798	\$ 431,482,886	93.58%	\$ 29,602,912	\$ 461,085,798	100.00%
2007/2008	\$ 505,125,278	\$ 464,689,972	91.99%	\$ 34,527,978	\$ 499,217,950	98.83%
2008/2009	\$ 474,286,882	\$ 451,524,927	95.20%	\$ 20,116,436	\$ 471,641,363	99.44%
2009/2010	\$ 446,704,648	\$ 430,564,452	96.39%	\$ 13,227,691	\$ 443,792,143	99.35%
2010/2011	\$ 436,493,485	\$ 424,593,296	97.27%	\$ 9,609,445	\$ 434,202,741	99.48%
2011/2012	\$ 426,313,135	\$ 416,034,209	97.59%	\$ 6,799,733	\$ 422,833,942	99.18%
2012/2013	\$ 427,774,039	\$ 417,419,791	97.58%	\$ 5,180,773	\$ 422,600,564	98.79%
2013/2014	\$ 448,139,124	\$ 438,298,281	97.80%	\$ 3,765,082	\$ 442,063,363	98.64%
2014/2015	\$ 491,947,597	\$ 482,999,011	98.18%	\$ 2,775,974	\$ 485,774,985	98.75%
2015/2016	\$ 526,506,616	\$ 515,308,358	97.87%	\$ -	\$ 515,308,358	97.87%

\* Includes all taxing authorities within the County excluding Airplane Tax.



**County of Stanislaus**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities:</b>										
Certificates of participation	\$ 103,678,344	\$ 97,123,784	\$ 89,941,864	\$ 82,497,584	\$ 74,775,944	\$ 66,765,000	\$ 58,242,612	\$ 15,930,000	\$ 11,725,000	\$ 7,275,000
2012 Lease Refunding	-	-	-	-	-	-	-	6,065,970	4,598,695	3,127,429
2013 Lease Refunding	-	-	-	-	-	-	-	19,540,000	14,765,000	9,915,000
Plus issuance premium	1,557,697	1,413,354	1,269,011	1,124,669	980,326	835,983	691,641	502,193	362,046	221,899
Bonds payable	84,358,405	70,660,000	62,515,000	53,785,000	44,420,000	21,310,000	11,035,000	-	-	-
RDA loans	-	5,577,295	5,376,965	5,734,785	5,520,620	-	-	-	-	-
Interest RDA CalHFA loan	-	-	-	65,827	82,702	-	-	-	-	-
Tobacco securitization note	104,733,611	103,083,611	100,733,611	99,268,611	97,718,611	96,118,611	91,563,611	89,503,611	87,448,611	85,343,611
Accreted interest tobacco note	3,127,014	5,979,861	9,016,239	12,241,056	15,674,559	19,325,022	23,210,698	27,339,863	31,738,345	36,413,839
	<u>297,455,071</u>	<u>283,837,905</u>	<u>268,852,690</u>	<u>254,717,532</u>	<u>239,172,762</u>	<u>204,354,616</u>	<u>184,743,562</u>	<u>158,881,637</u>	<u>150,637,697</u>	<u>142,296,778</u>
Risk management liability	22,727,297	23,403,422	22,469,658	25,809,608	25,133,348	32,058,413	31,200,685	32,246,341	32,391,466	34,446,004
Capital lease payable	271,321	394,045	1,134,634	1,688,007	973,618	679,780	567,439	688,802	466,373	483,456
Compensated absences	25,898,381	27,169,321	28,956,933	29,993,934	31,405,686	32,091,677	30,839,732	31,247,389	30,758,594	30,606,051
	<u>48,896,999</u>	<u>50,966,788</u>	<u>52,561,225</u>	<u>57,491,549</u>	<u>57,512,652</u>	<u>64,829,870</u>	<u>62,607,856</u>	<u>64,182,532</u>	<u>63,616,433</u>	<u>65,535,511</u>
<b>Total governmental activities</b>	<u>346,352,070</u>	<u>334,804,693</u>	<u>321,413,915</u>	<u>312,209,081</u>	<u>296,685,414</u>	<u>269,184,486</u>	<u>247,351,418</u>	<u>223,064,169</u>	<u>214,254,130</u>	<u>207,832,289</u>
<b>Business-type activities:</b>										
Certificates of participation	881,656	721,216	553,136	377,416	194,056	-	-	-	-	-
Risk management liability	489,000	284,000	161,000	628,000	1,048,000	781,000	648,000	648,000	213,013	186,163
Compensated absences	1,990,220	1,356,791	1,344,233	1,333,857	1,527,631	1,607,055	1,679,835	1,414,011	1,350,868	1,227,972
Capital lease payable	41,145	24,770	1,276,404	982,022	663,281	340,820	-	-	-	-
<b>Total business-type activities</b>	<u>3,402,021</u>	<u>2,386,777</u>	<u>3,334,773</u>	<u>3,321,295</u>	<u>3,432,968</u>	<u>2,728,875</u>	<u>2,327,835</u>	<u>2,062,011</u>	<u>1,563,881</u>	<u>1,414,135</u>
<b>Total primary government</b>	<u>349,754,091</u>	<u>337,191,470</u>	<u>324,748,688</u>	<u>315,530,376</u>	<u>300,118,382</u>	<u>271,913,361</u>	<u>249,679,253</u>	<u>225,126,180</u>	<u>215,818,011</u>	<u>209,246,424</u>
Percentage of personal income (1)	2.37%	2.11%	2.04%	1.97%	1.80%	1.53%	1.35%	1.22%	1.12%	1.08%
Per capita (2)	\$ 671	\$ 641	\$ 617	\$ 595	\$ 580	\$ 520	\$ 474	\$ 425	\$ 407	\$ 389

**Note:**

(1) FYE 2015 & 2016 were calculated based on FYE 2014 personal income. Personal income was not available for FYE 2015 & 2016 at the time schedule was completed.

Population	521,497	525,903	526,383	530,584	517,685	522,651	526,546	530,327	538,388	N/A
Personal income (in thousands)	14,755,527	15,977,182	15,948,738	15,980,924	16,652,338	17,810,902	18,528,026	19,341,120	N/A	N/A
Per capita income	\$ 28,985	\$ 31,485	\$ 31,248	\$ 31,006	\$ 32,115	\$ 34,138	\$ 35,259	\$ 36,356	N/A	N/A

**County of Stanislaus  
Legal Debt Margin Information  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Debt Limit Percentage</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2006/2007	\$ 39,472,427,882	1.25%	\$ 493,405,349	\$ -	\$ 493,405,349	0%
2007/2008	\$ 43,345,532,038	1.25%	\$ 541,819,150	-	\$ 541,819,150	0%
2008/2009	\$ 40,424,458,781	1.25%	\$ 505,305,735	-	\$ 505,305,735	0%
2009/2010	\$ 37,297,148,953	1.25%	\$ 466,214,362	-	\$ 466,214,362	0%
2010/2011	\$ 35,558,908,063	1.25%	\$ 444,486,351	-	\$ 444,486,351	0%
2011/2012	\$ 34,775,090,759	1.25%	\$ 434,688,634	-	\$ 434,688,634	0%
2012/2013	\$ 33,924,599,417	1.25%	\$ 424,057,493	-	\$ 424,057,493	0%
2013/2014	\$ 35,600,228,524	1.25%	\$ 445,002,857	-	\$ 445,002,857	0%
2014/2015	\$ 39,675,277,121	1.25%	\$ 495,940,964	-	\$ 495,940,964	0%
2015/2016	\$ 42,354,843,404	1.25%	\$ 529,435,543	-	\$ 529,435,543	0%

Note: The legal debt limit percentage is set by statute. Debt includes only general obligation bonded debt supported by property taxes.

**Estimated Direct and Overlapping Bonded Debt:** The estimated direct and overlapping bonded debt of the County as of December 1, 2016 is shown in the following table:

