

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

DEPT: Auditor-Controller

BOARD AGENDA:7.2
AGENDA DATE: April 24, 2018

SUBJECT:

Approval to Accept Annual Audited Financial Reports for Fiscal Year Ended June 30, 2017

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0186

On motion of Supervisor Withrow, Seconded by Supervisor Olsen
and approved by the following vote,

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

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:7.2
AGENDA DATE: April 24, 2018

CONSENT

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Approval to Accept Annual Audited Financial Reports for Fiscal Year Ended June 30, 2017

STAFF RECOMMENDATION:

Accept the following audited financial reports for the Fiscal Year Ended June 30, 2017, 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, 2017. 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 March 21, 2018. 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 were invited to 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 Sections 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.

FISCAL IMPACT:

Brown Armstrong charged \$68,000 for auditing the CAFR and \$20,000 for the Single Audit for a total fee of \$88,000. Funding for the audit was included in the Board of Supervisors Fiscal Year 2017-2018 Final Budget.

The non-General Fund departments reimburse approximately \$62,000 (71%) of the audit costs through the Countywide Cost Allocation Plan (CAP). This distribution generates revenue in the Board of Supervisor's budget unit. The difference between the audit cost of \$88,000 and \$62,000 of CAP reimbursement, results in a net cost to the Board of Supervisors budget unit of \$25,000. As a general practice, overhead costs, such as the audit costs, are not allocated to General Fund departments.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board's priority of *Delivering Efficient Public Services and Community Infrastructure* by providing 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):

1. Stanislaus County CAFR FYE 6-30-17
2. Stanislaus County Single Audit FYE 6-30-17

County of Stanislaus, California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017



Prepared by

Stanislaus County Auditor-Controller's Office

Lauren Klein, CPA, Auditor-Controller

County of Stanislaus, California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017



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, 2017**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	I
Board of Supervisors	VII
Principal County Officials.....	VIII
Organizational Chart.....	IX
Certificate of Achievement for Excellence in Financial Reporting	X

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	17
Statement of Activities.....	18
Fund Financial Statements:	
<u>Governmental Funds:</u>	
Balance Sheet	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on Budgetary Basis:	
General Fund.....	24
Behavioral Health and Recovery Services Special Revenue Fund.....	31
Community Services Agency Special Revenue Fund	32
<u>Proprietary Funds:</u>	
Statement of Net Position.....	34
Statement of Revenues, Expenses and Changes in Fund Net Position	35
Statement of Cash Flows.....	36
<u>Fiduciary Funds:</u>	
Statement of Fiduciary Net Position.....	38
Statement of Changes in Fiduciary Net Position.....	39
Notes to the Basic Financial Statements	41
Required Supplementary Information:	
Other Postemployment Benefits (OPEB) Plan – Schedule of Funding Progress	99
Schedule of County's Proportionate Share of Net Pension Liability & Schedule of County's Contributions	100

County of Stanislaus

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Other Supplementary Information:

<u>Nonmajor Governmental Funds:</u>	
Combining Balance Sheet	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances...	102
<u>Nonmajor Special Revenue Funds:</u>	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances...	105
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on Budgetary Basis.....	106
<u>Nonmajor Enterprise Funds:</u>	
Combining Statement of Net Position	125
Combining Statement of Revenues, Expenses and Changes in Fund Net Position ...	126
Statement of Cash Flows.....	127
<u>Internal Service Funds:</u>	
Combining Statement of Net Position	130
Combining Statement of Revenues, Expenses and Changes in Fund Net Position ...	131
Statement of Cash Flows.....	132
Successor Agency to the Stanislaus County Redevelopment Agency	133

STATISTICAL INFORMATION

Government-wide:	
Net Position by Component.....	135
Changes in Net Position.....	136
Governmental Activities - Tax Revenues by Source	138
Fund Information:	
Fund Balances of Governmental Funds	139
Changes in Fund Balances of Governmental Funds.....	140
Property Taxes:	
Net Assessed and Estimated Actual Value of Taxable Property.....	141
Property Tax Rates and Distributions of General Levy Property Tax Rate Among Direct and Overlapping Governments	142
Principal Property Taxpayers	143
Property Tax Levy and Collections	144
Debt Capacity:	
Ratios of Outstanding Debt by Type	145
Legal Debt Margin Information	146
Demographic and Economic Information	
Demographic and Economic Statistics	147
Principal Employers.....	148
Full-time Employees by Function.....	149
Operating Indicators by Function/Program	150
Miscellaneous Statistical Data	151



AUDITOR-CONTROLLER

Lauren Klein, CPA
Auditor-Controller

1010 10th Street, Suite 5100, Modesto, CA 95354
PO Box 770, Modesto, CA 95353-0770
Phone: 209.525.6398 Fax: 209.525.7507



December 15, 2017

The Honorable Board of Supervisors
County of Stanislaus
1010 10th 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, 2017. 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 540,214 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 and it ranks higher than 21 states in agricultural income. The value of agricultural commodities produced in 2015 was approximately \$3.9 billion, a decrease of more than \$500 million from the 2014 all-time high of \$4.4 billion. This decrease is primarily attributed to a reduction in yields for many commodities due to the sustained drought and a drop in the values of milk,

walnuts, almonds, meats, silage, cattle and calves, and turkeys. Almonds continue to be the number one commodity at \$1.3 billion followed by milk at nearly \$650 million in value. The value of almonds decreased by 7.7% compared to the prior year and milk sales decreased by 32% from prior year. Over 20,000 acres were fallowed in 2015 due to the drought.

Farmers in Stanislaus County export more than 134 commodities to 107 countries around the world. There were 8,621 export certificates were issued in 2015. Japan receives 10% of exports followed by Hong Kong and Spain 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, 2017, is 7.8%, a decrease from 8.8% in 2016, but significantly higher than the State rate of 4.9%. Unemployment rates in the central valley are historically twice the national average (currently 4.4%) and economic growth in the valley has trailed the rest of the State after the recession.

Home values increased 4.6% from August 2016 to August 2017 in Stanislaus County.

The 2016-2017 Property Tax Assessment Roll showed a 5.88% increase compared to 2015-2016.

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, to 573 in 2016.

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 Comprehensive 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 of accounting.

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 1st through June 30th.

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 \$700,935,202 being the portion of the estimated project costs that would be the responsibility of Stanislaus County. Funding sources for \$49,822,438 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:

AB 900 Phase II Public Safety Center Jail Expansion, County Jail Intake and Release Facility, Community Services Facility HVAC Replacement Project, 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:

- ◆ Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project, current budget of \$44,445,000;
- ◆ Countywide Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan Project, current budget of \$500,000 annually and ongoing;
- ◆ 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, 2017**

BOARD OF SUPERVISORS



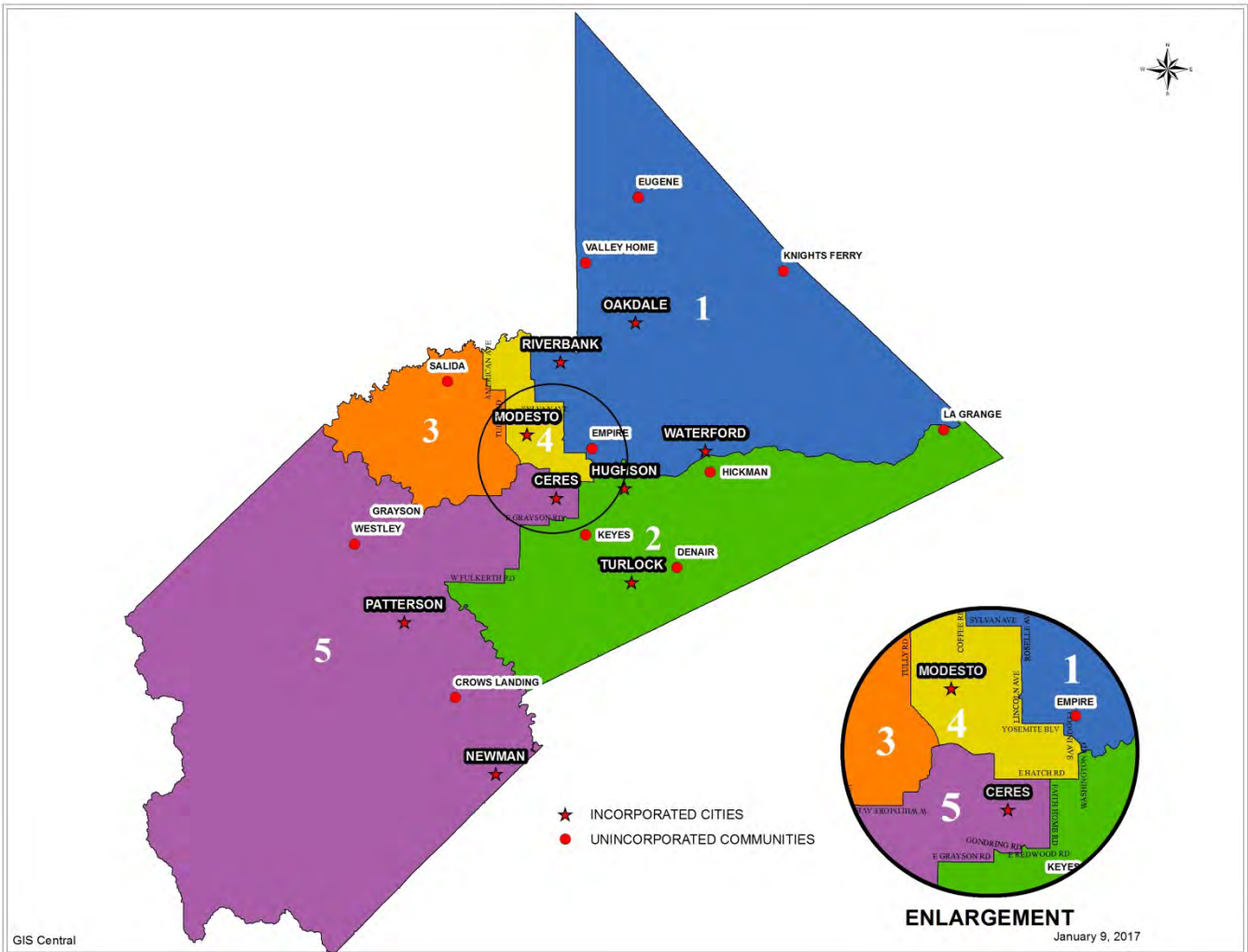
**Kristen Olsen
District 1**

**Vito Chiesa
District 2**

**Terry Withrow
District 3**

**Dick Monteith
District 4**

**Jim DeMartini
District 5**



**COUNTY OF STANISLAUS
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2017**

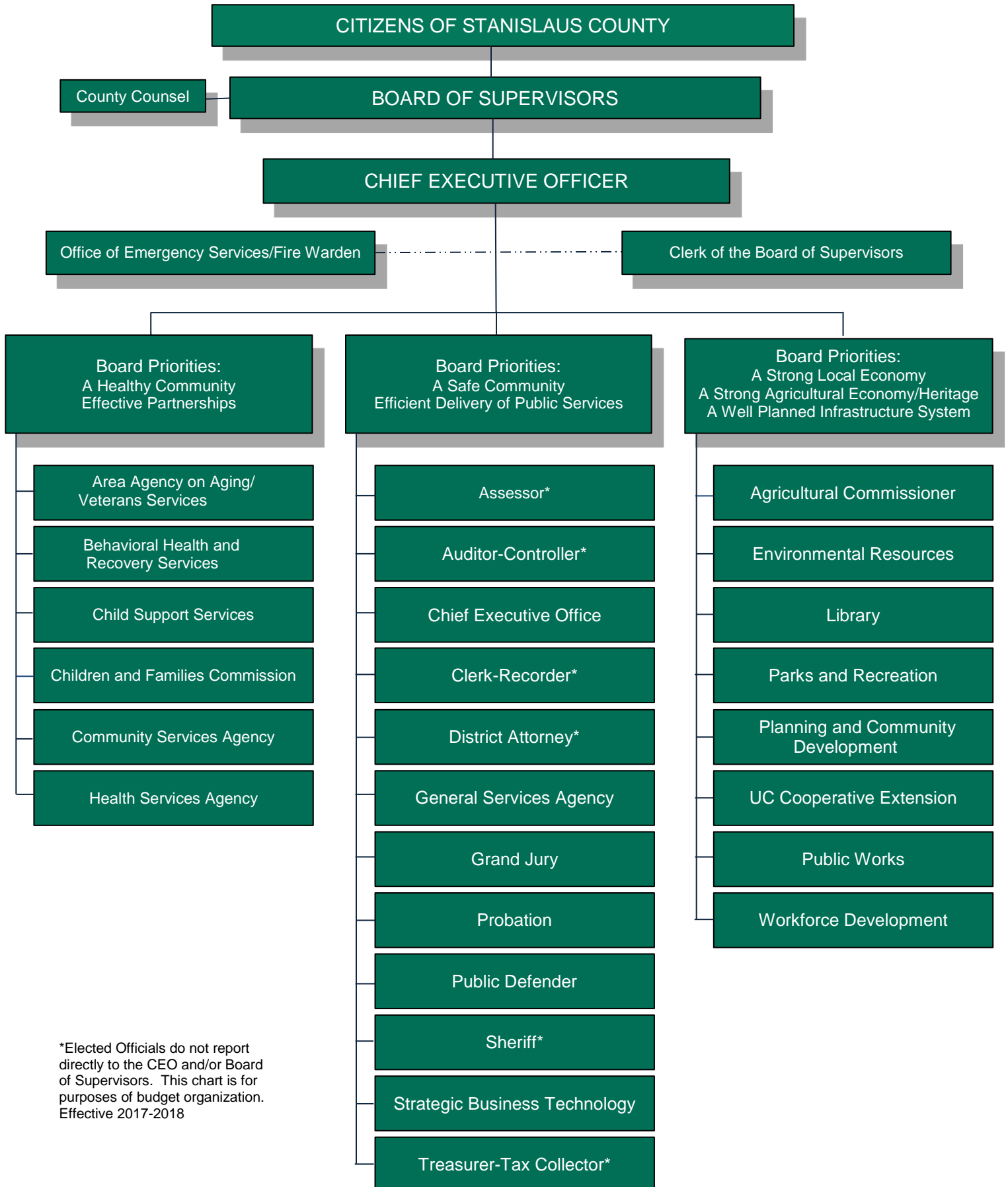
ELECTED OFFICIALS

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
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	David Jones
Community Services Agency Director.....	Kathryn Harwell
Cooperative Extension County Director & Nutrition, Family Consumer Science Advisor	Roger Duncan
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	Tamara Thomas
Planning and Community Development Director	Angela Freitas
Chief Probation Officer	Mike Hamasaki
Public Defender	Sandip Sandhu
Public Works Director	Matt Machado
Stanislaus Regional 9-1-1 Director	Scotty Douglass
Strategic Business Technology Director	Paul Gibson
Workforce Development Director	Doris Foster