**COUNTY OF STANISLAUS  
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT  
(as of December 1, 2016)**

2016-17 Assessed Valuation: \$44,822,955,648 (includes unitary utility valuation)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable<sup>(1)</sup></u>	<u>Debt 12/1/16</u>
Yosemite Community College District	73.317%	\$ 207,262,183
Modesto High School District	100.00	34,857,498
Turlock Joint Unified School District and School Facilities Improvement District No. 1	97.781-98.166	26,922,389
Ceres Unified School District	100.00	64,921,358
Newman-Crows Landing Unified School District	100.00	21,257,982
Oakdale Joint Unified School District	98.576	12,790,236
Patterson Joint Unified School District	98.764	24,184,911
Riverbank Unified School District	100.00	11,117,452
Other Unified School Districts	100.00	31,511,290
Modesto City School District	100.00	8,710,677
Stanislaus Union School District	100.00	21,230,000
Sylvan School District	100.00	29,599,284
Other School Districts	81.145-100.00	20,436,174
Oak Valley Hospital District	100.00	31,680,000
Newman Drainage District	100.00	70,000
Empire Union School District Community Facilities District No. 87-1	100.00	7,572,834
City Community Facilities Districts	100.00	127,330,000
Schools Infrastructure Financing Agency Mello-Roos Act Bonds	100.00	22,230,000
Salida Area Community Facilities District No. 1988-1	100.00	23,135,000
Western Hills Water District Community Facilities District No. 1	100.00	45,290,000
1915 Act Bonds (Estimate)	100.00	<u>2,006,837</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ <u>774,116,105</u></b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
<b>Stanislaus County Certificates of Participation</b>	<b>100.00 %</b>	<b>\$ 33,995,000</b>
Stanislaus County Office of Education Certificates of Participation	100.00	2,805,000
Modesto High School District Certificates of Participation	100.00	16,420,000
Ceres Unified School District Certificates of Participation	100.00	10,525,000
Newman-Crows Landing Unified School District	100.00	10,127,000
Salida Union School District Certificates of Participation	100.00	9,215,000
Other School District Certificates of Participation	Various	19,307,400
City of Modesto General Fund Obligations	100.00	57,390,000
City of Oakdale Certificates of Participation and Pension Obligation Bonds	100.00	5,407,826
Other City Certificates of Participation	100.00	<u>1,387,659</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$ 166,579,885</b>
Less: City of Modesto supported obligations		<u>2,920,000</u>
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$ 163,659,885</b>
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>		
County Redevelopment Agencies	100.00 %	\$ 15,315,000
Ceres Redevelopment Agency	100.00	38,105,000
Turlock Redevelopment Agency	100.00	35,740,000
Other City Redevelopment Agencies	100.00	<u>47,364,657</u>
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>		<b>\$ 136,524,657</b>
 <b>GROSS COMBINED TOTAL DEBT</b>		 <b>\$1,077,220,647<sup>(2)</sup></b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$1,074,300,647</b>

Ratios to 2016-17 Assessed Valuation:

Total Overlapping Tax and Assessment Debt .....	1.73%
<b>Total Direct Debt (\$33,995,000) .....</b>	<b>0.08%</b>
Gross Combined Total Debt.....	2.40%
Net Combined Total Debt .....	2.40%

Ratios to Redevelopment Incremental Valuation (\$4,054,601,828):

Total Overlapping Tax Increment Debt	3.37%
--------------------------------------	-------

Source: County of Stanislaus Auditor-Controller's Office.

- (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 principal due at maturity.

**County of Stanislaus  
Demographic and Economic Statistics  
Last Ten Calendar Years**

Calendar Year	Population (2)	Personal Income (in thousands) (1)	Per Capita Personal Income (1)	School Enrollment (3)	Unemployment Rate (2)
2006	514,370	\$ 14,076,261	\$ 27,862	106,994	8.4%
2007	521,497	\$ 14,755,527	\$ 28,985	107,743	8.5%
2008	525,903	\$ 15,977,182	\$ 31,485	105,678	10.5%
2009	526,383	\$ 15,948,738	\$ 31,248	105,165	15.3%
2010	530,584	\$ 15,980,924	\$ 31,006	104,802	16.4%
2011	517,685	\$ 16,652,338	\$ 32,115	104,935	15.1%
2012	522,651	\$ 17,810,902	\$ 34,138	105,588	15.2%
2013	526,549	\$ 18,528,026	\$ 35,259	106,126	13.0%
2014	530,327	\$ 19,341,120	\$ 36,356	106,920	7.6%
2015	538,388	not available	not available	107,653	5.5%

Detail of estimated population, as of January 1, 2016:

(2) Incorporated Cities

Ceres	47,166
Hughson	7,150
Modesto	211,903
Newman	10,840
Oakdale	22,348
Patterson	22,590
Riverbank	23,913
Turlock	72,050
Waterford	8,788
Total of incorporated	426,748
Total of unincorporated areas	113,466
Total population	540,214

- Sources:
- (1) U.S. Department of Commerce, Bureau of Economic Analysis
  - (2) California Employment Development Department, Labor Market Information  
(data shown is for the County)
  - (3) California Department of Education

**County of Stanislaus  
Principal Employers  
Current Year and Nine Years Ago**

(1) Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
County of Stanislaus	3,996	1	1.78%	4,891	1	2.28%
Modesto City Schools	3,500	2	1.56%	3,600	2	1.68%
E & J Gallo Winery	3,500	3	1.56%	3,300	3	1.54%
Doctors Medical Center	2,600	4	1.16%	1,960	8	0.91%
Memorial Medical Center	2,300	5	1.03%	2,832	4	1.32%
Turlock Unified School District	2,267	6	1.01%	2,202	6	1.02%
Del Monte Foods	2,040	7	0.91%	1,850	9	0.86%
Seneca (Signature) Foods	2,138	8	0.95%	2,300	5	1.07%
Stanislaus Food Products	1,875	9	0.84%	1,800	10	0.84%
Save Mart Supermarkets	1,650	10	0.74%			
Ceres Unified School District				2,032	7	0.95%
Total ten largest	25,866		11.53%	26,767		11.67%
Total all other (2)	198,481		88.47%	202,554		88.33%
Total companies or organizations	224,347		100.00%	229,321		100.00%

Source:

(1) Stanislaus Business Alliance

(2) CA.EDD.Gov civilian employment numbers

**County of Stanislaus**  
**Full-time Employees by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Paid employees (1)</b>										
<b>Governmental activities</b>										
General government	N/A	N/A	372	N/A	299	287	284	292	297	304
Public protection	N/A	N/A	1,615	N/A	1,405	1,304	1,301	1,345	1,396	1,288
Public ways and facilities	N/A	N/A	118	N/A	105	76	100	99	100	119
Health and sanitation	N/A	N/A	781	N/A	717	642	639	653	667	850
Public assistance	N/A	N/A	975	N/A	948	983	992	1,025	1,074	1,125
Education	N/A	N/A	170	N/A	137	130	134	139	142	148
Recreation	N/A	N/A	49	N/A	48	40	43	44	45	48
<b>Total governmental activities</b>	<b>N/A</b>	<b>N/A</b>	<b>4,080</b>	<b>N/A</b>	<b>3,659</b>	<b>3,462</b>	<b>3,493</b>	<b>3,597</b>	<b>3,721</b>	<b>3,882</b>
<b>Business-type activities</b>										
Landfill	N/A	N/A	19	N/A	17	16	16	17	16	6
Health Clinics & Ancillary	N/A	N/A	288	N/A	262	249	254	259	261	268
Transit	N/A	N/A	4	N/A	4	4	4	3	4	4
Inmate Welfare/Commissary	N/A	N/A	13	N/A	-	5	6	5	3	2
Behavioral Health	N/A	N/A	-	N/A	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>N/A</b>	<b>N/A</b>	<b>324</b>	<b>N/A</b>	<b>283</b>	<b>274</b>	<b>280</b>	<b>284</b>	<b>284</b>	<b>280</b>
<b>Total Stanislaus County paid employees</b>	<b>N/A</b>	<b>N/A</b>	<b>4,404</b>	<b>N/A</b>	<b>3,942</b>	<b>3,736</b>	<b>3,773</b>	<b>3,881</b>	<b>4,005</b>	<b>4,162</b>
<b>Actual full-time equivalent employees (2)</b>										
<b>Governmental activities</b>										
General government	343	352	348	337	270	281	268	272	279	288
Public protection	1,441	1,486	1,464	1,418	1,224	1,215	1,208	1,235	1,399	1,426
Public ways and facilities	121	109	110	107	99	73	98	97	99	96
Health and sanitation	916	644	676	664	568	622	576	547	608	645
Public assistance	952	979	951	927	913	962	969	1,003	1,059	1,106
Education	94	94	88	86	71	70	68	68	102	108
Recreation	28	30	27	23	20	20	20	20	40	44
<b>Total governmental activities</b>	<b>3,895</b>	<b>3,694</b>	<b>3,664</b>	<b>3,562</b>	<b>3,165</b>	<b>3,243</b>	<b>3,207</b>	<b>3,242</b>	<b>3,586</b>	<b>3,713</b>
<b>Business type activities</b>										
Landfill	15	17	17	17	14	13	14	15	16	17
Health Clinics & Ancillary	217	193	229	220	186	185	182	178	226	239
Transit	3	3	3	3	3	3	3	3	4	4
Inmate Welfare/Commissary	0	0	-	0	4	5	4	4	4	4
Behavioral Health	79	0	-	0	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>314</b>	<b>213</b>	<b>249</b>	<b>240</b>	<b>207</b>	<b>206</b>	<b>203</b>	<b>200</b>	<b>250</b>	<b>264</b>
<b>Total Stanislaus County full-time equivalent employees</b>	<b>4,209</b>	<b>3,907</b>	<b>3,913</b>	<b>3,802</b>	<b>3,372</b>	<b>3,449</b>	<b>3,410</b>	<b>3,442</b>	<b>3,836</b>	<b>3,977</b>

**Note:**

- (1) Paid employees: Count of employees paid, including terminated employee. Employees with more than one job will be counted once for each job for which the employee was paid.
- (2) Actual full-time equivalent employees: Count of number of full-time equivalents paid. For full-time and part-time, the full-time equivalent (FTE) used is from the employee's assigned work schedule. For extra help and contractors, the FTE is calculated as the number of hours worked this pay period divided by 80.



**County of Stanislaus**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Public safety</b>										
Other:										
Filed felonies-District Attorney	12,049	11,391	11,055	10,405	8,447	7,363	7,464	8,022	4,399	4,235
Filed misdemeanors-District Attorney	7,194	6,600	6,554	6,368	5,300	5,598	6,097	6,243	9,141	10,069
Public Defender's total new caseload	11,795	11,034	10,837	10,084	8,358	8,343	8,490	10,218	9,178	10,636
Fire emergency responses	42,238	42,791	42,190	38,114	37,897	41,208	42,741	44,404	46,443	51,634
Sheriff:										
Total miles patrolled	1,777,638	1,896,031	1,962,891	1,944,926	1,473,670	1,355,504	1,446,670	1,575,282	1,646,848	1,572,574
Processed and booked adult offenders	23,552	23,922	22,931	21,161	18,391	18,117	20,172	21,997	19,025	18,850
Probation:										
Juvenile referrals processed	5,826	6,449	5,727	4,883	4,280	3,554	2,868	2,611	2,307	2,022
Juvenile bookings processed	2,039	1,965	2,017	2,031	1,803	1,453	1,160	1,022	931	909
Adult and juvenile cases supervised	22,399	23,799	24,390	24,216	22,627	21,663	21,173	21,166	20,646	20,902
<b>Health &amp; public assistance</b>										
ADMHS clients served	3,189	3,209	3,216	2,017	1,845	1,661	1,857	2,037	2,243	2,315
Established orders for child support	2,067	1,814	3,691	4,596	2,858	2,463	1,787	1,892	1,761	1,527
Assistance claims paid to eligible recipients	134,928	143,630	155,426	164,172	174,764	170,956	217,837	218,617	207,236	209,626
Patient encounters at public health clinics	N/A	N/A	N/A	N/A	16,979	28,009	25,427	23,562	21,555	19,221
<b>Community resources &amp; public facilities</b>										
Building inspections	N/A	11,569	8,621	7,079	7,198	7,633	7,334	9,441	11,472	10,833
Building permits (calendar year)	3,076	2,448	2,032	2,313	2,138	2,134	2,452	2,811	N/A	3,285
Cost of building permits (calendar year)	2,679,003	1,926,485	1,729,597	1,420,550	1,253,989	1,368,633	1,576,289	1,748,652	N/A	2,122,923
Enhanced or maintained road lanes (miles)	1,549	1,545	1,527	1,546	1,524	1,521	1,513	1,513	1,511	1,511
<b>General government &amp; support services</b>										
Clerk-Recorder-Assessor:										
Recorded documents & vital copies issued	186,187	150,371	138,709	123,366	116,213	113,461	122,290	99,919	101,090	96,437
Elections:										
Registered voters	188,961	230,163	216,847	224,513	229,057	232,887	232,887	211,227	175,821	219,255
Number voting	40,562	162,941	58,340	71,405	122,490	156,935	156,935	55,835	39,176	97,511
Percent voting	21.47%	70.79%	26.90%	31.80%	53.48%	67.39%	67.39%	26.43%	22.28%	44.47%
<b>Resource recovery</b>										
Waste recycled (tons per month)	143	451	453	556	313	261	245	259	270	404
Landfill waste disposal (tons per month)	225,775	192,276	238,491	169,779	160,972	159,487	266,086	184,759	185,030	267,159

**County of Stanislaus**  
**Miscellaneous Statistical Data**  
**June 30, 2016**

Geographical location : Stanislaus County is located in the central part of the state of California, about 300 miles north of Los Angeles and 90 miles east of San Francisco. The County is bordered on the north by San Joaquin County, on the east by Calaveras and Tuolumne Counties, on the south by Merced County, and on the west by Santa Clara County.

Area of County: Approximately 1,494 square miles

County seat: Modesto, California

Form of government: General Law, County governed by five-member Board of Supervisors

Date County formed: April 1, 1854

Fiscal year begins: July 1

Incorporated cities: Ceres Newman Riverbank  
 Hughson Oakdale Turlock  
 Modesto Patterson Waterford

Number of special districts  
 Controlled by Board of Supervisors :

County Service Areas	21
Drainage	7
Lighting	29
Landscape and Lighting	<u>8</u>
Total	<u>65</u>

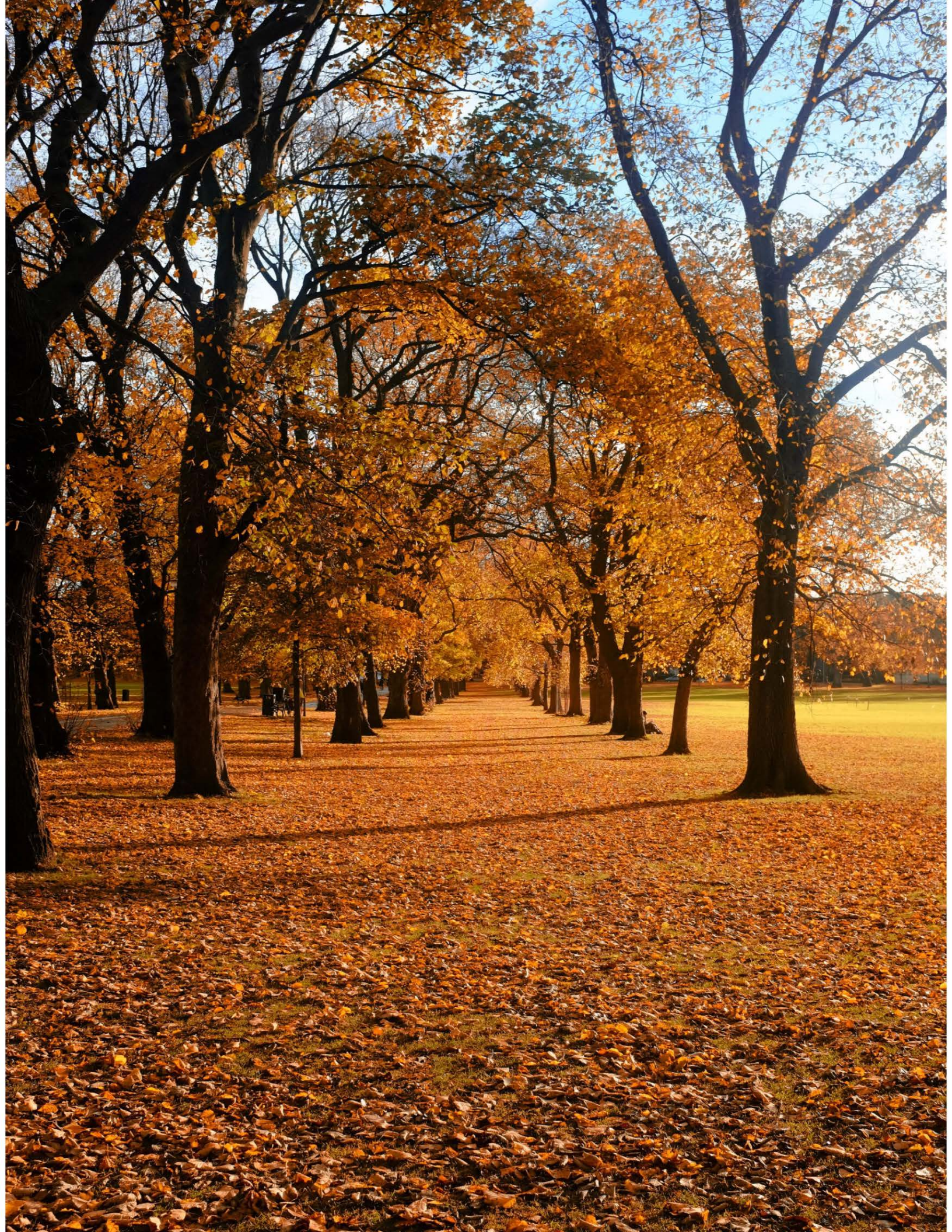
Number of other special districts :

Irrigation	5	Cemetery	3
Mosquito Abatement	2	Sanitation	2
Resource Conservation	2	Reclamation	4
Community Services	8	Healthcare & Hospital	3
Flood Control	2	Drainage	1
Fire Protection	14	Water	<u>6</u>
		Total	<u>52</u>











**ATTACHMENT B**

Single Audit Report

For Fiscal Year Ended June 30, 2016

**COUNTY OF STANISLAUS**

**SINGLE AUDIT REPORT**

**JUNE 30, 2016**

**COUNTY OF STANISLAUS  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2016**

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## REPORTS



# BROWN ARMSTRONG

*Certified Public Accountants*

## **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**

The Honorable Grand Jury and Board of Supervisors  
Stanislaus County  
Modesto, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Stanislaus, California, (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 15, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, 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 may exist that have not been identified.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 determination of financial statement amounts. 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*.

## Purpose of This Report

This report is intended 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 County'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 County's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 15, 2016





# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Grand Jury and Board of Supervisors  
Stanislaus County  
Modesto, California

### Report on Compliance for Each Major Federal Program

We have audited the County of Stanislaus, California's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to major federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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 for each major federal program. However, our audit does not provide a legal determination of the County's compliance with those requirements.

### Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

## **Other Matters**

The results of our auditing procedures did not disclose instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

## **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 15, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
January 20, 2017

## SCHEDULE

**COUNTY OF STANISLAUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

Federal grantor/pass-through grantor/program title	Catalog of federal domestic assistance number	Passed through to subrecipients	Pass-through entity identifying number	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ -	16-8506-1211-CA	\$ 125,749
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-1211-CA	28,190
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-0689-CA	5,925
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-1317-CA	824
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-0934-GR	125,642
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-0934-GR	85,489
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	16-8506-0484-CA	44,110
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-0484-CA	81,263
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-0484-CA	53,087
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-1164-CA	4,137
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-1164-CA	6,352
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-0572-CA	3,255
Subtotal		-		564,023
Inspection, Grading, and Standardization	10.477	-	12-25-A-3269	341
Passed through State Department of Social Services:				
Local Health Department Expansion Project	10.551	-	13-20511	749,869
Passed through State Department of Education:				
National School Lunch Program	10.555	-		201,080
Passed through State Department of Health Services:				
Women, Infants and Children (WIC)	10.557	-	15-10120	3,156,241
Passed through State Department of Food and Agriculture:				
Supplemental Nutrition Program	10.561	18,755	SP-1516-30	23,075
Passed through State Department of Social Services:				
State Administrative Matching Grants for Food Stamp Program	10.561	-	Stanislaus	9,510,544
State Administrative Matching Grants for Food Stamp Program	10.561	-	Stanislaus	322,815
Subtotal		18,755		9,856,434
Passed through California Department of Aging:				
Seniors Farmers Market Incentive Program	10.576	-	SFMNP-1516-30	20,000
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		<b>18,755</b>		<b>14,547,988</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</b>				
Direct Federal Program				
Community Development Block Grants (CDBG)				
HUD-CDBG FY 11/12	14.218	6,323	B-11-UC-06-0100	6,323
HUD-CDBG FY 13/14	14.218	155,840	B-13-UC-06-0100	155,840
HUD-CDBG FY 14/15	14.218	607,662	B-14-UC-06-0100	630,752
HUD-CDBG FY 15/16	14.218	612,172	B-15-UC-06-0100	771,911
Subtotal - CDBG Cluster		1,381,997		1,564,826
HUD-ESG Funds 14/15	14.231	51,778	E-14-UC-06-0100	51,778
HUD-ESG Funds 15/16	14.231	102,770	E-15-UC-06-0100	117,071
Subtotal		154,548		168,849
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		<b>1,536,545</b>		<b>1,733,675</b>

(Continued)

**COUNTY OF STANISLAUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

Federal grantor/pass-through grantor/program title	Catalog of federal domestic assistance number	Passed through to subrecipients	Pass-through entity identifying number	Expenditures
U.S. DEPARTMENT OF JUSTICE				
Passed through California Office of Emergency Services:				
Juvenile Accountability Grant 2013	16.523	-		23,959
Subtotal		-		23,959
Reducing Ethnic and Racial Disparities	16.540	-		160,003
Subtotal		-		160,003
Unserved/Underserved Victim Advocacy and Outreach Program	16.575	-	099-00000	111,433
Victim/Witness Assistance Program	16.575	-	099-00000	223,656
Victims of Crime Act	16.575	-	AT12090500	5,384
Subtotal		-		340,473
Law Enforcement Specialized Units (LE) Program	16.588	-	LE14 04 0500	106,409
Law Enforcement Specialized Units (LE) Program	16.588	-	LE15 05 0500	76,605
Subtotal		-		183,014
Arrest Policies and Enforcement of Protection Orders Program	16.590	195,503	2013-WE-AX-0019	195,503
Passed through the Community Oriented Policing Services:				
Law Enforcement Technology Program (2010 Tech)	16.710	-	2010CKWx0050	241,218
Passed through State Office of Justice :				
Justice Assistance Grant (JAG)	16.738	-	FY13/14	6,812
2012 Edward Byrne Memorial Justice Assistance Grant	16.738	11,169	2012-DJ-BX-1005	11,169
2015 Edward Byrne Memorial Justice Assistance Grant	16.738	-	2015-DJ-BX-0912	6,812
2015 Edward Byrne Memorial Justice Assistance Grant	16.738	296,242	BSCC 675-14	386,351
2016 Edward Byrne Memorial Justice Assistance Grant	16.738	248,804	BSCC 675-15	364,456
Subtotal - Justice Assistance Grants (JAG) Program Cluster		556,215		775,600
Passed through Office of National Drug Control Policy (ONDCP):				
2014 High Intensity Drug Traffic Area (HIDTA)	95.001	-	G14CV002A	92,043
2015 High Intensity Drug Traffic Area (HIDTA)	95.001	-	G15CV002A	114,101
Subtotal		-		206,144
TOTAL U.S. DEPARTMENT OF JUSTICE		751,718		2,125,914

(Continued)

**COUNTY OF STANISLAUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

Federal grantor/pass-through grantor/program title	Catalog of federal domestic assistance number	Passed through to subrecipients	Pass-through entity identifying number	Expenditures
U. S. DEPARTMENT OF LABOR				
Passed through California Department of Aging: Senior Community Service Employment Program	17.235	136,889	TV-1516-30	136,889
Passed through California Employment Development Department:				
WIOA Youth	17.259	1,349,817	K698399	1,714,260
WIOA Youth	17.259	-	K594798	26,294
WIOA Adult	17.258	-	K698399	173,742
WIOA Adult	17.258	295,373	K698399	1,905,157
WIOA Adult	17.258	-	K698399	930,961
WIOA Dislocated Workers	17.258	-	K698399	351,721
WIOA Dislocated Workers	17.278	-	K594798	287,690
WIOA Dislocated Workers	17.278	-	K698399	857,536
WIOA Dislocated Worker - Rapid Response	17.278	-	K698399	32,080
WIOA Dislocated Worker - Rapid Response	17.278	-	K698399	75,281
WIOA Dislocated Worker - Rapid Response	17.278	-	K594798	37,873
WIOA Adult	17.258	-	K594798	134,842
WIOA Rapid Response Layoff Aversion	17.258	-	K698399	8,865
WIOA Rapid Response Layoff Aversion	17.258	-	K698399	48,109
Subtotal WIA Cluster		1,645,190		6,584,411
TOTAL U. S. DEPARTMENT OF LABOR		1,782,079		6,721,300
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	-	BRLSZ-5938(176)	94,710
Highway Planning and Construction	20.205	-	BRLO-5938(157)	1,416
Highway Planning and Construction	20.205	-	BRLS-5938(188)	293,438
Highway Planning and Construction	20.205	-	STPLR-7500(182)	570,488
Highway Planning and Construction	20.205	-	HSIPL-5938(197)	610,463
Highway Planning and Construction	20.205	-	BRLS-5938(200)	21,238
Highway Planning and Construction	20.205	-	BRLO-5938(203)	2,453
Highway Planning and Construction	20.205	-	BRLOZ-5938(156)	721,551
Highway Planning and Construction	20.205	-	BRLSZ-5938(154)	1,685,081
Highway Planning and Construction	20.205	-	STPL-5938(204)	153,584
Highway Planning and Construction	20.205	-	BRLO-5938(190)	34,911
Highway Planning and Construction	20.205	-	BRLO-5938(196)	50,741
Highway Planning and Construction	20.205	-	HRRRL-5938(212)	12,421
Highway Planning and Construction	20.205	-	HRRRL-5938(213)	15,791
Highway Planning and Construction	20.205	-	HRRRL-5938(211)	11,862
Highway Planning and Construction	20.205	-	STPL-5938(228)	434
Highway Planning and Construction	20.205	-	STPL-5938(229)	276
Highway Planning and Construction	20.205	-	BRLO-5938(226)	79,095
Highway Planning and Construction	20.205	-	BRLO-5938(227)	44,251
Highway Planning and Construction	20.205	-	BRLO-5938(189)	29,459
Highway Planning and Construction	20.205	-	STPLZ-5938(076)	(3,096)
Highway Planning and Construction	20.205	-	BRLO-5938(193)	51,682
Highway Planning and Construction	20.205	-	BRLS-5938(201)	3,653
Highway Planning and Construction	20.205	-	BRLS-5938(167)	232,474
Highway Planning and Construction	20.205	-	CML-5938(183)	140,780
Highway Planning and Construction	20.205	-	CML-5938(181)	72,592
Highway Planning and Construction	20.205	-	BRLO-5938(191)	14,849
Highway Planning and Construction	20.205	-	BRLO-5938(194)	15,812
Highway Planning and Construction	20.205	-	BRLO-5938(192)	116,439
Highway Planning and Construction	20.205	-	BRLS-5938(199)	294,451
Highway Planning and Construction	20.205	-	CML-5938(180)	3,541,381
Highway Planning and Construction	20.205	-	RPSTPL-5938(215)	2,773,409

(Continued)