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 2017-2018



Government Finance Officers Association

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

Presented to

**County of Stanislaus
California**

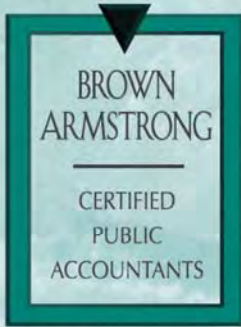
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

Financíal
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, 2017, 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)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

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

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92563
TEL 949.652.5422

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, 2017, 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 Benefits (OPEB) Plan, as listed on 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, 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 combining and individual non-major fund financial statements and schedules, 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 schedules, and Long-Term Debt Statements of the Successor Agency to the Stanislaus County Redevelopment Agency 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

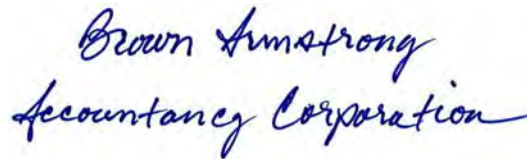
As disclosed in the Note 1 to the financial statements, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*; GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*; GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*; and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, during the fiscal year 2017. 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, 2017, 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.

Bakersfield, California
December 15, 2017

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong" on the top line and "Accountancy Corporation" on the bottom line, written in a cursive style.



*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, 2017. Please read it in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The County's net position is \$625 million and is comprised of the following items:
 - The net investment in capital assets of \$524 million
 - The restricted net position of \$318 million
 - The net unrestricted net position of negative (\$217) million
- The government's total net position decreased by \$4 million.
- As of June 30, 2017, the County governmental funds reported combined fund balances of \$477 million, an increase of \$12 million from the prior year. The unassigned fund balance is \$9 million which represents 1.8% of the total fund balance of the governmental funds.
- As of June 30, 2017, unassigned fund balance for the General Fund was \$9 million. It represents 3.1% of expenditures and transfers of the General Fund.
- The County's total long-term liabilities increased by a net \$378 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).

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.

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

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*.

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

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

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 its self-insurance activities, 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 34-37 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 38-39 of this report.

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 41-97 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 101-132 of this report.

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

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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 655,281,826	\$ 639,570,210	\$ 80,545,354	\$ 70,696,567	\$ 735,827,180	\$ 710,266,777
Capital assets	509,017,868	468,581,033	29,793,861	30,387,822	538,811,729	498,968,855
Total assets	<u>1,164,299,694</u>	<u>1,108,151,243</u>	<u>110,339,215</u>	<u>101,084,389</u>	<u>1,274,638,909</u>	<u>1,209,235,632</u>
Deferred outflows of resources-pension	321,604,159	50,654,814	15,214,761	2,168,025	336,818,920	52,822,839
Long-term liabilities outstanding	827,731,147	463,690,723	36,343,027	22,748,636	864,074,174	486,439,359
Other liabilities	111,393,249	108,357,392	5,335,282	4,639,861	116,728,531	112,997,253
Total liabilities	<u>939,124,396</u>	<u>572,048,115</u>	<u>41,678,309</u>	<u>27,388,497</u>	<u>980,802,705</u>	<u>599,436,612</u>
Deferred inflows of resources-pension	5,646,763	32,366,420	257,021	1,385,282	5,903,784	33,751,702
Net position:						
Net investment in capital assets	494,299,857	447,336,350	29,793,861	30,387,822	524,093,718	477,724,172
Restricted	297,608,836	304,416,103	20,969,868	19,393,530	318,578,704	323,809,633
Unrestricted	(250,775,999)	(197,360,931)	32,854,917	24,697,283	(217,921,082)	(172,663,648)
Total net position	<u>\$ 541,132,694</u>	<u>\$ 554,391,522</u>	<u>\$ 83,618,646</u>	<u>\$ 74,478,635</u>	<u>\$ 624,751,340</u>	<u>\$ 628,870,157</u>

A significant portion of the County's net position, \$318 million represents resources that are subject to external restrictions on how they may be used. The net unrestricted balance is a negative (\$217 million).

County's net position decreased by \$4 million as the program related deficit of \$180 million exceeded general revenues of \$176 million.

For business-type activities, the County reported a balance of \$33 million in unrestricted net position compared to \$25 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$625 million at the close of the Fiscal Year 2016-2017.

By far the largest portion of the County's net position of \$524 million (84%) 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.

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

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

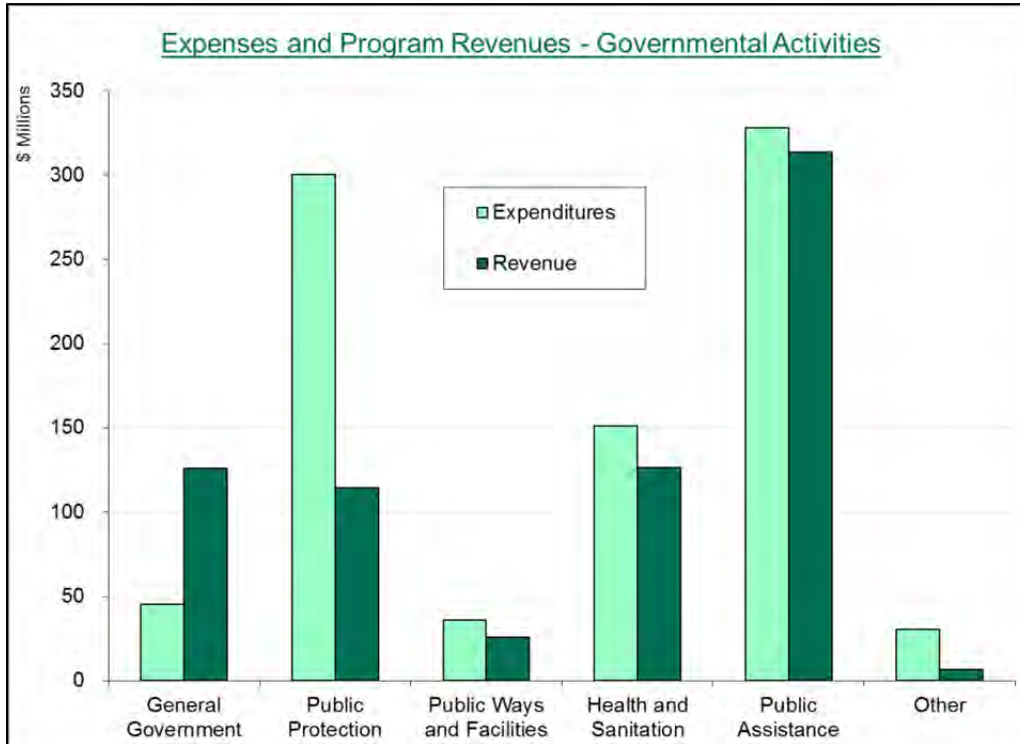
County of Stanislaus Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 149,644,889	\$ 141,899,008	\$ 52,782,221	\$ 47,709,507	\$ 202,427,110	\$ 189,608,515
Operating grants and contributions	526,433,610	515,871,262	1,395,579	1,491,073	527,829,189	517,362,335
Capital grants and contributions	36,710,716	67,291,846	-	-	36,710,716	67,291,846
General revenues:						
Property taxes	119,517,121	111,785,574	-	-	119,517,121	111,785,574
Sales taxes	36,578,957	34,211,664	6,609,799	6,856,640	43,188,756	41,068,304
Other taxes	3,898,466	3,451,718	-	-	3,898,466	3,451,718
Sale of capital assets	-	-	(3,579)	(61,574)	(3,579)	(61,574)
Unrestricted investment earnings	935,445	718,321	726,720	1,345,053	1,662,165	2,063,374
Grants/contributions not restricted	1,129,666	1,189,904	-	-	1,129,666	1,189,904
Other general revenue	6,728,972	8,465,542	-	-	6,728,972	8,465,542
Total revenues	<u>881,577,842</u>	<u>884,884,839</u>	<u>61,510,740</u>	<u>57,340,699</u>	<u>943,088,582</u>	<u>942,225,538</u>
Expenses						
General government	45,365,643	39,924,809	-	-	45,365,643	39,924,809
Public protection	300,326,244	226,360,587	-	-	300,326,244	226,360,587
Public ways and facilities	36,073,544	70,723,726	-	-	36,073,544	70,723,726
Health and sanitation	151,320,780	133,992,756	-	-	151,320,780	133,992,756
Public assistance	328,149,912	325,543,153	-	-	328,149,912	325,543,153
Education	13,664,296	10,575,336	-	-	13,664,296	10,575,336
Recreation	8,372,919	7,130,168	-	-	8,372,919	7,130,168
Interest on long-term debt	8,381,196	(15,049,070)	-	-	8,381,196	(15,049,070)
Landfills	-	-	5,215,062	7,353,713	5,215,062	7,353,713
Health Clinics and Ancillary	-	-	41,044,649	38,183,676	41,044,649	38,183,676
Inmate Welfare and Commissary	-	-	1,769,487	1,642,511	1,769,487	1,642,511
Transit	-	-	7,523,667	6,348,722	7,523,667	6,348,722
Total expenses	<u>891,654,534</u>	<u>799,201,465</u>	<u>55,552,865</u>	<u>53,528,622</u>	<u>947,207,399</u>	<u>852,730,087</u>
Net position increase (decrease) before transfers	(10,076,692)	85,683,374	5,957,875	3,812,077	(4,118,817)	89,495,451
Transfers	(3,182,136)	(6,578,887)	3,182,136	6,578,887	-	-
Change in net position	<u>(13,258,828)</u>	<u>79,104,487</u>	<u>9,140,011</u>	<u>10,390,964</u>	<u>(4,118,817)</u>	<u>89,495,451</u>
Net position, July 1	554,391,522	475,287,035	74,478,635	64,087,671	628,870,157	539,374,706
Net position – June 30	<u>\$ 541,132,694</u>	<u>\$ 554,391,522</u>	<u>\$ 83,618,646</u>	<u>\$ 74,478,635</u>	<u>\$ 624,751,340</u>	<u>\$ 628,870,157</u>

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

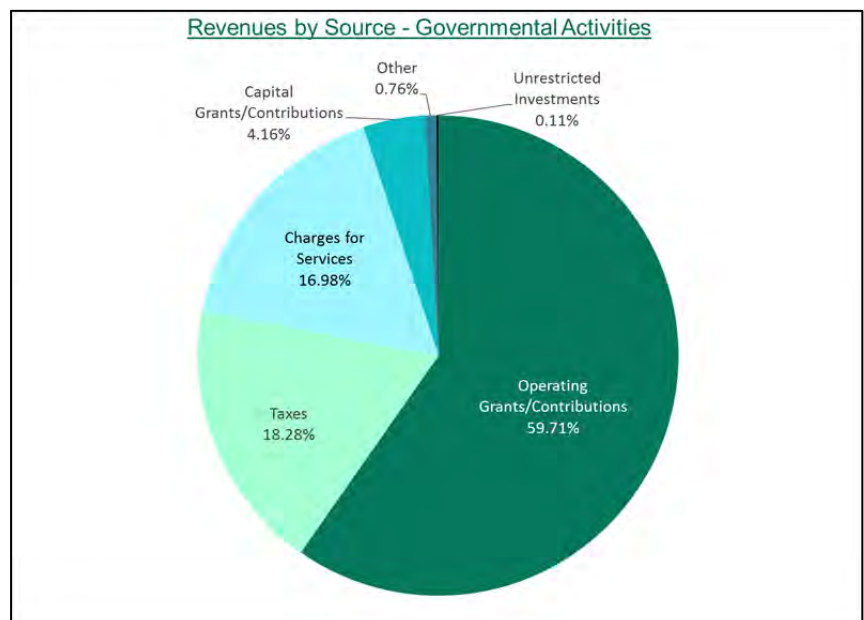
Governmental Activities

The Expenses and Program Revenue – Governmental Activities chart compares the program expenses and revenues by function for activities funded by general revenues such as taxes.



Expenses incurred in the Public Assistance category totaled over \$328 million and \$300 million was expended for Public Protection. The most significant program revenue is included in the Public Assistance activities. Total program expenses amounted to approximately \$892 million, offset by total revenue of approximately \$713 million.

The total revenues by funding source are represented by the Revenues by Source - Governmental Activities chart. This chart combines program and general revenues, such as taxes. The Operating Grants/Contributions category, which includes intergovernmental revenue sources, represent the highest funding source at 59.71% of the total resources. Charges for Services represent 16.98%. The Other category includes donations and miscellaneous revenue and comprises .76% of the funding sources.

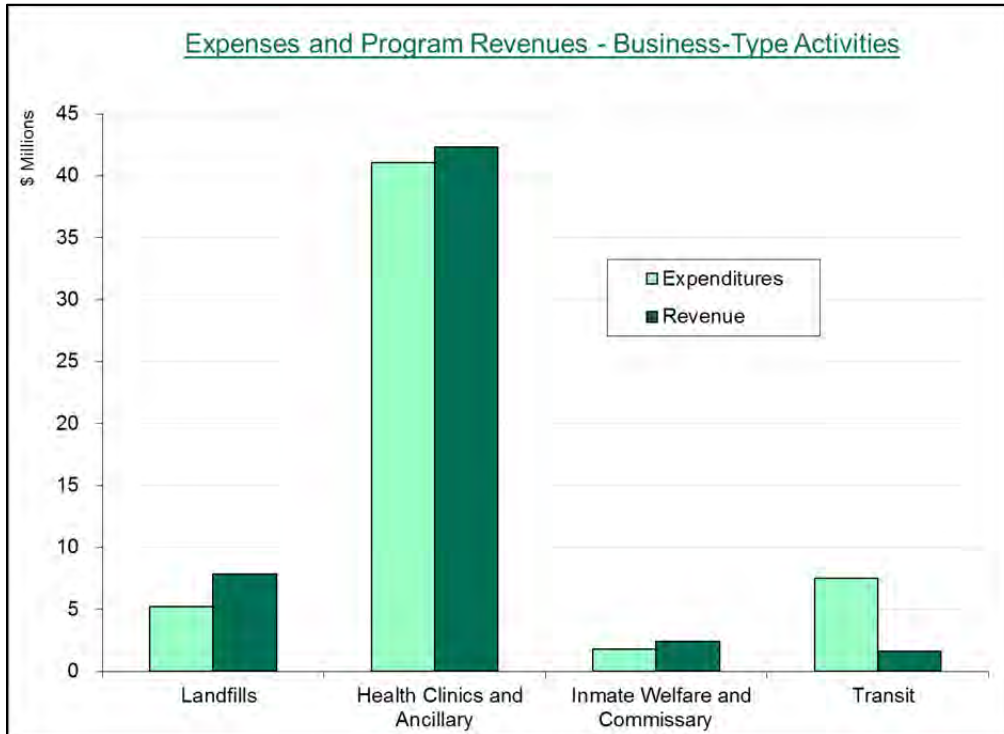


County of Stanislaus
Management’s Discussion and Analysis *(continued)*

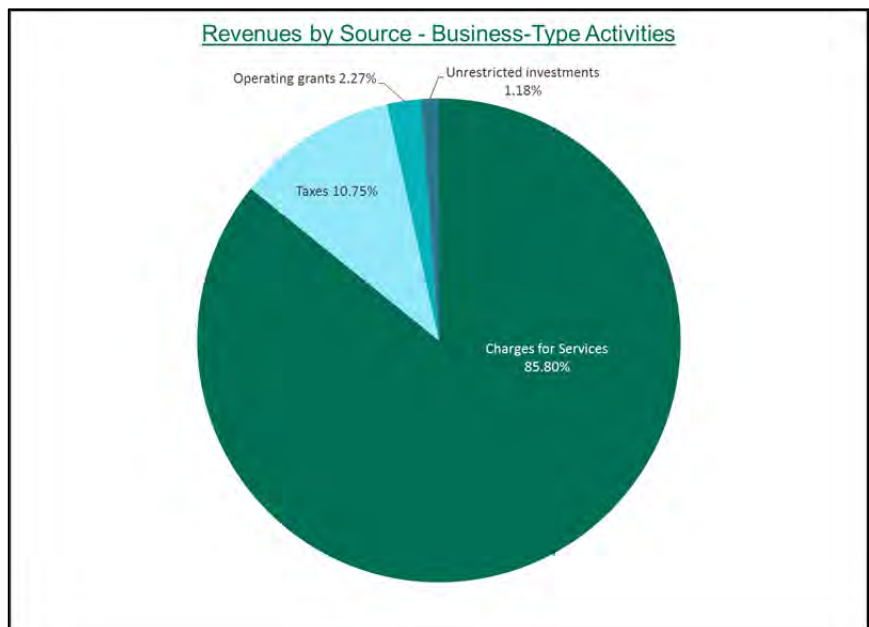
Business-Type Activities

The following Expenses and Program Revenues – Business-Type Activities chart highlights the County’s business-type program expense categories and offsetting revenue for 2017. By far, Health Clinics and Ancillary is the largest category with over \$41 million in expenses.

The Health Clinics and Ancillary division of the Health Services Agency provides a variety of health care services to the local community. All other categories of costs combine for a total of approximately \$14 million, with Transit and Landfills making up the bulk of costs. The Business-type costs totaled nearly \$56 million, while the program revenue was recorded at \$54 million.



The Revenues by Source – Business-type Activities illustrates the total funding source by category. The business-type activities are reported in the Enterprise funds which includes revenue fees for services. Consequently, the most significant source of funding was noted in the category of Charges for Services, recognizing 85.8% of the total revenue earned. . Funding from Operating Grants represent 2.3% of the total funding sources as the intergovernmental revenues, Federal and State, comprise a very low portion of the revenues generated in the 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, 2017, the County's governmental funds reported combined fund balances of \$477 million compared to \$465 million in the prior year. The increase of \$12 million is partially due to excess revenue over the expenditures.

The unassigned fund balance of the Governmental Funds is \$9 million. The remainder of fund balance is categorized as follows:

1) Non-spendable	\$ 12 million
2) Restricted	\$ 270 million
3) Committed	\$ 11 million
4) Assigned	\$ 175 million

The General Fund is the chief operating fund of the County. At June 30, 2017, unassigned fund balance of the General Fund was \$9 million while total fund balance was \$184 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 3.1% of total fund expenditures and transfers out. The total fund balance of the General Fund represents 65.3% of the total fund expenditures and transfers out.

The unassigned fund balance of the General Fund of \$9 million compared to prior year balance of \$10 million equates to a decrease of \$1 million. A larger portion of the fund balance is assigned in Fiscal Year 2016-2017 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 \$184 million, \$152 million is assigned.

The total fund balance of the County's General Fund is \$184 million which is \$19 million higher than prior year balance of \$165 million. Excess revenues contribute to the increased fund balance in the General Fund.

The total fund balance of Tobacco Settlement decreased by \$7 million due to decrease in fair market value adjustment of the investments and decrease in transfers out to other funds.

The total fund balance of Behavioral Health and Recovery Services increased by \$392 thousand as a result of increased transfers in from other departments.

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

Community Services Agency's fund balance increased by \$81 thousand as revenues exceeded expenses.

The change in the fund balance of Public Facility Fees increased by \$556 thousand. Lower transfers out to the other funds contributed to the favorable fund balance change.

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

	<u>Major Funds</u>		<u>Non-major</u>	<u>Total</u>
	Fink Road Landfill	Health Clinics & Ancillary	Other Enterprise Funds	
Operating revenues	\$ 7,789,489	\$ 42,014,090	\$ 2,960,913	\$ 52,764,492
Operating expenses	5,215,062	40,759,684	9,293,154	55,267,900
Operating income (loss)	<u>2,574,427</u>	<u>1,254,406</u>	<u>(6,332,241)</u>	<u>(2,503,408)</u>
Non-operating revenues (expenses), net	734,180	282,594	7,711,320	8,728,094
Net income (loss) before contributions and transfers	<u>3,308,607</u>	<u>1,537,000</u>	<u>1,379,079</u>	<u>6,224,686</u>
Contributions and transfers	(1,360,119)	3,682,135	860,119	3,182,135
Net income	<u>\$ 1,948,488</u>	<u>\$ 5,219,135</u>	<u>\$ 2,239,198</u>	<u>\$ 9,406,821</u>

General Fund Budgetary Highlights

As of June 30, 2017 General Fund actual revenues were higher than budgetary estimates by \$2.9 million. Expenditures based on budgetary basis, excluding other financing uses, were \$32 million less than budgetary estimates. The General Fund appropriated \$5.8 million in a contingency budget for emergencies and other unanticipated expenses as part of administrative policy.

The net increase of appropriations in the Final Budget of \$.5m compared to the original budget is due to the following:

- Auditor-Controller: Increase in salaries and benefits and equipment
- Jail Medical: Increase in contractual expenses
- CEO: Increase in salaries and benefits and purchase of software system
- General Fund Contributions: Increase expenses for grant, software and capital assets
- Parks and Recreation: Increase related to improvements
- Plant Acquisition: Increase due to costs associated with new veterans center
- Probation: Increase due to salaries and benefits, contracts and equipment
- Clerk Recorder: Increase due to capital improvement project
- Sheriff's Office: Increase due to payroll related expenses, overhead charges and one-time costs related to floods

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

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, 2017, amounted to \$539 million compared to \$499 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 \$40 million from the prior year.

The increase in capital assets is primarily due to the constructions cost of capital projects associated with Public Safety Center Expansion Projects, Community Services Agency Heating, Ventilation, Air Conditioning Unit (HVAC) and Public Works Morgan Road building offset by increase in accumulated depreciation of capital assets.

Major capital asset events during the 2016-2017 Fiscal Year include:

Public Safety Center Expansion Projects

In March 2017, the County initiated the phased opening of the significant expansion of the Stanislaus County Public Safety Center. Overall, two projects were funded primarily by the State of California through Assembly Bill 900 Phase II, including Project One (Maximum Security/Medical Mental Health Beds and Facilities) and Project Two, a Day Reporting Center (opened in 2016). An additional County funded Project Three (Sheriff's Intake, Release, Administration and Transportation Facility) was also opened in 2017.

Project One includes two maximum-security housing units (240 beds each), a special needs housing unit, a medical mental health housing unit (72 beds), a health services facility and security administration. Project Three includes various support facilities. Both projects provide modern and safe facilities to allow the Sheriff to adequately house inmates to their proper level of supervision needed.

The County also awarded a Design-Build Construction Contract to Roebbelen Contracting, Inc., and broke ground on the last significant planned Public Safety Center expansion, funded primarily by the State of California through Senate Bill 1022. This state of the art and programed based facility, is the Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center. The REACT Center will focus on lives of individuals by reducing recidivism, providing life skills training and education programing to inmates who are transitioning out of custody or who may be re-entering the system. Occupancy is expected to begin in March 2018.

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

In April 2017, the County successfully opened the Stanislaus Veterans Center in Modesto, California. This facility, the first of its kind in the nation, will serve as a one-stop location to the County's 27,000 Veterans and their organizations. In addition to the 18,522 square feet of office space, which houses the County's Department of Aging and Veterans Services, select programs from the Community Service Agency and local non-profits, the Veterans Center includes a state of the art 19,025 square foot banquet hall and conference center. This project is funded by the County of Stanislaus, the City of Modesto and a local non-profit organization, the Veterans Foundation of Stanislaus County.

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

Community Services Facility Heating, Ventilation and Air Conditioning Replacement Project

In Fiscal Year 2016-2017, the County replaced the heating, ventilation and air conditioning system at its largest facility, the Community Services Facility. The system was twenty years old and had long passed its useful life, requiring constant repairs and maintenance to operate. In cooperation with a local contractor, Champion Industrial Contractors Inc., based in Modesto, the County replaced this system prior to the summer season on-time and significantly under budget. This project included a Debt Financing approach.

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	
	2017	2016	2017	2016	2017	2016
Land and right of ways	\$ 44,589,970	\$ 44,534,252	\$ 15,462,882	\$ 15,462,882	\$ 60,052,852	\$ 59,997,134
Infrastructure	128,358,292	135,500,460	-	-	128,358,292	135,500,460
Structures and improvements	140,216,166	134,089,721	3,542,805	4,261,001	143,758,971	138,350,722
Equipment	33,496,706	38,619,566	10,234,341	10,357,996	43,731,047	48,977,562
Intangible Assets	1,026,586	1,361,720	-	-	1,026,586	1,361,720
Construction in progress	161,330,148	114,475,314	553,833	305,943	161,883,981	114,781,257
Total	<u>\$ 509,017,868</u>	<u>\$ 468,581,033</u>	<u>\$ 29,793,861</u>	<u>\$ 30,387,822</u>	<u>\$ 538,811,729</u>	<u>\$ 498,968,855</u>

Long-term debt

At June 30, 2017, the County had total long-term debt outstanding of \$139 million compared to \$143 million as of June 30, 2016. A new debt associated with the heating, ventilation, air conditioning (HVAC) unit was issued in the amount of \$8 million. Additionally, the debt increased due to \$5 million related to the amortization of the 2006 Tobacco Bonds. The total increase of \$13 million debt is offset by \$8 million 2007 Certificates of Participation (COP) payoff and the annual debt service payments of \$9 million resulting in a net decrease of \$4 million in the debt balance.

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	
	2017	2016
Certificates of participation	\$ 7,390,000	\$ 7,275,000
Issue premium	-	221,899
2012 Lease refunding	1,562,703	3,127,429
2013 Lease refunding	4,990,000	9,915,000
Tobacco securitization note	83,003,611	85,343,611
Accreted interest tobacco note	41,385,756	36,413,839
Capital leases	553,410	483,456
Total	<u>\$ 138,885,480</u>	<u>\$ 142,780,234</u>

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

Economic Factors and Next Year's Budget

- The unemployment rate in the County for August 2017 was 7.5% compared to 5.4% for the State of California and 4.5% for the nation.
- Median home prices increased from August 2016 to August 2017 at the following rate:
 - 4.6% Stanislaus County
 - 7.2% Statewide
- Building permits for single family units issued in the City of Modesto of Stanislaus County increased by 300% in August 2017 compared to the prior year. Statewide issuance of building permits for single family units increased by 7% for the same period.
- Assigned fund balance of \$1.6 million is being used to balance the General Fund budget for Fiscal Year 2017-2018.