**COUNTY OF STANISLAUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Passed through to subrecipients</u>	<u>Pass-through entity identifying number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION (Continued)				
Passed through State Department of Transportation: (Continued)				
Highway Planning and Construction	20.205	-	BPMP-5938 (230)	3,523
Highway Planning and Construction	20.205	-	CML-5938-206	3,187
Highway Planning and Construction	20.205	-	CML-5938-207	1,411
Highway Planning and Construction	20.205	-	CML-5938-218	1,411
Highway Planning and Construction	20.205	-	CML-5938-232	1,411
Subtotal Highway Planning		-		<u>11,699,032</u>
Formula Grants for Rural Areas	20.509	-	CA 18-X059	<u>433,556</u>
Passed through California Office of Traffic Safety				
Alcohol and Drug Impaired Driver Vertical Prosecution Program	20.616	-	DI1608	309,110
Keep Baby Safe	20.616	-	OP1611	51,744
Subtotal			DI1404	<u>360,854</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		-		<u>12,493,442</u>
U.S. DEPARTMENT OF EDUCATION				
Passed through State Department of Rehabilitation State Vocational Rehabilitation Services Program	84.126	-	28295	<u>54,580</u>
TOTAL U.S. DEPARTMENT OF EDUCATION		-		<u>54,580</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through California Department of Aging:				
Title VII(B), Elder Abuse Prevention	93.041	<u>6,082</u>	AP-1516-30	<u>6,082</u>
Title VII(A), Ombudsman Program	93.042	<u>30,562</u>	AP-1516-30	<u>30,562</u>
Title III-D, Supportive Services	93.043	<u>26,412</u>	AP-1516-30	<u>26,412</u>
Title III-B, Supportive Services	93.044	169,855	AP-1516-30	426,093
Title III-C1, Congregate Nutrition	93.045	212,577	AP-1516-30	293,873
Title III-C2 Home Delivered Nutrition	93.045	428,816	AP-1516-30	461,732
Nutrition Services Incentive Program	93.053	<u>137,535</u>	AP-1516-30	<u>137,535</u>
Subtotal Aging Cluster		<u>948,783</u>		<u>1,319,233</u>
Title III-E, Family Caregiver	93.052	-	AP-1516-30	<u>195,701</u>
Passed through California Department of Education:				
Stage 3 Child Care (D)	93.575	-	C3AP-5061	<u>762,234</u>
Passed through State Department of Social Services:				
Temporary Assistance for Needy Families (TANF)	93.558	100,000	Stanislaus	158,777

(Continued)

**COUNTY OF STANISLAUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

Federal grantor/pass-through grantor/program title	Catalog of federal domestic assistance number	Passed through to subrecipients	Pass-through entity identifying number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through State Department of Health Services:				
Temporary Assistance for Needy families (TANF)	93.558	351,984	Stanislaus	31,045,138
Temporary Assistance for Needy families (TANF)	93.558	-	Stanislaus	1,826,683
Temporary Assistance for Needy families (TANF)	93.558	-	Stanislaus	12,483,822
Temporary Assistance for Needy families (TANF)	93.558	-	Stanislaus	2,517,802
Subtotal		351,984		47,873,445
Refugee and Entrant Assistance - State Administered Program	93.566	-	Stanislaus	92,736
Refugee and Entrant Assistance - State Administered Program	93.566	-	Stanislaus	198,012
Refugee and Entrant Assistance - State Administered Program	93.566	150,964	RESS1108/1208	171,665
Refugee and Entrant Assistance - State Administered Program	93.566	-	14-50-90840-00	228,741
Refugee and Entrant Assistance - State Administered Program	93.566	43,854	TAFO 1408	43,854
Passed through State Department of Social Services:				
SAWS CIV Refugee	93.566	-	Stanislaus	121
Subtotal		194,818		735,129
Guardianship Assistance	93.090	-	Stanislaus	161,637
Promoting Safe and Stable Families	93.556	445,572	Stanislaus	528,494
Community Based Child Abuse Prevention	93.590	-	Stanislaus	27,383
California Children's Services	93.767	-		260,260
Passed through State Department of Social Services:				
Child Support Enforcement	93.563	-	Stanislaus	9,240,019
Child Support Enforcement Research	93.564	-	PASS 1115	390,925
Child Welfare Services/CWS Direct Cost IVB	93.645	-	Stanislaus	371,780
Foster Care - Title IV-E Out of Home Placement Prevention	93.658	-		458,328
Foster Care - Title IV-E	93.658	-	Stanislaus	9,477,275
Subtotal		-		9,935,603
Adoptions Assistance	93.659	-	Stanislaus	6,349,109
CWS Title XX	93.667	-	Stanislaus	1,701,029
Independent Living - ILP	93.674	150,520	Stanislaus	150,520
Family Planning Services Title X	93.217	-	Stanislaus	151,108
Emergency Preparedness	93.069	-	14-10551	421,036
Hospital Preparedness Program	93.889	-	14-10551	182,914
Information and Education Prevention Program	93.297	-	11-10301	11,990
Passed through California Department of Aging:				
Health Insurance Advocacy Program (HICAP)	93.779	-	HI-1516-30	115,623
Center for Medicare and Medicaid Services	93.071	-	MI-1517-30	15,988
Passed through State Department of Mental Health:				
Block Grants for Community Mental Health Services	93.958	-		1,313,564
Block Grants for Community Mental Health Services	93.958	-		351,165
Block Grants for Community Mental Health Services	93.958	-		196,617
Block Grants for Community Mental Health Services	93.958	419,440		1,000,000
Block Grants for Community Mental Health Services	93.958	-		119,592
Subtotal		419,440		2,980,938
Transition from Homelessness (PATH)	93.150	-		144,495

(Continued)

**COUNTY OF STANISLAUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Passed through to subrecipients</u>	<u>Pass-through entity identifying number</u>	<u>Expenditures</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through State Department of Alcohol and Drug Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	333,549		1,971,505
Block Grants for Prevention and Treatment of Substance Abuse	93.959	28,678		28,678
Block Grants for Prevention and Treatment of Substance Abuse	93.959	120,218		601,210
Block Grants for Prevention and Treatment of Substance Abuse	93.959	28,147	84.19	28,147
Block Grants for Prevention and Treatment of Substance Abuse	93.959	87,346		87,346
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-		61,958
Subtotal		<u>597,938</u>		<u>2,778,844</u>
Immunization Assistance Program	93.268	-	15-10459	105,757
HIV Care	93.917	-	15-11079	178,131
HIV Education and Prevention	93.940	-	15-10953	69,590
AIDS Surveillance	93.944	-	13-20166	36,379
Tuberculosis Prevention	93.116	-	Stanislaus	70,988
Maternal and Child Health Services Block Grant to the States	93.994	-	201550	165,322
Maternal and Child Health Services Block Grant to the States	93.994	-	201550	188,799
Maternal and Child Health Services Block Grant to the States	93.994	-	201150	750,672
Subtotal		<u>-</u>		<u>1,104,793</u>
Passed through State Department of Health Services:				
Medical Assistance Program	93.778	-	13-90004 A01	484,699
Medical Assistance Program	93.778	-		401,301
Medical Assistance Program	93.778	-		170,420
Medical Assistance Program	93.778	-	50-1318	744,482
Medical Assistance Program	93.778	-		1,436,980
Medical Assistance Program	93.778	-	201550	121,711
Medical Assistance Program	93.778	-	14-10033	32,931
Passed through California Department of Aging:				
Medical Assistance Program	93.778	-	Stanislaus	1,128,493
Passed through State Department of Social Services:				
Medical Assistance Program	93.778	-	Stanislaus	821,046
Medical Assistance Program	93.778	-	Stanislaus	1,484,237
Medical Assistance Program	93.778	-	Stanislaus	111,863
Medical Assistance Program	93.778	-	Stanislaus	2,725,449
Medical Assistance Program	93.778	-	Stanislaus	199,086
Medical Assistance Program	93.778	-	Stanislaus	48,190
Medical Assistance Program	93.778	-	Stanislaus	34,719,766
Medical Assistance Program	93.778	-	Stanislaus	13,866,298
Medical Assistance Program	93.778	-	Stanislaus	51,602
Senior Services Program	93.778	-	MSSP-1516-14	677,933
Subtotal		<u>-</u>		<u>59,226,487</u>
Affordable Care Act (ACA) Grants for New and Expanded Services under the Health Center Program	93.527	-		99,339
TOTAL U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES		<u>3,272,111</u>		<u>147,918,734</u>

*(Continued)*

**COUNTY OF STANISLAUS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal grantor/pass-through grantor/program title</u>	<u>Catalog of federal domestic assistance number</u>	<u>Passed through to subrecipients</u>	<u>Pass-through entity identifying number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State of California Department of Homeland Security: Emergency Management Performance Grant	97.042	-	2015-0049	235,184
Homeland Security Grant Program FY14	97.067	-	2014-00093	490,427
Homeland Security Grant Program FY15	97.067	-	2014-00093	29,742
Subtotal		-		520,169
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		-		755,353
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through Adult Literacy Program	45.310	-		43,559
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES		-		43,559
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 7,361,208</u>		<u>\$ 186,394,545</u>