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, 2017**

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 411,747,164	\$ 41,860,428	\$ 453,607,592
Investments with fiscal agent	89,334,596	66,862	89,401,458
Taxes receivable	15,545,411	-	15,545,411
Accounts receivable	106,517,906	18,383,292	124,901,198
Interest and other receivables	3,140,148	187,065	3,327,213
Notes receivable	251,870	-	251,870
Inventory	1,025,675	8,612	1,034,287
Prepaid items	362,674	214,136	576,810
Loans to other governments	6,959,160	-	6,959,160
Restricted cash and investments	4,632,178	19,824,959	24,457,137
Investments - joint ventures	15,765,044	-	15,765,044
Capital assets (net of accumulated depreciation):			
Land & right of ways	44,589,970	15,462,882	60,052,852
Infrastructure	128,358,292	-	128,358,292
Structures and improvements	140,216,166	3,542,805	143,758,971
Equipment	33,496,706	10,234,341	43,731,047
Intangible assets	1,026,586	-	1,026,586
Construction in progress	161,330,148	553,833	161,883,981
Total capital assets	<u>509,017,868</u>	<u>29,793,861</u>	<u>538,811,729</u>
Total assets	<u>1,164,299,694</u>	<u>110,339,215</u>	<u>1,274,638,909</u>
Deferred outflows of resources			
Deferred pension	<u>321,604,159</u>	<u>15,214,761</u>	<u>336,818,920</u>
Total deferred outflows of resources	<u>321,604,159</u>	<u>15,214,761</u>	<u>336,818,920</u>
Liabilities			
Accounts payable	47,548,019	4,387,805	51,935,824
Salaries and benefits payable	17,570,853	918,860	18,489,713
Interest payable	181,037	-	181,037
Unearned revenue	45,947,434	-	45,947,434
Deposits from others	18,950	28,617	47,567
Due to other governments	126,956	-	126,956
Long-term liabilities:			
Portion due within one year:			
Risk management liability	14,660,257	23,897	14,684,154
Capital leases	222,097	-	222,097
Compensated absences	6,951,024	371,494	7,322,518
Long-term obligations	12,667,703	-	12,667,703
Portion due in more than one year:			
Risk management liability	19,845,696	23,881	19,869,577
Other post-employment benefits (OPEB)	11,119,666	684,000	11,803,666
Net pension liability	611,888,363	25,399,387	637,287,750
Capital leases payable	331,313	-	331,313
Compensated absences	24,380,661	794,099	25,174,760
Long-term obligations	125,664,367	-	125,664,367
Estimated cost of landfill closure/postclosure	-	9,046,269	9,046,269
Total liabilities	<u>939,124,396</u>	<u>41,678,309</u>	<u>980,802,705</u>
Deferred inflows of resources			
Deferred pension	<u>5,646,763</u>	<u>257,021</u>	<u>5,903,784</u>
Total deferred inflows of resources	<u>5,646,763</u>	<u>257,021</u>	<u>5,903,784</u>
Net position			
Net investment in capital assets	494,299,857	29,793,861	524,093,718
Restricted for:			
Capital projects	57,051,706	-	57,051,706
Debt service	6,170,854	-	6,170,854
Other purposes			
Tax loss reserve	4,632,178	-	4,632,178
Tobacco	94,817,263	-	94,817,263
BHRS	22,243,456	-	22,243,456
Special revenue funds	112,693,379	-	112,693,379
Landfill	-	20,969,868	20,969,868
Unrestricted (deficit)	<u>(250,775,999)</u>	<u>32,854,917</u>	<u>(217,921,082)</u>
Total net position	<u>\$ 541,132,694</u>	<u>\$ 83,618,646</u>	<u>\$ 624,751,340</u>

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, 2017**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 45,365,643	\$ 19,483,419	\$ 74,882,526	\$ 31,493,361
Public protection	300,326,244	50,897,678	63,335,823	18,484
Public ways and facilities	36,073,544	10,641,483	10,033,587	5,163,011
Health and sanitation	151,320,780	49,896,007	76,577,788	22,611
Public assistance	328,149,912	12,979,298	300,770,495	-
Education	13,664,296	804,946	242,192	6,344
Recreation	8,372,919	4,942,058	591,199	6,905
Interest on long-term debt	8,381,196	-	-	-
Total governmental activities	<u>891,654,534</u>	<u>149,644,889</u>	<u>526,433,610</u>	<u>36,710,716</u>
Business-type activities:				
Landfills	5,215,062	7,789,485	70,159	-
Health Clinics & Ancillary	41,048,228	42,031,823	264,625	-
Inmate Welfare and Commissary	1,769,487	2,401,183	7,447	-
Transit	7,523,667	559,730	1,053,348	-
Total business-type activities	<u>55,556,444</u>	<u>52,782,221</u>	<u>1,395,579</u>	<u>-</u>
Total primary government	<u>\$ 947,210,978</u>	<u>\$ 202,427,110</u>	<u>\$ 527,829,189</u>	<u>\$ 36,710,716</u>

Taxes:

- Property taxes
- Property taxes in lieu vehicle license fees
- Property taxes - unsecured
- Sales taxes
- Sales taxes - library
- Sales taxes - road
- Other taxes

Franchise fees

Unrestricted investment earnings

Miscellaneous

Net transfers

Total general revenues and transfers

Change in net position

Changes in net position including extraordinary item

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 (continued)
For the Fiscal Year Ended June 30, 2017

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Functions/Programs
			Primary government
			Governmental activities:
\$ 80,493,663	\$ -	\$ 80,493,663	General government
(186,074,259)	-	(186,074,259)	Public protection
(10,235,463)	-	(10,235,463)	Public ways and facilities
(24,824,374)	-	(24,824,374)	Health and sanitation
(14,400,119)	-	(14,400,119)	Public assistance
(12,610,814)	-	(12,610,814)	Education
(2,832,757)	-	(2,832,757)	Recreation
(8,381,196)	-	(8,381,196)	Interest on long-term debt
<u>(178,865,319)</u>	<u>-</u>	<u>(178,865,319)</u>	Total governmental activities
			Business-type activities:
-	2,644,582	2,644,582	Landfills
-	1,248,220	1,248,220	Health Clinics & Ancillary
-	639,143	639,143	Inmate Welfare and Commissary
-	(5,910,589)	(5,910,589)	Transit
-	(1,378,644)	(1,378,644)	Total business-type activities
<u>(178,865,319)</u>	<u>(1,378,644)</u>	<u>(180,243,963)</u>	Total primary government
			Taxes:
59,516,144	-	59,516,144	Property taxes
57,074,275	-	57,074,275	Property taxes in lieu vehicle license fees
2,926,702	-	2,926,702	Property taxes - unsecured
25,811,344	6,609,799	32,421,143	Sales taxes
10,195,058	-	10,195,058	Sales taxes - library
572,555	-	572,555	Sales taxes - road
3,898,466	-	3,898,466	Other taxes
1,129,666	-	1,129,666	Franchise fees
935,445	726,720	1,662,165	Unrestricted investment earnings
6,728,972	-	6,728,972	Miscellaneous
(3,182,136)	3,182,136	-	Net transfers
<u>165,606,491</u>	<u>10,518,655</u>	<u>176,125,146</u>	Total general revenues and transfers
			Change in net position
(13,258,828)	9,140,011	(4,118,817)	Changes in net position including extraordinary item
<u>(13,258,828)</u>	<u>9,140,011</u>	<u>(4,118,817)</u>	
			Net position--beginning
554,391,522	74,478,635	628,870,157	Net position--ending
<u>\$ 541,132,694</u>	<u>\$ 83,618,646</u>	<u>\$ 624,751,340</u>	

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

**County of Stanislaus
Balance Sheet
Governmental Funds
June 30, 2017**

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 149,512,452	\$ 5,380,881	\$ 41,754,992	\$ 7,268,830	\$ 47,554,922	\$ 106,104,820	\$ 357,576,897
Investments with fiscal agent	-	83,226,162	-	-	-	6,108,434	89,334,596
Taxes receivable	15,545,411	-	-	-	-	-	15,545,411
Accounts receivable	15,820,560	-	23,442,599	22,640,505	-	43,650,670	105,554,334
Interest and other receivables	794,033	917,533	108,738	-	117,031	1,084,554	3,021,889
Notes receivable	112,988	-	138,882	-	-	-	251,870
Inventory	-	-	-	-	-	638,567	638,567
Due from other funds	11,178,499	-	1,406,030	-	-	-	12,584,529
Loans to other governments	1,666,473	5,292,687	-	-	-	-	6,959,160
Advances to other funds	100,000	-	-	-	-	-	100,000
Prepaid items	175,301	-	-	-	-	187,373	362,674
Restricted cash and investments	4,632,178	-	-	-	-	-	4,632,178
Total assets	199,537,895	94,817,263	66,851,241	29,909,335	47,671,953	157,774,418	596,562,105
Total assets and deferred outflows of resources	199,537,895	94,817,263	66,851,241	29,909,335	47,671,953	157,774,418	596,562,105
Liabilities							
Accounts payable	5,349,947	-	14,856,963	9,025,087	-	14,848,377	44,080,374
Salaries and benefits payable	7,541,652	-	2,030,530	3,868,828	-	3,731,160	17,172,170
Due to other funds	1,406,030	-	-	-	-	10,423,491	11,829,521
Due to other governments	-	-	-	-	-	126,956	126,956
Deposits from others	18,950	-	-	-	-	-	18,950
Advances from grantors & third parties	855,599	-	27,720,292	16,729,029	-	586,837	45,891,757
Advances from other funds	-	-	-	-	-	100,000	100,000
Total liabilities	15,172,178	-	44,607,785	29,622,944	-	29,816,821	119,219,728
Total liabilities & deferred inflows of resources	15,172,178	-	44,607,785	29,622,944	-	29,816,821	119,219,728
Fund balances							
Non-spendable	11,408,264	-	8,550	25,650	-	736,776	12,179,240
Restricted	4,632,178	94,817,263	19,180,379	252,739	47,671,953	103,386,585	269,941,097
Committed	7,322,789	-	3,054,527	-	-	598,373	10,975,689
Assigned	152,285,335	-	-	8,002	-	23,235,863	175,529,200
Unassigned:							
General fund	8,717,151	-	-	-	-	-	8,717,151
Total fund balances	184,365,717	94,817,263	22,243,456	286,391	47,671,953	127,957,597	477,342,377
Total liabilities, deferred inflows of resources & fund balances	\$ 199,537,895	\$ 94,817,263	\$ 66,851,241	\$ 29,909,335	\$ 47,671,953	\$ 157,774,418	\$ 596,562,105

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, 2017**

Total fund balances for governmental funds (page 20) \$ 477,342,377

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	\$	44,589,970	
Intangible Assets - Internally Generated Software		215,207	
Infrastructure		128,358,292	
Structures and improvements		139,615,396	
Equipment		27,003,919	
Construction in progress		153,771,781	
Total capital assets			493,554,565

Investments - Joint ventures 15,765,044

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 position. 25,315,618

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 (290,647,346)

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 position.

Balances at June 30, 2017 are:

Certificates of participation			
Bonds payable and Loans		(13,942,703)	
Tobacco securitization notes		(124,389,367)	
Capital leases		(553,410)	
Accrued interest on long term debt		(181,037)	
Other post-employment benefits (OPEB)		(10,799,368)	
Compensated absences		(30,331,679)	
Total long-term liabilities			(180,197,564)

Net position of governmental activities (page 17) \$ 541,132,694

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, 2017

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 147,635,366	\$ -	\$ -	\$ -	\$ -	\$ 12,359,178	\$ 159,994,544
Licenses, permits and franchises	2,413,480	-	-	85,492	-	2,002,395	4,501,367
Fines, forfeitures and penalties	5,824,352	-	50,414	-	-	2,206,317	8,081,083
Revenue from use of money and property	3,807,358	(4,443,541)	642,934	4,343	166,372	566,160	743,626
Intergovernmental	81,337,647	-	61,396,852	207,852,856	-	212,547,670	563,135,025
Charges for services	51,897,116	-	37,551,757	1,219,873	8,197,660	39,255,924	138,122,330
Miscellaneous	1,213,939	-	4,471	23,259	29,133	5,410,852	6,681,654
Total revenues	<u>294,129,258</u>	<u>(4,443,541)</u>	<u>99,646,428</u>	<u>209,185,823</u>	<u>8,393,165</u>	<u>274,348,496</u>	<u>881,259,629</u>
Expenditures							
Current:							
General government	36,641,403	-	-	-	-	745,604	37,387,007
Public protection	166,564,025	-	1,302,474	-	-	65,389,287	233,255,786
Public ways and facilities	909,270	-	-	-	-	30,176,249	31,085,519
Health and sanitation	10,514,269	-	102,463,041	-	-	34,429,266	147,406,576
Public assistance	464,472	-	-	234,441,102	-	104,344,590	339,250,164
Education	494,181	-	-	-	-	11,714,904	12,209,085
Recreation and cultural services	6,342,273	-	-	-	-	749,519	7,091,792
Capital outlay	-	-	-	-	73,557	43,520,286	43,593,843
Debt service:							
Interest and fiscal charges	320	-	-	12,411	-	3,523,121	3,535,852
Principal	7,690	-	-	177,608	-	16,538,393	16,723,691
Total expenditures	<u>221,937,903</u>	<u>-</u>	<u>103,765,515</u>	<u>234,631,121</u>	<u>73,557</u>	<u>311,131,219</u>	<u>871,539,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,191,355</u>	<u>(4,443,541)</u>	<u>(4,119,087)</u>	<u>(25,445,298)</u>	<u>8,319,608</u>	<u>(36,782,723)</u>	<u>9,720,314</u>
Other financing sources (uses)							
Capital lease proceeds	-	-	-	303,918	-	-	303,918
Loan proceeds	-	-	-	-	-	7,775,000	7,775,000
Transfers in	7,758,951	-	4,503,182	25,218,442	-	38,779,707	76,260,282
Transfers out	(60,568,297)	(2,940,981)	-	-	(7,763,604)	(10,132,438)	(81,405,320)
Sale of capital assets	28,472	-	8,212	3,785	-	6,849	47,318
Total other financing sources (uses)	<u>(52,780,874)</u>	<u>(2,940,981)</u>	<u>4,511,394</u>	<u>25,526,145</u>	<u>(7,763,604)</u>	<u>36,429,118</u>	<u>2,981,198</u>
Net change in fund balances	<u>19,410,481</u>	<u>(7,384,522)</u>	<u>392,307</u>	<u>80,847</u>	<u>556,004</u>	<u>(353,605)</u>	<u>12,701,512</u>
Fund balances -- beginning	164,955,236	102,201,785	21,851,149	205,544	47,115,949	128,311,202	464,640,865
Fund balances at beginning of year, as restated	164,955,236	102,201,785	21,851,149	205,544	47,115,949	128,311,202	464,640,865
Fund balances -- ending	<u>\$ 184,365,717</u>	<u>\$ 94,817,263</u>	<u>\$ 22,243,456</u>	<u>\$ 286,391</u>	<u>\$ 47,671,953</u>	<u>\$ 127,957,597</u>	<u>\$ 477,342,377</u>

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, 2017

Net change in fund balances - total government funds (page 22) \$ 12,701,512

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

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.

Expenditures for capital assets and infrastructure	\$ 60,682,098	
Less current year depreciation	<u>(16,675,060)</u>	44,007,038

The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (10,425,017)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position (8,078,918)

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 position and premiums are amortized in the statement of activities.

Repayments:		
Certificate of participation	\$ 7,275,000	
Other long-term debt	9,214,726	
Capital lease	233,965	
Amortization of issuance premium	<u>221,899</u>	16,945,590

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.

Other post-employment benefits (OPEB)	\$ (1,140,434)	
Change in investment in joint ventures	(719,614)	
Change in accrued interest payable	138,639	
Change in Tobacco accreted interest payable	(4,971,917)	
Change in compensated absences	(701,456)	
Change in deferred charges	<u></u>	(7,394,782)

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. 6,923,778

Change in net pension liability and deferred outflows and inflows of resources (67,938,029)

Change in net position of governmental activities (page 19) \$ (13,258,828)

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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 140,765,000	\$ 145,265,000	\$ 147,635,366	\$ 2,370,366
Licenses, permits and franchises	2,674,177	2,440,500	2,413,480	(27,020)
Fines, forfeitures and penalties	5,007,400	5,007,400	5,824,352	816,952
Revenue from use of money and property	3,539,306	4,239,306	3,807,358	(431,948)
Intergovernmental revenue	75,257,074	81,707,286	81,337,647	(369,639)
Charges for services	49,390,482	51,689,776	51,897,116	207,340
Miscellaneous revenue	841,259	857,337	1,213,939	356,602
Total revenues - General Fund	<u>277,474,698</u>	<u>291,206,605</u>	<u>294,129,258</u>	<u>2,922,653</u>
Expenditures: General Government				
Assessor				
Salaries and employee benefits	5,224,711	5,334,136	5,249,897	84,239
Services and supplies	592,238	643,738	570,990	72,748
Other charges	353,358	410,358	405,699	4,659
Intrafund transfer	1,225	1,225	105	1,120
Total expenditures	<u>6,171,532</u>	<u>6,389,457</u>	<u>6,226,691</u>	<u>162,766</u>
Auditor-Controller				
Salaries and employee benefits	3,963,183	4,080,692	4,010,348	70,344
Services and supplies	124,452	188,152	149,990	38,162
Other charges	260,826	290,001	287,087	2,914
Intrafund transfer	200	200	45	155
Total expenditures	<u>4,348,661</u>	<u>4,559,045</u>	<u>4,447,470</u>	<u>111,575</u>
Board of Supervisors				
Salaries and employee benefits	895,144	885,144	812,906	72,238
Services and supplies	114,524	204,524	161,948	42,576
Other charges	69,882	79,882	80,642	(760)
Intrafund transfer	-	-	30	(30)
Total expenditures	<u>1,079,550</u>	<u>1,169,550</u>	<u>1,055,526</u>	<u>114,024</u>
Chief Executive				
Salaries and employee benefits	5,579,353	5,629,853	5,193,857	435,996
Services and supplies	1,645,111	1,946,871	1,218,203	728,668
Other charges	414,371	429,871	429,831	40
Intrafund transfer	300	300	(124)	424
Total expenditures	<u>7,639,135</u>	<u>8,006,895</u>	<u>6,841,767</u>	<u>1,165,128</u>
Economic Development				
Services and supplies	1,474,740	1,474,740	195,467	1,279,273
Total expenditures	<u>1,474,740</u>	<u>1,474,740</u>	<u>195,467</u>	<u>1,279,273</u>
Risk Management				
Salaries and employee benefits	1,616,443	1,606,443	1,424,361	182,082
Services and supplies	286,636	286,636	211,183	75,453
Other charges	84,614	94,614	89,966	4,648
Intrafund transfer	300	300	22	278
Total expenditures	<u>1,987,993</u>	<u>1,987,993</u>	<u>1,725,532</u>	<u>262,461</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
CEO - Focus on Prevention				
Services and supplies	1,837,000	1,687,000	34,135	1,652,865
Capital assets	-	150,000	24,506	125,494
Total expenditures	<u>1,837,000</u>	<u>1,837,000</u>	<u>58,641</u>	<u>1,778,359</u>
CEO - ADA Self-Evaluation and Transition Plan Project				
Services and supplies	529,358	529,358	-	529,358
Total expenditures	<u>529,358</u>	<u>529,358</u>	<u>-</u>	<u>529,358</u>
CEO - Discretionary Revenue				
Intrafund transfer	-	-	(53,940)	53,940
Total expenditures	<u>-</u>	<u>-</u>	<u>(53,940)</u>	<u>53,940</u>
Capital Improvement Financing Authority				
Services and supplies	140,633	140,633	24,641	115,992
Total expenditures	<u>140,633</u>	<u>140,633</u>	<u>24,641</u>	<u>115,992</u>
Plant Acquisition				
Salaries and employee benefits	83,325	266,325	192,131	74,194
Services and supplies	5,612,449	5,629,449	2,506,626	3,122,823
Other charges	89,460	89,460	30,711	58,749
Capital assets	460,000	460,000	341,791	118,209
Total expenditures	<u>6,245,234</u>	<u>6,445,234</u>	<u>3,071,259</u>	<u>3,373,975</u>
General Fund Contribution to Other Programs				
Other charges	4,419,234	4,454,504	3,806,620	647,884
Total expenditures	<u>4,419,234</u>	<u>4,454,504</u>	<u>3,806,620</u>	<u>647,884</u>
Appropriations for Contingencies				
Appropriations for contingencies	12,948,261	4,760,640	-	4,760,640
Total expenditures	<u>12,948,261</u>	<u>4,760,640</u>	<u>-</u>	<u>4,760,640</u>
County Facilities				
Services and supplies	3,238,307	3,238,307	15,324	3,222,983
Other charges	648,609	648,609	580,773	67,836
Intrafund transfer	40,000	40,000	39,535	465
Capital assets	106,111	106,111	-	106,111
Total expenditures	<u>4,033,027</u>	<u>4,033,027</u>	<u>635,632</u>	<u>3,397,395</u>
Elections Division				
Salaries and employee benefits	1,094,767	1,098,401	1,085,756	12,645
Services and supplies	1,105,822	2,590,079	1,306,973	1,283,106
Other charges	89,667	89,667	100,917	(11,250)
Intrafund transfer	750	750	1,198	(448)
Capital assets	-	20,000	3,310	16,690
Total expenditures	<u>2,291,006</u>	<u>3,798,897</u>	<u>2,498,154</u>	<u>1,300,743</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
County Counsel				
Salaries and employee benefits	2,273,671	2,309,082	2,250,106	58,976
Services and supplies	199,925	199,925	104,511	95,414
Other charges	153,534	174,951	173,095	1,856
Intrafund transfer	-	-	70	(70)
Total expenditures	<u>2,627,130</u>	<u>2,683,958</u>	<u>2,527,782</u>	<u>156,176</u>
Treasurer and Tax Collector				
Salaries and employee benefits	1,356,388	1,405,848	1,119,579	286,269
Services and supplies	222,208	199,008	159,145	39,863
Other charges	137,580	157,580	152,484	5,096
Intrafund transfer	(20,000)	(26,000)	(38,913)	12,913
Total expenditures	<u>1,696,176</u>	<u>1,736,436</u>	<u>1,392,295</u>	<u>344,141</u>
Revenue Recovery				
Salaries and employee benefits	1,384,770	1,364,770	1,328,785	35,985
Services and supplies	234,108	236,608	232,962	3,646
Other charges	122,822	145,322	144,921	401
Intrafund transfer	(658,500)	(652,500)	(613,285)	(39,215)
Capital assets	5,000	-	-	-
Total expenditures	<u>1,088,200</u>	<u>1,094,200</u>	<u>1,093,383</u>	<u>817</u>
Treasury				
Salaries and employee benefits	347,980	358,559	358,217	342
Services and supplies	134,375	117,849	40,140	77,709
Other charges	38,667	44,613	44,726	(113)
Intrafund transfer	115,000	115,000	115,000	-
Total expenditures	<u>636,022</u>	<u>636,021</u>	<u>558,083</u>	<u>77,938</u>
General Services Agency				
Salaries and employee benefits	615,090	588,582	553,193	35,389
Services and supplies	7,660	22,660	19,237	3,423
Other charges	23,900	36,900	32,215	4,685
Total expenditures	<u>646,650</u>	<u>648,142</u>	<u>604,645</u>	<u>43,497</u>
Expenditures: Public Protection				
Agricultural Commissioner				
Salaries and employee benefits	4,770,414	4,645,414	3,658,930	986,484
Services and supplies	333,905	400,905	357,019	43,886
Other charges	395,119	395,119	393,247	1,872
Intrafund transfer	79,365	87,365	86,205	1,160
Capital assets	298,200	348,200	291,864	56,336
Total expenditures	<u>5,877,003</u>	<u>5,877,003</u>	<u>4,787,265</u>	<u>1,089,738</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Office of Emergency Services				
Salaries and employee benefits	1,501,030	1,075,179	891,729	183,450
Services and supplies	909,069	1,212,740	1,140,299	72,441
Other charges	205,803	205,803	187,438	18,365
Intrafund transfer	500	1,000	601	399
Total expenditures	<u>2,616,402</u>	<u>2,494,722</u>	<u>2,220,067</u>	<u>274,655</u>
County Court Funding				
Services and supplies	122,273	252,273	251,013	1,260
Other charges	5,779,907	5,649,907	5,488,420	161,487
Intrafund transfer	529,752	529,752	522,171	7,581
Total expenditures	<u>6,431,932</u>	<u>6,431,932</u>	<u>6,261,604</u>	<u>170,328</u>
Recorder Division				
Salaries and employee benefits	1,608,333	1,572,663	1,562,577	10,086
Services and supplies	202,389	256,548	117,627	138,921
Other charges	264,110	264,110	265,949	(1,839)
Intrafund transfer	500	500	460	40
Capital assets	175,691	358,930	(39,697)	398,627
Total expenditures	<u>2,251,023</u>	<u>2,452,751</u>	<u>1,906,916</u>	<u>545,835</u>
District Attorney				
Salaries and employee benefits	13,780,240	13,798,320	13,393,740	404,580
Services and supplies	1,346,506	1,771,006	1,755,500	15,506
Other charges	1,058,661	1,058,661	987,821	70,840
Intrafund transfer	100	100	(531)	631
Appropriations for contingencies	420,550	145,216	-	145,216
Capital assets	216,000	342,450	311,663	30,787
Total expenditures	<u>16,822,057</u>	<u>17,115,753</u>	<u>16,448,193</u>	<u>667,560</u>
Planning				
Salaries and employee benefits	1,694,406	1,675,654	1,498,785	176,869
Services and supplies	178,239	200,239	152,863	47,376
Other charges	196,605	196,605	204,928	(8,323)
Intrafund transfer	1,794	1,794	548	1,246
Total expenditures	<u>2,071,044</u>	<u>2,074,292</u>	<u>1,857,124</u>	<u>217,168</u>
Probation Administration				
Salaries and employee benefits	2,095,765	2,195,765	2,158,779	36,986
Services and supplies	404,809	404,809	327,956	76,853
Other charges	478,105	478,105	375,939	102,166
Total expenditures	<u>2,978,679</u>	<u>3,078,679</u>	<u>2,862,674</u>	<u>216,005</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Probation Community Corrections Partnership				
Salaries and employee benefits	3,479,792	3,775,817	3,336,097	439,720
Services and supplies	799,861	769,861	617,141	152,720
Other charges	38,900	38,900	38,231	669
Capital assets	-	30,000	30,000	-
Total expenditures	<u>4,318,553</u>	<u>4,614,578</u>	<u>4,021,469</u>	<u>593,109</u>
Probation Juvenile Commitment Facility				
Salaries and employee benefits	2,887,053	2,687,053	2,637,295	49,758
Services and supplies	481,155	481,155	250,206	230,949
Other charges	356,994	356,994	376,303	(19,309)
Capital assets	773	773	-	773
Total expenditures	<u>3,725,975</u>	<u>3,525,975</u>	<u>3,263,804</u>	<u>262,171</u>
Probation - Field Services				