**COUNTY OF STANISLAUS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1 – REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Stanislaus (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

**NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue Funds.

**NOTE 4 – INDIRECT COST RATE**

The County has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 5 – SUBRECIPIENTS**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

Name of Program	CFDA	Subrecipient	Amount
Workforce Innovation and Opportunity Act - Adult	17.258	Friends Outside	\$ 295,373
Workforce Innovation and Opportunity Act - Youth	17.259	Central Valley Opp. Ctr.	252,032
Workforce Innovation and Opportunity Act - Youth	17.259	Ceres Unified School District	691,880
Workforce Innovation and Opportunity Act - Youth	17.259	Computer Tutor	405,905
Title III-B, Supportive Services	93.044	Catholic Charities Diocese of Stockton	70,000
Title III-B, Supportive Services	93.044	Catholic Charities Diocese of Stockton	23,855
Title III-B, Supportive Services	93.044	Senior Advocacy Network	76,000
Title VII-A, Ombudsman Program	93.042	Catholic Charities Diocese of Stockton	30,562
Title VII-B, Elder Abuse Prevention	93.041	Catholic Charities Diocese of Stockton	6,082
Title III-D	93.043	Healthy Aging Association	26,412
Title III-C1, Congregate Nutrition	93.045	Howard Training Center	212,577
Title III-C2, Home Delivered Nutrition	93.045	Howard Training Center	428,816
Nutrition Services Incentive Program	93.053	Howard Training Center	137,535
Supplemental Nutrition Assistance			
Program-Education(SNAP-ED) July15 to September 15	10.561	Healthy Aging Association	3,173
Supplemental Nutrition Assistance			
Program-Education(SNAP-ED) October15 to June 16	10.561	Healthy Aging Association	15,582
Senior Community Service Employment Department	17.235	Ser Jobs for Progress	136,889
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Center for Human Services	333,549
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Center for Human Services	28,678
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Center for Human Services	120,218
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Center for Human Services	28,147
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Sierra Vista Children & Family Services	87,346
Block Grants for Community Mental Health Services	93.958	Turning Point Community Programs	419,440
Arrest Policies and Enforcement of Protection Orders Program	16.590	Stanislaus Family Justice Center	195,503
Community Development Block Grant	14.218	Center for Human Services	39,797
Community Development Block Grant	14.218	Children's Crisis Center	9,955
Community Development Block Grant	14.218	Healthy Start	6,302
Community Development Block Grant	14.218	Salvation Army Red Shield	30,201
Community Development Block Grant	14.218	Second Harvest Food Bank	25,256
Community Development Block Grant	14.218	We Care	15,113
Community Development Block Grant	14.218	Central Valley Youth for Christ	9,665
Community Development Block Grant	14.218	Fair Housing	19,990
Community Development Block Grant	14.218	Stan County Public Works	1,240
Community Development Block Grant	14.218	City of Ceres	183,144
Community Development Block Grant	14.218	City of Hughson	150,257
Community Development Block Grant	14.218	City of Newman	3,925
Community Development Block Grant	14.218	City of Oakdale	308,242
Community Development Block Grant	14.218	City of Patterson	167,416
Community Development Block Grant	14.218	City of Waterford	411,494
Community Development Block Grant - Emergency Solutions Grant	14.231	Children's Crisis Center	20,920
Community Development Block Grant - Emergency Solutions Grant	14.231	Community Housing and Shelter	65,789
Community Development Block Grant - Emergency Solutions Grant	14.231	Family Promise	30,554
Community Development Block Grant - Emergency Solutions Grant	14.231	We Care	37,285
2012 Edward Bryne Memorial Justice Assistance Grant	16.738	City of Modesto	11,169
2015 Edward Bryne Memorial Justice Assistance Grant	16.738	City of Modesto	145,860
2015 Edward Bryne Memorial Justice Assistance Grant	16.738	Stanislaus Family Justice Center	31,090
2015 Edward Bryne Memorial Justice Assistance Grant	16.738	Boys & Girls Club	119,292
2016 Edward Bryne Memorial Justice Assistance Grant	16.738	City of Modesto	145,985
2016 Edward Bryne Memorial Justice Assistance Grant	16.738	Stanislaus Family Justice Center	43,794
2016 Edward Bryne Memorial Justice Assistance Grant	16.738	Boys & Girls Club	59,025
Temporary Assistance for Needy Families (TANF)	93.558	Refugee Social Services Employment Services	100,000
Temporary Assistance for Needy Families (TANF)	93.558	Domestic Violence WtW	213,000
Temporary Assistance for Needy Families (TANF)	93.558	Participant Advisor Services	138,984
Refugee & Entrant Assistance - State Administered Program	93.566	Refugee Social Services Employment Services	150,964
Refugee & Entrant Assistance - State Administered Program	93.566	Refugee Social Services Employment Services	43,854
Promoting Safe and Stable Families	93.556	Counseling	181,974
Promoting Safe and Stable Families	93.556	Family Resource Center - Turlock	43,833
Promoting Safe and Stable Families	93.556	Family Resource Center - Ceres	42,733
Promoting Safe and Stable Families	93.556	Family Resource Center - Eastside	36,902
Promoting Safe and Stable Families	93.556	Family Resource Center - Westside	37,632
Promoting Safe and Stable Families	93.556	Family Resource Center - Modesto	10,602
Promoting Safe and Stable Families	93.556	Family Resource Center - Hughson	25,061
Promoting Safe and Stable Families	93.556	Family Resource Center - North Modesto	66,835
Independent Living - ILP	93.674	Independent Living Skills Program & Youth Center	150,520
		Total	\$ 7,361,208

**NOTE 6 – PROGRAM CLUSTERS**

Federal programs, which must be audited together as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>WIA Cluster:</u>		
17.258	WIOA Adult	\$ 3,553,397
17.259	WIOA Youth	1,740,554
17.278	WIOA Dislocated Workers	<u>1,290,460</u>
	Total	<u>\$ 6,584,411</u>

Aging Cluster:

93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 426,093
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	755,605
93.053	Nutrition Services Incentive Program	<u>137,535</u>
	Total	<u>\$ 1,319,233</u>

**NOTE 7 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County has either determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.



**NOTE 8 – DEPARTMENT OF AGING FEDERAL/STATE SHARE**

The California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

CFDA	Contract No.	Programs		Administration	
		Federal Expenditures	State Expenditures	Federal Expenditures	State Expenditures
17.235	TV-1516-30	\$ 136,889	\$ -	\$ -	\$ -
93.041	AP-1516-30	6,082	-	-	-
93.042	AP-1516-30	30,562	-	-	-
93.043	AP-1516-30	26,412	-	-	-
93.044	AP-1516-30	373,786	12,908	52,307	-
93.045	AP-1516-30	228,630	42,174	65,243	312
93.045	AP-1516-30	428,816	42,622	32,916	83
93.052	AP-1516-30	173,835	-	21,866	-
93.053	AP-1516-30	137,535	-	-	-
93.779	HI-1516-30	104,060	159,686	11,563	11,918
10.576	SFMNP-1516-30	20,000	-	-	-
93.778	MSSP-1516-14	677,933	-	-	-
10.561	SP-1516-30 (July 14 to Sept 14)	5,122	-	-	-
10.561	SP-1516-30 (Oct 14 to June 15)	15,582	-	2,371	-
93.071	MI-1415-30	4,929	-	-	-
93.071	MI-1517-30	11,059	-	-	-
	Ombudsman Initiative - AP -1314-30	-	64,456	-	-
	<b>TOTAL</b>	<b>\$ 2,381,232</b>	<b>\$ 321,846</b>	<b>\$ 186,266</b>	<b>\$ 12,313</b>

**NOTE 9 – CALIFORNIA OFFICE OF EMERGENCY SERVICES (CalOES) GRANTS**

The following represents expenditures for CalOES programs for the year ended June 30, 2016. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through June 30, 2015	For the Year Ended June 30, 2016	Cumulative as of June 30, 2016	Federal Share	State Share	County Share
<b>VW13320500 - Victim/Witness Assistance Program</b>						
Personnel services	\$ 338,764	\$ 366,655	\$ 705,419	\$ 189,172	\$ 177,483	\$ -
Operating expenses	5,846	40,245	46,091	34,484	3,550	2,211
<b>Totals</b>	<b>\$ 344,610</b>	<b>\$ 406,900</b>	<b>\$ 751,510</b>	<b>\$ 223,656</b>	<b>\$ 181,033</b>	<b>\$ 2,211</b>