Salaries and employee benefits	9,037,057	8,996,207	8,654,442	341,765
Services and supplies	918,163	1,378,923	1,111,005	267,918
Other charges	821,679	841,679	780,297	61,382
Intrafund transfer	9,200	9,200	6,212	2,988
Appropriations for contingencies	525,096	470,915	-	470,915
Capital assets	461,036	569,036	438,874	130,162
Total expenditures	<u>11,772,231</u>	<u>12,265,960</u>	<u>10,990,830</u>	<u>1,275,130</u>
Probation - Institutions				
Salaries and employee benefits	5,481,941	5,581,941	5,504,677	77,264
Services and supplies	431,800	431,800	323,097	108,703
Other charges	513,490	512,490	477,204	35,286
Intrafund transfer	-	1,000	950	50
Capital assets	29,983	29,983	13,825	16,158
Total expenditures	<u>6,457,214</u>	<u>6,557,214</u>	<u>6,319,753</u>	<u>237,461</u>
Public Defender				
Salaries and employee benefits	5,612,809	5,564,970	5,539,275	25,695
Services and supplies	178,890	334,435	333,993	442
Other charges	295,678	295,678	291,232	4,446
Intrafund transfer	62,000	62,000	52,242	9,758
Appropriations for contingencies	56,849	46,346	-	46,346
Capital assets	173,300	173,300	136,465	36,835
Total expenditures	<u>6,379,526</u>	<u>6,476,729</u>	<u>6,353,207</u>	<u>123,522</u>
Indigent Defense				
Services and supplies	<u>4,661,460</u>	<u>4,661,460</u>	<u>4,272,730</u>	<u>388,730</u>
Total expenditures	<u>4,661,460</u>	<u>4,661,460</u>	<u>4,272,730</u>	<u>388,730</u>
Sheriff's Administration				
Salaries and employee benefits	7,660,765	7,926,592	7,903,599	22,993
Services and supplies	1,370,529	1,374,852	1,373,929	923
Other charges	419,385	716,881	708,764	8,117
Intrafund transfer	(43,500)	(43,500)	(32,884)	(10,616)
Capital assets	552,215	552,215	456,131	96,084
Total expenditures	<u>9,959,394</u>	<u>10,527,040</u>	<u>10,409,539</u>	<u>117,501</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Sheriff's Operations				
Salaries and employee benefits	20,014,849	22,118,756	22,118,753	3
Services and supplies	6,220,197	7,761,147	6,872,942	888,205
Other charges	2,497,766	2,195,270	2,098,410	96,860
Intrafund transfer	(553,960)	(653,960)	(726,934)	72,974
Appropriations for contingencies	1,172,110	403,981	-	403,981
Capital assets	1,946,145	2,925,689	2,211,973	713,716
Total expenditures	<u>31,297,107</u>	<u>34,750,883</u>	<u>32,575,144</u>	<u>2,175,739</u>
Sheriff's Detention				
Salaries and employee benefits	30,909,183	31,587,371	31,068,500	518,871
Services and supplies	5,655,935	4,755,935	4,425,012	330,923
Other charges	3,594,595	3,344,595	3,477,670	(133,075)
Intrafund transfer	21,200	21,200	9,471	11,729
Capital assets	567,123	724,948	514,706	210,242
Total expenditures	<u>40,748,036</u>	<u>40,434,049</u>	<u>39,495,359</u>	<u>938,690</u>
Sheriff's Adult Detention				
Salaries and employee benefits	3,859,700	3,779,700	2,975,741	803,959
Services and supplies	386,680	386,680	241,115	145,565
Other charges	113,876	113,876	3,076	110,800
Capital assets	-	80,000	57,673	22,327
Total expenditures	<u>4,360,256</u>	<u>4,360,256</u>	<u>3,277,605</u>	<u>1,082,651</u>
Sheriff's Contract Cities				
Salaries and employee benefits	8,647,482	8,442,482	8,162,015	280,467
Services and supplies	1,247,855	1,252,855	1,196,281	56,574
Other charges	587,040	766,840	604,912	161,928
Intrafund transfer	53,000	223,200	201,911	21,289
Capital assets	254,800	104,800	-	104,800
Total expenditures	<u>10,790,177</u>	<u>10,790,177</u>	<u>10,165,119</u>	<u>625,058</u>
Grand Jury				
Salaries and employee benefits	57,575	65,336	64,787	549
Services and supplies	79,204	79,204	37,034	42,170
Other charges	15,531	15,531	15,444	87
Intrafund transfer	300	300	-	300
Total expenditures	<u>152,610</u>	<u>160,371</u>	<u>117,265</u>	<u>43,106</u>
Expenditures: Public Ways				
Airport				
Services and supplies	180,000	189,286	189,286	-
Total expenditures	<u>180,000</u>	<u>189,286</u>	<u>189,286</u>	<u>-</u>
CEO Crows Landing Air Facility				
Services and supplies	1,580,303	1,202,692	207,107	995,585
Other charges	20,040	417,651	408,292	9,359
Total expenditures	<u>1,600,343</u>	<u>1,620,343</u>	<u>615,399</u>	<u>1,004,944</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Expenditures: Health and Sanitation				
CEO Jail Medical				
Services and supplies	9,972,344	10,536,112	10,536,112	-
Other charges	50	50	28	22
Total expenditures	<u>9,972,394</u>	<u>10,536,162</u>	<u>10,536,140</u>	<u>22</u>
Expenditures: Public Assistance				
Veterans' Services				
Salaries and employee benefits	443,043	443,658	389,953	53,705
Services and supplies	49,604	49,604	34,681	14,923
Other charges	41,737	41,737	40,615	1,122
Intrafund transfer	-	-	5	(5)
Total expenditures	<u>534,384</u>	<u>534,999</u>	<u>465,254</u>	<u>69,745</u>
Expenditures: Education				
Cooperative Extension				
Salaries and employee benefits	340,481	338,357	295,077	43,280
Services and supplies	21,910	25,510	21,825	3,685
Other charges	144,669	143,747	131,951	11,796
Intrafund transfer	-	-	105	(105)
Capital assets	48,000	44,400	44,296	104
Total expenditures	<u>555,060</u>	<u>552,014</u>	<u>493,254</u>	<u>58,760</u>
Expenditures: Recreation and Cultural Services				
Parks and Recreation				
Salaries and employee benefits	3,285,593	3,150,195	2,950,811	199,384
Services and supplies	1,540,125	1,740,125	1,429,388	310,737
Other charges	1,015,575	1,015,575	987,305	28,270
Intrafund transfer	123,460	123,460	515,655	(392,195)
Capital assets	230,150	563,850	464,884	98,966
Total expenditures	<u>6,194,903</u>	<u>6,593,205</u>	<u>6,348,043</u>	<u>245,162</u>
Tuolumne River Regional Park				
Services and supplies	194,512	194,512	194,512	-
Total expenditures	<u>194,512</u>	<u>194,512</u>	<u>194,512</u>	<u>-</u>
Expenditures: Debt Service				
Debt Service				
Other charges	101,357	101,357	101,357	-
Intrafund transfer	(71,435)	(71,435)	(85,929)	14,494
Total expenditures	<u>29,922</u>	<u>29,922</u>	<u>15,428</u>	<u>14,494</u>
Total expenditures - General Fund	<u>254,771,739</u>	<u>255,285,997</u>	<u>223,172,631</u>	<u>32,113,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,702,959</u>	<u>35,920,608</u>	<u>70,956,627</u>	<u>35,036,019</u>
Other financing sources (uses)				
Transfers in	8,278,618	8,355,378	7,758,951	(596,427)
Transfers out	(56,867,825)	(64,005,515)	(60,568,297)	3,437,218
Sale of capital assets	-	-	28,472	28,472
Total other financing sources (uses)	<u>(48,589,207)</u>	<u>(55,650,137)</u>	<u>(52,780,874)</u>	<u>2,869,263</u>
Net change in fund balance	<u>(25,886,248)</u>	<u>(19,729,529)</u>	<u>18,175,753</u>	<u>37,905,282</u>
Fund balance -- beginning	164,955,236	164,955,236	164,955,236	-
Fund balance -- ending	<u>\$ 139,068,988</u>	<u>\$ 145,225,707</u>	<u>\$ 183,130,989</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
Behavioral Health and Recovery Services-Special Revenue Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Fines, forfeitures, and penalties	\$ 95,200	\$ 95,200	\$ 50,414	\$ (44,786)
Revenue from use of money and property	742,446	742,446	642,934	(99,512)
Intergovernmental revenue	63,850,009	65,906,158	61,396,852	(4,509,306)
Charges for services	38,322,634	37,734,601	37,551,757	(182,844)
Miscellaneous revenue	-	-	4,371	4,371
Donation	-	-	100	100
Total revenues - Behavioral Health and Recovery	<u>103,010,289</u>	<u>104,478,405</u>	<u>99,646,428</u>	<u>(4,831,977)</u>
Expenditures: Public Protection				
Salaries and employee benefits	915,625	925,625	920,074	5,551
Services and supplies	73,837	74,837	73,963	874
Other charges	176,039	188,690	168,596	20,094
Capital assets	35,000	35,000	20,604	14,396
Intrafund transfer	118,064	118,064	119,237	(1,173)
Total expenditures	<u>1,318,565</u>	<u>1,342,216</u>	<u>1,302,474</u>	<u>39,742</u>
Expenditures: Health and Sanitation				
Salaries and employee benefits	45,216,421	45,240,514	40,363,509	4,877,005
Services and supplies	58,639,175	61,946,659	53,212,769	8,733,890
Other charges	6,429,463	7,350,263	6,255,970	1,094,293
Capital assets	469,765	469,765	104,689	365,076
Intrafund transfer	(118,064)	(118,064)	(119,237)	1,173
Total expenditures	<u>110,636,760</u>	<u>114,889,137</u>	<u>99,817,700</u>	<u>15,071,437</u>
Total expenditures - Behavioral Health and Recovery	<u>111,955,325</u>	<u>116,231,353</u>	<u>101,120,174</u>	<u>15,111,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,945,036)</u>	<u>(11,752,948)</u>	<u>(1,473,746)</u>	<u>10,279,202</u>
Other financing sources (uses)				
Transfers in	2,308,262	2,873,844	4,503,182	1,629,338
Sale of capital assets	-	-	8,212	8,212
Total other financing sources (uses)	<u>2,308,262</u>	<u>2,873,844</u>	<u>4,511,394</u>	<u>1,637,550</u>
Net change in fund balance	<u>(6,636,774)</u>	<u>(8,879,104)</u>	<u>3,037,648</u>	<u>11,916,752</u>
Fund balance - beginning	<u>21,851,149</u>	<u>21,851,149</u>	<u>21,851,149</u>	<u>-</u>
Fund balance - ending	<u>\$ 15,214,375</u>	<u>\$ 12,972,045</u>	<u>\$ 24,888,797</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Licenses, permits and franchises	\$ 78,752	\$ 78,752	\$ 85,492	\$ 6,740
Revenue from use of money and property	-	189	4,343	4,154
Intergovernmental revenue	228,510,629	228,277,598	207,852,856	(20,424,742)
Charges for services	2,035,558	1,914,611	1,219,873	(694,738)
Miscellaneous revenue	14,398	14,140	23,130	8,990
Donation	-	-	129	129
Total revenues - Community Services Agency	<u>230,639,337</u>	<u>230,285,290</u>	<u>209,185,823</u>	<u>(21,099,467)</u>
Expenditures: Public Assistance				
Salaries and employee benefits	91,422,113	89,338,023	82,393,116	6,944,907
Services and supplies	25,324,816	28,642,008	21,436,942	7,205,066
Other charges	137,344,729	136,101,326	130,113,472	5,987,854
Capital assets	332,935	636,853	495,703	141,150
Total expenditures - Community Services Agency	<u>254,424,593</u>	<u>254,718,210</u>	<u>234,439,233</u>	<u>20,278,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,785,256)</u>	<u>(24,432,920)</u>	<u>(25,253,410)</u>	<u>(820,490)</u>
Other financing sources (uses)				
Transfers in	24,093,125	24,382,679	25,218,442	835,763
Transfers out	(433,290)	(251,657)	-	251,657
Sale of capital assets	-	-	3,785	3,785
Capital lease proceeds	-	303,918	303,918	-
Total other financing sources (uses)	<u>23,659,835</u>	<u>24,434,940</u>	<u>25,526,145</u>	<u>1,091,205</u>
Net change in fund balance	<u>(125,421)</u>	<u>2,020</u>	<u>272,735</u>	<u>270,715</u>
Fund balance - beginning	<u>205,544</u>	<u>205,544</u>	<u>205,544</u>	<u>-</u>
Fund balance - ending	<u>\$ 80,123</u>	<u>\$ 207,564</u>	<u>\$ 478,279</u>	<u>\$ 270,715</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, 2017**

	Business-type Activities - Enterprise Funds				Governmental
	Fink Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and investments	\$ 20,437,352	\$ 7,414,947	\$ 13,431,757	\$ 41,284,056	\$ 54,746,639
Accounts receivable, net	359,656	17,297,709	725,927	18,383,292	963,572
Interest and other receivables	100,723	51,375	33,570	185,668	119,655
Inventory	-	-	8,612	8,612	387,108
Prepaid items	-	214,136	-	214,136	-
Total current assets	<u>20,897,731</u>	<u>24,978,167</u>	<u>14,199,866</u>	<u>60,075,764</u>	<u>56,216,974</u>
Noncurrent assets:					
Investments with fiscal agent	66,862	-	-	66,862	-
Restricted cash and investments	19,350,660	-	474,299	19,824,959	-
Capital assets					
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	9,913,597	348,276	18,102,652	1,002,508
Equipment	3,518,381	4,552,839	15,445,259	23,516,479	21,633,219
Construction in progress	-	395,071	158,762	553,833	7,558,367
Less: Accumulated depreciation	<u>(7,980,529)</u>	<u>(13,129,762)</u>	<u>(6,731,694)</u>	<u>(27,841,985)</u>	<u>(17,435,387)</u>
Net capital assets	<u>16,935,252</u>	<u>1,731,745</u>	<u>11,126,864</u>	<u>29,793,861</u>	<u>15,463,304</u>
Total noncurrent assets	<u>36,352,774</u>	<u>1,731,745</u>	<u>11,601,163</u>	<u>49,685,682</u>	<u>15,463,304</u>
Total assets	<u>57,250,505</u>	<u>26,709,912</u>	<u>25,801,029</u>	<u>109,761,446</u>	<u>71,680,278</u>
Deferred outflows of resources					
Deferred pensions	765,433	13,948,722	500,606	15,214,761	8,071,979
Total deferred outflows of resources	<u>765,433</u>	<u>13,948,722</u>	<u>500,606</u>	<u>15,214,761</u>	<u>8,071,979</u>
Liabilities					
Current liabilities:					
Accounts payable	386,209	2,480,603	1,517,460	4,384,272	3,471,179
Salaries and benefits payable	52,474	841,940	24,446	918,860	398,682
Unearned revenues	-	-	-	-	55,677
Due to other funds	-	-	-	-	755,008
Deposits from others	28,617	-	-	28,617	-
Risk management liability - current	-	-	-	-	14,684,154
Capital leases - current	-	-	-	-	171,243
Compensated absences - current	31,818	327,196	12,480	371,494	-
Total current liabilities	<u>499,118</u>	<u>3,649,739</u>	<u>1,554,386</u>	<u>5,703,243</u>	<u>19,535,943</u>
Noncurrent liabilities:					
Estimated cost of landfill closure/postclosure	8,757,460	-	288,809	9,046,269	-
Risk management liability	-	-	-	-	19,869,577
Other post-employment benefits (OPEB)	60,372	592,076	31,552	684,000	320,298
Compensated absences	58,007	720,300	15,792	794,099	828,763
Net pension liability	<u>1,444,886</u>	<u>23,030,771</u>	<u>923,730</u>	<u>25,399,387</u>	<u>13,222,626</u>
Total noncurrent liabilities	<u>10,320,725</u>	<u>24,343,147</u>	<u>1,259,883</u>	<u>35,923,755</u>	<u>34,241,264</u>
Total liabilities	<u>10,819,843</u>	<u>27,992,886</u>	<u>2,814,269</u>	<u>41,626,998</u>	<u>53,777,207</u>
Deferred inflows of resources					
Deferred pensions	32,061	212,116	12,844	257,021	132,973
Total deferred inflows of resources	<u>32,061</u>	<u>212,116</u>	<u>12,844</u>	<u>257,021</u>	<u>132,973</u>
Net position					
Net investment in capital assets	16,935,252	1,731,745	11,126,864	29,793,861	15,463,304
Restricted					
Landfill	19,399,240	-	474,565	19,873,805	-
Health Clinics and Ancillary Services	-	1,096,063	-	1,096,063	-
Unrestricted	<u>10,829,542</u>	<u>9,625,824</u>	<u>11,873,093</u>	<u>32,328,459</u>	<u>10,378,773</u>
Total net position	<u>\$ 47,164,034</u>	<u>\$ 12,453,632</u>	<u>\$ 23,474,522</u>	<u>83,092,188</u>	<u>\$ 25,842,077</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				526,457	
Net position of business type activities				<u>\$ 83,618,645</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, 2017

	Business-type Activities - Enterprise Funds				Governmental
	Fink Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Operating revenues					
Charges for services	\$ 7,789,489	\$ 42,014,090	\$ 2,960,913	\$ 52,764,492	\$ 95,174,084
Total operating revenues	<u>7,789,489</u>	<u>42,014,090</u>	<u>2,960,913</u>	<u>52,764,492</u>	<u>95,174,084</u>
Operating expenses					
Salaries and benefits	1,224,762	18,522,991	673,554	20,421,307	8,686,679
Services and supplies	2,869,410	21,915,407	7,415,491	32,200,308	82,301,405
Depreciation	757,785	321,286	1,204,109	2,283,180	1,461,589
Estimated cost of closure/postclosure	363,105	-	-	363,105	-
Total operating expenses	<u>5,215,062</u>	<u>40,759,684</u>	<u>9,293,154</u>	<u>55,267,900</u>	<u>92,449,673</u>
Operating income (loss)	<u>2,574,427</u>	<u>1,254,406</u>	<u>(6,332,241)</u>	<u>(2,503,408)</u>	<u>2,724,411</u>
Nonoperating revenues (expenses)					
Investment income	734,180	21,548	48,173	803,901	201,542
Intergovernmental	-	264,625	7,663,147	7,927,772	1,769,087
Gain (loss) on sale of capital assets	-	(3,579)	-	(3,579)	(974)
Total nonoperating revenues (expenses)	<u>734,180</u>	<u>282,594</u>	<u>7,711,320</u>	<u>8,728,094</u>	<u>1,969,655</u>
Income before contributions and transfers	<u>3,308,607</u>	<u>1,537,000</u>	<u>1,379,079</u>	<u>6,224,686</u>	<u>4,694,066</u>
Transfers in	-	3,682,135	1,360,119	5,042,254	1,962,902
Transfers (out)	(1,360,119)	-	(500,000)	(1,860,119)	-
Transfer in (out), net	<u>(1,360,119)</u>	<u>3,682,135</u>	<u>860,119</u>	<u>3,182,135</u>	<u>1,962,902</u>
Change in net position	<u>1,948,488</u>	<u>5,219,135</u>	<u>2,239,198</u>	<u>9,406,821</u>	<u>6,656,968</u>
Total net position - beginning	<u>45,215,546</u>	<u>7,234,497</u>	<u>21,235,324</u>	<u>73,685,367</u>	<u>19,185,109</u>
Total net position - ending	<u>\$ 47,164,034</u>	<u>\$ 12,453,632</u>	<u>\$ 23,474,522</u>		<u>\$ 25,842,077</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(266,810)	
Change in net position of business type activities				<u>\$ 9,140,011</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, 2017**

	Business-type Activities - Enterprise Funds				Governmental
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Activities
		Internal Service Funds			
Cash flows from operating activities:					
Cash received from customers and users	\$ 7,771,413	\$40,968,343	2,948,253	\$ 51,688,009	\$ 95,323,331
Cash received (paid) from interfund services	-	-	-	-	(81,677,669)
Cash paid to suppliers	(2,669,241)	(20,879,183)	(9,270,420)	(32,818,844)	-
Cash paid to employees	(1,172,658)	(17,802,559)	(688,081)	(19,663,298)	(8,290,758)
Net cash provided (used) by operating activities	<u>3,929,514</u>	<u>2,286,601</u>	<u>(7,010,248)</u>	<u>(794,133)</u>	<u>5,354,904</u>
Cash flows from noncapital financing activities:					
Transfers in	-	3,682,135	1,360,119	5,042,254	1,962,902
Subsidy from state and federal grant	-	264,625	7,663,147	7,927,772	1,769,087
Transfers out	(1,360,119)	-	(500,000)	(1,860,119)	-
Net cash provided (used) by noncapital financing activities	<u>(1,360,119)</u>	<u>3,946,760</u>	<u>8,523,266</u>	<u>11,109,907</u>	<u>3,731,989</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(68,831)	(789,741)	(830,648)	(1,689,220)	(8,341,262)
Proceeds (loss) from disposal of capital assets	-	(3,579)	-	(3,579)	23,885
Net cash (used) by capital and related financing activities	<u>(68,831)</u>	<u>(793,320)</u>	<u>(830,648)</u>	<u>(1,692,799)</u>	<u>(8,317,377)</u>
Cash flows from investing activities:					
Interest received	734,180	21,548	48,173	803,901	201,542
Net cash provided by investing activities	<u>734,180</u>	<u>21,548</u>	<u>48,173</u>	<u>803,901</u>	<u>201,542</u>
Net increase (decrease) in cash and cash equivalents	<u>3,234,744</u>	<u>5,461,589</u>	<u>730,543</u>	<u>9,426,876</u>	<u>971,058</u>
Cash and equivalents - beginning	<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>
Cash and equivalents - ending	<u>\$ 39,854,874</u>	<u>\$ 7,414,947</u>	<u>\$ 13,906,056</u>	<u>\$ 61,175,877</u>	<u>\$ 54,746,639</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and investments	\$ 20,437,352	\$ 7,414,947	\$ 13,431,757	\$ 41,284,056	\$ 54,746,639
Restricted cash and investments & investment with fiscal agent	19,417,522	-	474,299	19,891,821	-
Total cash and cash equivalents	<u>\$ 39,854,874</u>	<u>\$ 7,414,947</u>	<u>\$ 13,906,056</u>	<u>\$ 61,175,877</u>	<u>\$ 54,746,639</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, 2017

	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)	\$ 2,574,427	\$ 1,254,406	\$ (6,332,241)	\$ (2,503,408)	\$ 2,724,411
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	757,785	321,286	1,204,109	2,283,180	1,461,589
(Increase) decrease in accounts receivable	(18,076)	(1,045,747)	(12,660)	(1,076,483)	(653,479)
(Increase) decrease in other receivables	(12,379)	28,037	1,394	17,052	(7,959)
(Increase) decrease in inventory	-	-	(3,115)	(3,115)	(39,764)
(Increase) decrease in prepaid items	-	235,438	-	235,438	-
(Increase) decrease in deferred outflows	(615,948)	(12,021,542)	(409,246)	(13,046,736)	(6,977,194)
Increase (decrease) in accounts payable and accrued liabilities	212,547	772,750	(340,129)	645,168	663,500
Increase (decrease) in salaries and benefits payable	2,283	58,628	(10,657)	50,254	48,047
Increase (decrease) in unearned revenue	-	-	-	-	55,677
Increase (decrease) in liability for compensated absences	3,921	(34,112)	(32,188)	(62,379)	24,180
Increase (decrease) in other post-employment benefits(OPEB)	6,129	61,984	2,891	71,004	38,172
Increase (decrease) in deferred inflows	(63,453)	(1,019,277)	(45,531)	(1,128,261)	(566,550)
Increase (decrease) in pension liability	719,173	13,674,750	480,204	14,874,127	7,907,702
Increase (decrease) in advances from other funds	-	-	-	-	755,008
Increase (decrease) in estimated cost of closure/postclosure	363,105	-	(1,513,079)	(1,149,974)	-
Increase (decrease) in risk management liability	-	-	-	-	(78,436)
Net cash provided (used) by operating activities	<u>\$ 3,929,514</u>	<u>\$ 2,286,601</u>	<u>\$ (7,010,248)</u>	<u>\$ (794,133)</u>	<u>\$ 5,354,904</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, 2017

	Employees' Retirement Trust	Investment Trust	Agency Funds	Successor Agency Private Purpose Trust
Assets				
Cash and investments	\$ 92,153,518	\$ 792,617,884	\$ 720,739	\$ 2,302,008
Investments with fiscal agent	-	-	-	1,193,803
Receivables (net of allowance for uncollectables):	-	15,060,939	740,547	-
Interest and dividends	6,443,406	-	-	-
Securities transactions	62,995,717	-	-	-
Contributions	5,039,247	-	-	-
Other	-	1,928,794	42	2,347
Advances to other governments	-	-	-	13,650
Prepaid	82,294	14,476	-	-
Other assets	3,910,685	27,517,646	-	-
Investments:				
Bonds	460,780,851	-	-	-
Stocks	1,294,693,635	-	-	-
Private credit	92,820,985	-	-	-
Private real estate	53,535,171	-	-	-
Infrastructure	19,932,549	-	-	-
Collateral on loaned securities	140,584,293	-	-	-
Total assets	<u>2,232,972,351</u>	<u>837,139,739</u>	<u>1,461,328</u>	<u>3,511,808</u>
Deferred outflows of resources				
Deferred pension	-	8,183,584	-	-
Total outflows of resources	<u>-</u>	<u>8,183,584</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>2,232,972,351</u>	<u>845,323,323</u>	<u>1,461,328</u>	<u>3,511,808</u>
Liabilities				
Accounts payable	97,769,747	16,830,301	103,012	-
Securities lending obligation	140,584,293	-	-	-
Grant deed extension fee	395,000	-	-	-
Trust obligations	-	9,460,029	1,358,316	-
Advances from grantors and third parties	-	422,287	-	-
Interest payable	-	-	-	340,718
Net pension liability	-	13,468,631	-	-
Bonds and notes payable	-	-	-	14,320,000
Total liabilities	<u>238,749,040</u>	<u>40,181,248</u>	<u>1,461,328</u>	<u>14,660,718</u>
Deferred inflows of resources				
Deferred pensions	-	124,047	-	-
Total inflows of resources	<u>-</u>	<u>124,047</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>238,749,040</u>	<u>40,305,295</u>	<u>1,461,328</u>	<u>14,660,718</u>
Net position held in trust for pension benefits/investment pool participants	<u>\$ 1,994,223,311</u>	<u>\$ 805,018,028</u>	<u>\$ -</u>	<u>\$ (11,148,910)</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, 2017