**NOTE 9 – CALIFORNIA OFFICE OF EMERGENCY SERVICES (CaIOES) GRANTS (Continued)**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through June 30, 2015	For the Year Ended June 30, 2016	Cumulative as of June 30, 2016	Federal Share	State Share	County Share
<u>UV13040500 - Unserved/Underserved Advocacy &amp; Outreach Program</u>						
Personnel services	\$ 73,961	\$ 76,848	\$ 150,809	\$ 76,848	\$ -	\$ -
Operating expenses	64,456	34,585	99,041	34,585	-	-
Totals	<u>\$ 138,417</u>	<u>\$ 111,433</u>	<u>\$ 249,850</u>	<u>\$ 111,433</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LE13 03 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ 66,585	\$ -	\$ 66,585	\$ -	\$ -	\$ -
Operating expenses	54,711	-	54,711	-	-	-
Totals	<u>\$ 121,296</u>	<u>\$ -</u>	<u>\$ 121,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LE14 04 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ 57,389	\$ 67,331	\$ 124,720	\$ 67,331	\$ -	\$ -
Operating expenses	16,486	39,078	55,564	39,078	-	-
Totals	<u>\$ 73,875</u>	<u>\$ 106,409</u>	<u>\$ 180,284</u>	<u>\$ 106,409</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LE15 05 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ -	\$ 47,055	\$ 47,055	\$ 47,055	\$ -	\$ -
Operating expenses	-	29,550	29,550	29,550	-	-
Totals	<u>\$ -</u>	<u>\$ 76,605</u>	<u>\$ 76,605</u>	<u>\$ 76,605</u>	<u>\$ -</u>	<u>\$ -</u>

## **FINDINGS AND QUESTIONED COSTS**

**COUNTY OF STANISLAUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

**Section 1**

Financial Statements

Summary of Auditor's Results

- |   |               |
|---|---------------|
| 1. Type of auditor's report issued:   | Unmodified    |
| 2. Internal controls over financial reporting:                                      |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified<br>not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted?                            | No            |

Federal Awards

- |  |            |
|--|------------|
| 1. Internal control over major programs:   |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified<br>not considered to be material weaknesses?                          | No         |
| 2. Type of auditor's report issued on compliance<br>for major programs:                                      | Unmodified |
| 3. Any audit findings disclosed that are required to be<br>reported in accordance with the Uniform Guidance? | No         |
| 4. Identification of major programs:   |            |

CFDA Number

Program

- |  |  |
|--|--|
| 10.561   | State Administrative Matching Grants<br>for the Supplemental Nutrition<br>Assistance Program (Food Stamps) |
| 93.558   | Temporary Assistance for Needy<br>Families (TANF)  |
| 93.778   | Medical Assistance Program   |
| 93.958   | Block Grants for Community Mental<br>Health Services   |
| 93.959   | Block Grants for Prevention and<br>Treatment of Substance Abuse  |
| 5. Dollar threshold used to distinguish between<br>Type A and Type B programs? | \$3,000,000  |
| 6. Auditee qualified as a low-risk auditee under<br>the Uniform Guidance?      | Yes  |

**Section 2**

Financial Statement Findings

None.

**COUNTY OF STANISLAUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
YEAR ENDED JUNE 30, 2016**

**Section 3**

Federal Award Findings and Questioned Costs

No findings in the current year.

**COUNTY OF STANISLAUS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016**

**2015-001**

**Program:** Foster Care – IV-E

**CFDA No.:** 93.658

**Federal Agencies:** U.S. Department of Health and Human Services

**Passed-Through:** California Department of Social Services

**Award Numbers:** Various

**Award Year:** Fiscal Year 2014/15

**Compliance Requirement:** Eligibility

**Questioned Costs:** \$0

**Criteria:**

The March 2015 OMB Circular A-133 *Compliance Supplement* requirements for eligibility state that the pass-through entity must determine whether required eligibility determinations were made, that cases were determined to be eligible, and that only eligible individuals or groups of individuals participated in the program, and determine whether federal program awards were made for eligible cases.

**Condition Found:**

Out of the 40 participants selected for eligibility testing, we noted the following:

- 1 case file whereby the participant was paid an incorrect monthly benefit payment for one month.

**Effect:**

Participant was paid an incorrect amount for one month.

**Recommendation:**

We recommend that the County adhere to established policies and procedures with regards to ensuring all participants are paid the correct monthly benefit payments.

**Views of Responsible Officials:**

Effective July 1, 2014, the monthly amount to be paid to the participants under this program changed from \$656 to \$671, an increase of \$14. For the case in question, the customer was paid the unadjusted amount of \$656 for the month of July 2014. The case was discontinued as of August 1, 2014, which moved it to an inactive status.

**Corrective Plan:**

- The oversight was brought to the Department's attention on September 17, 2015, and a payment of \$14 was subsequently issued to the client.
- Going forward, individual case manager's inventory (caseloads) list, including active and inactive participants, will be printed effective July 1<sup>st</sup> and monitored with the Statewide C-IV system to ensure accurate payments are issued.

**Current Year Status:**

Implemented in the current year.

**JUNE 30, 2016  
COMPREHENSIVE  
ANNUAL FINANCIAL  
(CAFR) & SINGLE  
AUDIT REPORT**

April 4, 2017

Board of Supervisors Presentation

# OBJECTIVE

## ◎ Audit Results

- Comprehensive Annual Financial Report (CAFR)
  - Accordance with Generally Accepted Accounting Principles (GAAP)
  - Unmodified/clean opinion
  - Highest level of assurance
- Single Audit Report
  - Compliance with U.S. Office of Management & Budget (OMB) Federal requirements
  - No significant findings
  - Reporting Change



# SINGLE AUDIT REPORT CHANGES

- Sch of Expenditure of Federal Awards - \$186m
  - Passed through to sub-recipients
- Definition - Sub-recipients
  - Non-Federal entity receives sub-award
  - To carry out part of Federal program
    - Determine eligibility
    - Performance measurement
    - Programmatic decision making
    - Adherence to Federal requirements
    - Public purpose as specified in statute
  - Passed through amount - \$7m

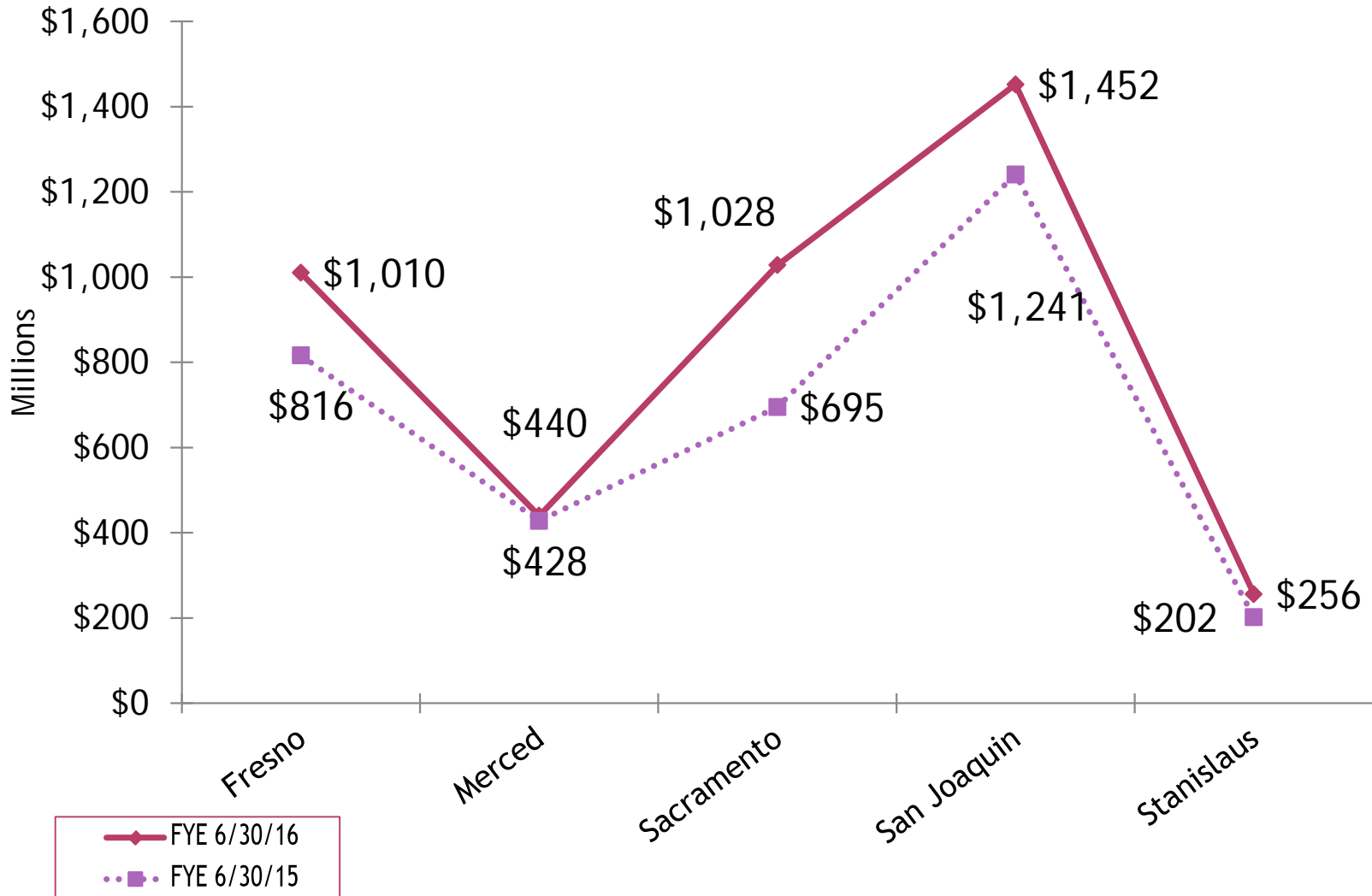
# NEW PROUNCEMENTS - CAFR

- Gov't Acctg Standards Board (GASB) Stmt 72 - Fair Value Measurement & Application
  - Establishes standards for assets & liabilities measured at fair value
- Impact to County
  - Categorization of investments
  - Valuation techniques
  - Cash & investments note disclosure
  - Page 64 CAFR

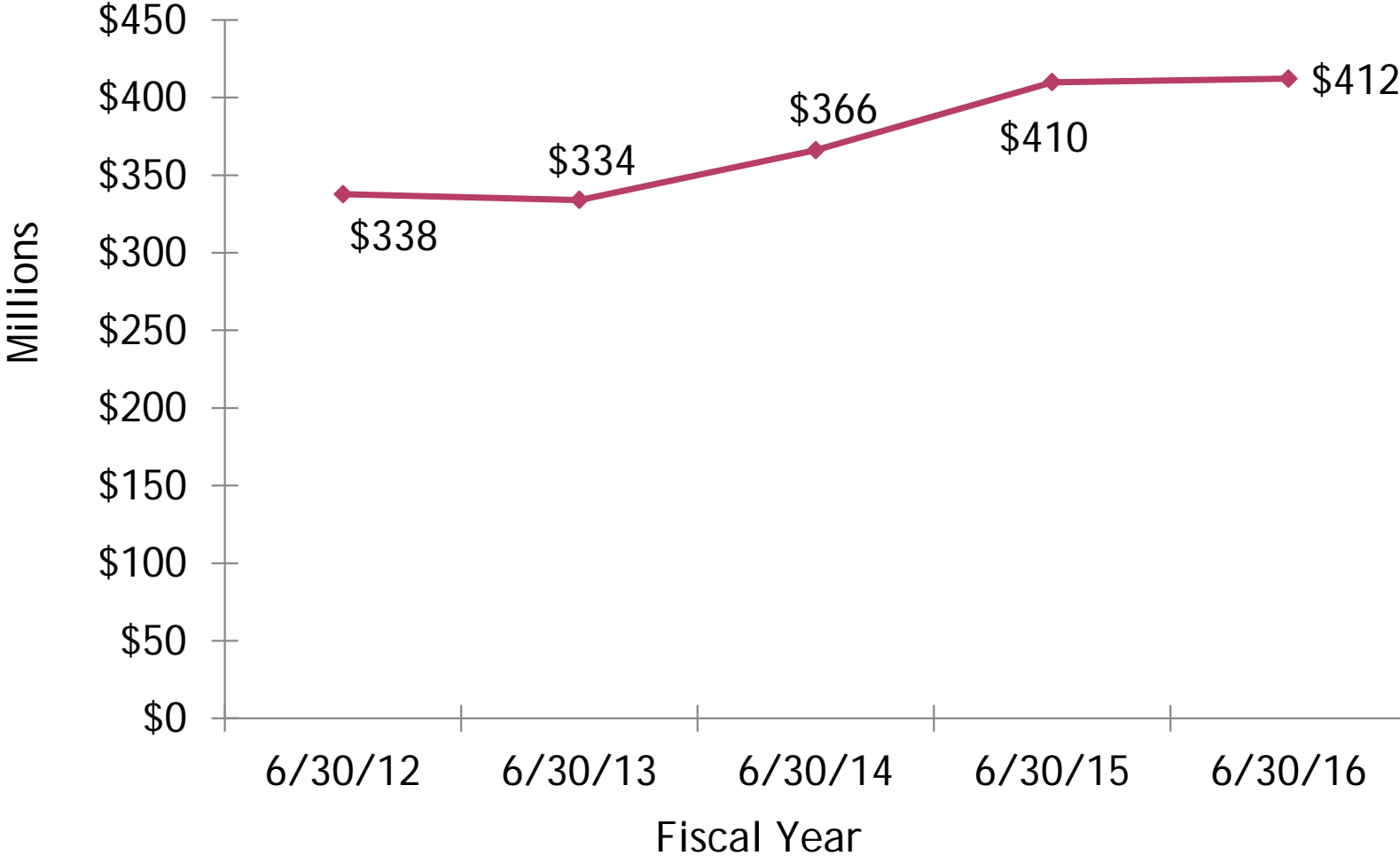
# STATEMENT 68 UPDATE

- GASB 68 - Accounting & Financial Reporting of Pensions
  - Implemented in prior year (FYE 6/30/15)
  - Full amount of unfunded obligation
  - Net pension liability (NPL)
    - FYE 6/30/15 - \$202m
    - FYE 6/30/16 - \$256m
    - Increase of \$54m

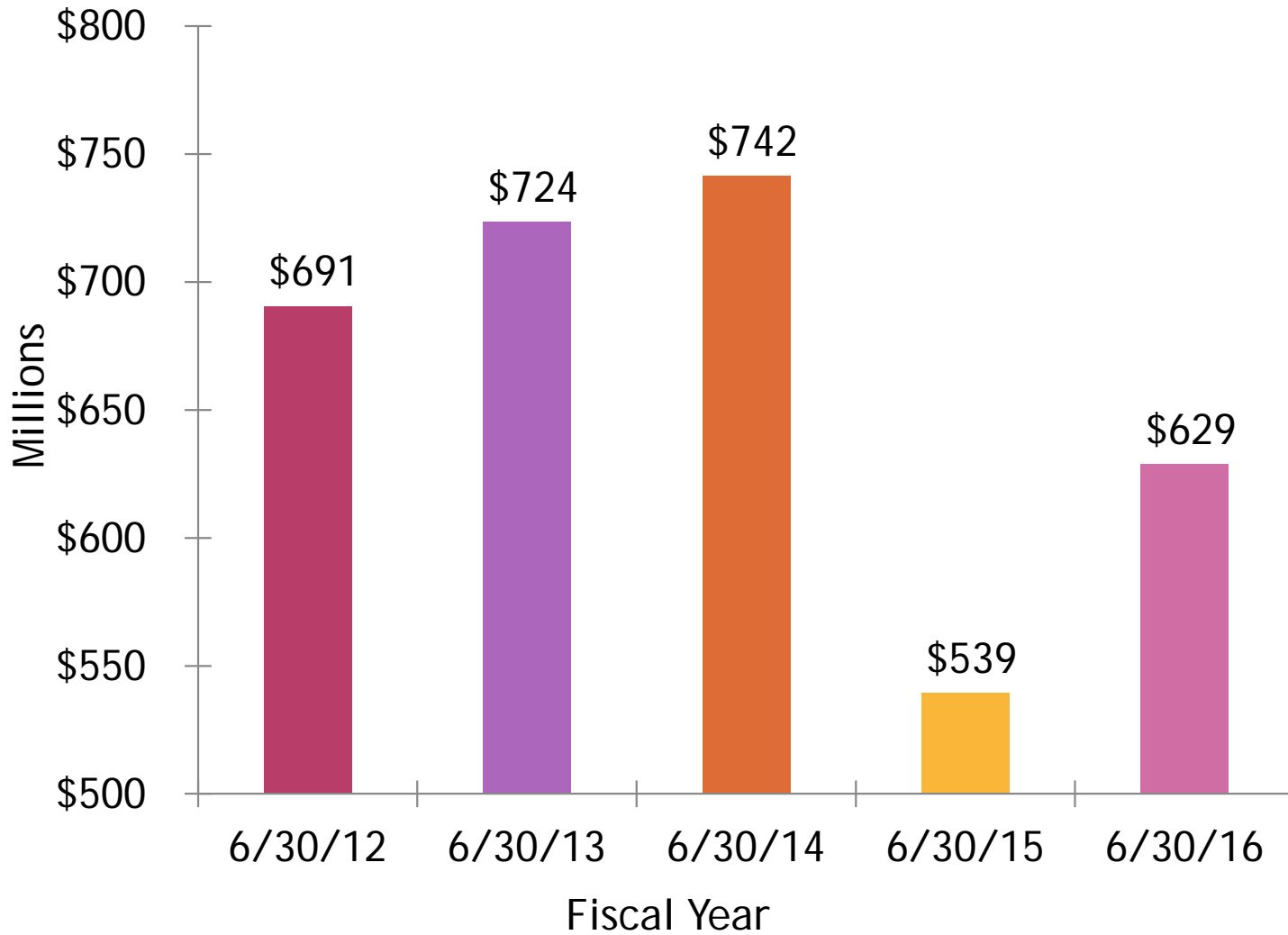
# NPL COMPARISON



# CASH & INVESTMENTS



# NET POSITION



# CONCLUSION

- ◉ Clean audit opinions
- ◉ Single audit reporting change
- ◉ New accounting statements implemented
- ◉ Net pension liability revisited
- ◉ Cash & net position
- ◉ Acknowledgments