	Employees' Retirement Trust	Investment Trust	Successor Agency Private Purpose Trust
Additions			
Contributions:			
Employer contributions	\$ 63,024,560	\$ -	\$ -
Member contributions	25,463,745	-	-
Contributions on pooled investments	-	3,793,379,941	-
Redevelopment agency property tax trust	-	-	1,442,723
Total contributions	<u>88,488,305</u>	<u>3,793,379,941</u>	<u>1,442,723</u>
Investment Income			
Net (depreciation) in fair value	216,142,516	-	-
Interest	45,117,367	2,539,342	(1,758)
Miscellaneous income/(expense)	1,035,620	-	66,447
Less investment expense	(9,985,798)	-	-
Net investment income	<u>252,309,705</u>	<u>2,539,342</u>	<u>64,689</u>
Total additions	<u>340,798,010</u>	<u>3,795,919,283</u>	<u>1,507,412</u>
Deductions			
Benefit payments	114,290,758	-	-
Refunds of prior contributions	2,553,100	-	-
Distributions from pooled investments	-	3,707,317,053	-
Interest	-	-	733,516
Administrative expense	2,644,554	-	95,808
Total deductions	<u>119,488,412</u>	<u>3,707,317,053</u>	<u>829,324</u>
Change in net position	<u>221,309,598</u>	<u>88,602,230</u>	<u>678,088</u>
Net position held in trust - beginning	<u>1,772,913,713</u>	<u>716,415,798</u>	<u>(11,826,998)</u>
Net position held in trust - ending	<u>\$ 1,994,223,311</u>	<u>\$ 805,018,028</u>	<u>\$ (11,148,910)</u>

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



County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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 30th 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 Board of Supervisors, which is the same governing body as the County. The activity for the Authority is reported as a debt service fund.
2. Lighting Districts: The County has 28 different, legally separate lighting districts. It is governed by the five members of the Board of Supervisors, which is the same governing body as the County. 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. There are three directors of the Stanislaus Corporation, which is comprised of two Board of Supervisors of the County and one independent member. 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
June 30, 2017

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. It is governed by the five members of the Board of Supervisors, which is the same governing body as the County. 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
June 30, 2017

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
June 30, 2017

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
June 30, 2017

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
June 30, 2017

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
June 30, 2017

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 capital 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>General Fund</u>	<u>Special Revenue Funds</u>	
		<u>Behavioral Health and Recovery</u>	<u>Community Services Agency</u>
Total expenditures (budgetary basis)	\$ 223,172,631	\$ 101,120,174	\$ 234,439,233
Basis difference - net addition of			
2015/16 encumbrances and commitments			
minus			
2016/17 encumbrances and commitments	<u>(1,234,728)</u>	<u>2,645,341</u>	<u>191,888</u>
Total expenditures (GAAP)	<u>\$ 221,937,903</u>	<u>\$ 103,765,515</u>	<u>\$ 234,631,121</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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
June 30, 2017

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 acquisition value. 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, 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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

J. **Capital Assets** (continued)

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 capital assets is \$5,000 or greater.

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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

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 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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

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.

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. Board approval is required to set and remove the constraints. 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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

O. **Fund Balance** (continued)

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, 2017.

GASB Statement 74: Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement requires defined benefit Other Post Employment Benefit (OPEB) plans that are administered through trusts to produce a Statement of Fiduciary Net Position and a Statement of changes in Fiduciary Net Position. The Statement also includes specified criteria associated with the Notes to financial statements and the Required Supplementary Information. The County's OPEB plan is not administered through trusts and therefore this Statement does not impact the County's financial statements.

GASB Statement 77: Tax Abatement Disclosures. This Statement requires disclosure of tax abatement information about County's tax abatement agreements and agreements entered into by other government agencies that reduce the County's tax revenues.

GASB Statement 78: Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The provisions of this Statement amends the scope and applicability of Statement 68, to exclude defined pension plan that is not a state or local governmental pension plan. This Statement does not impact the County's financial statements.

GASB Statement 80: Blending Requirements for Certain Component Units- an amendment of GASB Statement No. 14. This Statement requires a not-for-profit corporation, in which the County is a sole corporate member, to be reported as a blended component unit.

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. This Statement amends

Statements 67 and 68 to require the presentation of covered payroll, defined as the payroll in which contributions to a pension plan are based, and ratios that use that measure. Stanislaus County's pension plan is in compliance with this Statement.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

Q. Future Governmental Accounting Standards Board (GASB) Statements

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 2017/2018)

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)

GASB Statement 83: Certain Asset Retirement Obligations. The requirements of this Statement are effective for periods after June 30, 2018. (Fiscal Year 2018/19)

GASB Statement 84: Fiduciary Activities. The requirements of this Statement are effective for periods beginning after June 30, 2019. (Fiscal Year 2019/20)

GASB Statement 85: Omnibus 2017. The requirements of this Statement are effective for periods beginning after June 30, 2018. (Fiscal Year 2018/19)

GASB Statement 86: Certain Debt Extinguishment Issues. The requirements of this Statement are effective for periods beginning after June 30, 2018. (Fiscal Year 2018/19)

GASB Statement 87: Leases. The requirements of this Statement are effective for periods beginning after June 30, 2020. (Fiscal Year 2020/21)

Note 2: **Individual Fund Deficits**

For the year ended June 30, 2017, the Individual Fund Deficits are as follows:

Proprietary Funds:

ISF - Central Services	\$ 304,024
ISF - Facility Maintenance	\$ 98,107

The Central Services and Facility Maintenance deficits are due to GASB Statement No. 68 (Accounting and Financial Reporting for Pension) adjustments recorded in prior years. Deficit amount has decreased from FY 15/16 due to increase in net position (excluding GASB Statement No. 68 adjusting entries).

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

For the year ended June 30, 2017, 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 - Treasury	Other charges	\$ 113
GF - Board of Supervisors	Other charges	\$ 760
GF - Recorder Division	Other charges	\$ 1,839
GF - Planning	Other charges	\$ 8,323
GF - Elections Division	Other charges	\$ 11,250
GF - Probation Juvenile Commitment Facility	Other charges	\$ 19,309
GF - Sheriff's Detention	Other charges	\$ 133,075

The excess expenditures for Treasury, Board of Supervisors, Recorded Division, Planning, Elections Division, Probation and Sheriff are related to interfund reimbursements.

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 no longer requires the formation of an Investment Oversight Committee to oversee activity in the pool for compliance and code requirements. However, Stanislaus County does still maintain an active committee.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

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.

Total County cash and investments are as follows:

Cash and Investments	
Imprest cash	\$ 141,550
Cash in banks-department administered	3,697,916
In custody of Treasurer:	
Cash on hand	59,348
Cash in bank	6,972,816
Investments held by Treasurer	1,323,349,744
Less outstanding checks	<u>(48,463,782)</u>
Total in custody of Treasurer	1,281,918,126
Investments held by fiscal agents:	
Tobacco settlement	83,226,162
Tobacco funding corporation	6,108,434
Stock investment	66,862
Bond requirements	-
Subtotal investments held by agents	<u>89,401,458</u>
Private Purpose Trust investments held by fiscal agents	<u>1,193,803</u>
Total investments held by agents	90,595,261
Employees' retirement trust:	
Cash (outside Treasurer's pool)	80,101,286
Investments	<u>2,062,347,484</u>
Total cash and investments	<u>\$ 3,518,801,623</u>

Total County cash & investments are reported as follows:

Primary government	
Cash and investments	\$ 453,607,592
Investments with fiscal agent	89,401,458
Restricted cash & investments	24,457,137
Employees' retirement trust	
Cash and investments	92,153,518
Other investments	2,062,347,484
Investment trust - cash and investments	792,617,884
Agency funds - cash and investments	720,739
Private purpose trust	
Cash and investments	2,302,008
Investments with fiscal agent	<u>1,193,803</u>
Total cash and investments	<u>\$ 3,518,801,623</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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 \$1.3 billion portfolio, over 52% of the investments have a maturity of one year or less. No investment has a maturity greater than three years.
- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 15 years that are sensitive to interest rate changes. Of these bonds, 7% are insured, which tends to reduce interest rate risk.
- *StanCERA's Investment Portfolio.* Highly Sensitive Investments are certain debt investments whose terms may cause their fair value to be highly sensitive to market interest rate changes. Terms include such variables as embedded options, coupon multipliers, benchmark indices and reset dates. StanCERA's fixed income investments have embedded prepayment options that will typically cause prepayments by the obligees of the underlying investments when interest rates fall. Prepayments eliminate the stream of future interest payments and, therefore, diminish the fair value of the fixed income investment.

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), and the State's Local Agency Investment Fund.
- *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 94% of the portfolio. The rest of the portfolio is currently being held in a Stanislaus County trust account while approved investment options are being evaluated.

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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

where credit rating agencies assign different quality ratings to a security, the lower rating will be used.

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, 2017:

Credit Rating	Active Management	Fixed Income Securities Amount
Aaa / AAA	0.24%	\$ 1,099,420
Aa1 / AA+	1.55%	7,162,393
Aa2 / AA	0.37%	1,717,017
Aa3 / AA-	1.07%	4,910,983
A1 / A+	1.23%	5,690,205
A2 / A	0.89%	4,092,236
A3 / A-	1.66%	7,630,802
Baa1 / BBB+	7.04%	32,458,568
Baa2 / BBB	7.08%	32,611,260
Baa3 / BBB-	9.51%	43,797,693
Ba1 / BB+	4.32%	19,894,398
Ba2 / BB	1.06%	4,906,899
Ba3 / BB-	0.90%	4,124,392
B1 / B+	1.00%	4,599,110
B2 / B	0.29%	1,354,560
B3 / B-	0.12%	537,581
Caa1/CCC+	1.10%	5,081,346
Caa2/CCC	27.11%	124,934,789
N/A	33.46%	154,177,199
	<u>100.00%</u>	<u>\$ 460,780,851</u>

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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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 fiscal 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 fiscal 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 fiscal 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, 2017, StanCERA had securities on loan with a carrying value of \$137,200,000 and collateral of \$140,600,000. 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
June 30, 2017

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, 2017 was \$408,187,210, distributed as follows:

Currency	Fair Value (in US \$)	Currency	Fair Value (in US \$)
Australian Dollar	22,305,405	New Israeli Shekel	750,661
Brazilian Real	1,095,326	New Taiwan Dollar	8,387,345
British Pound	46,612,396	New Zealand Dollar	1,765,526
Canadian Dollar	26,000,999	Norwegian Krone	3,380,274
Chilean Peso	845,878	Singapore Dollar	3,171,522
Danish Krone	4,851,802	South African Rand	1,782,798
Euro Dollars	103,052,094	South Korean Won	10,198,702
Hong Kong Dollar	23,103,895	Swedish Krona	4,353,319
Hungarian Forint	1,244,746	Swiss Franc	23,278,290
Indonesian Rupiah	1,105,930	Thailand Baht	1,588,645
Japanese Yen	68,986,121	Turkish Lira	1,160,637
Malaysian Renggit	947,026	US Dollar	48,217,873

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 61% 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>	31%
<i>Federal Home Loan Bank</i>	15%
<i>Federal Farm Credit Bank</i>	15%

Of the 39% 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
June 30, 2017

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 36% of the portfolio.
- *StanCERA's Investment Portfolio.* Investments issued or explicitly guaranteed by the US Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements. As of June 30, 2017, for separately managed investment accounts, StanCERA did not have investments in any one issuer representing 5% or more of the total portfolio.

At June 30, 2017, StanCERA had the following investments:

<u>Fixed Income Securities</u>	
U.S. Treasuries	\$ 151,429,405
Commercial Mortgage Backed Securities	2,239,743
Government Mortgage Backed Securities	120,887,939
Collateralized Mortgage Obligations	1,087,450
Federal Agency	7,311,898
Asset Backed Securities	2,797,008
Corporate Bonds	96,612,255
Municipal Bonds	11,528,044
Emerging Market / Non-U.S. Bonds	66,887,109
	460,780,851
<u>Equities</u>	
Domestic	851,315,999
International	408,187,210
	1,259,503,209
<u>Real Estate Securities</u>	35,190,426
<u>Private Credit</u>	92,820,985
<u>Private Real Estate</u>	53,535,171
<u>Infrastructure</u>	19,932,549
<u>Securities Lending Collateral</u>	140,584,293
<u>Total Other Investments</u>	\$ 2,062,347,484

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

Concentration of Credit Risk (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2017. 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, 2017
(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		
Triple A										
Medium Term Notes	AAA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,338	\$ 11,338	0.86%
		-	-	-	-	-	-	11,338	11,338	0.86%
Double A										
Federal Agencies	AA+	12,850	17,124	19,988	47,158	69,352	177,606	59,839	403,917	30.53%
US Treasuries	AA+	19,994	-	9,994	9,989	79,858	169,353	118,965	408,153	30.84%
Medium Term Notes	AA+	-	-	-	-	-	-	16,324	16,324	1.23%
Medium Term Notes	AA-	-	-	-	-	-	16,941	17,851	34,792	2.63%
		32,844	17,124	29,982	57,147	149,210	363,900	212,979	863,186	65.23%
Single A										
Commercial Paper	A-1+	-	-	-	19,878	-	-	-	19,878	1.50%
Negotiable Cert of Deposit	A-1	10,000	-	-	20,000	65,046	-	-	95,046	7.18%
Commercial Paper	A-1	39,989	24,950	19,939	44,813	-	-	-	129,691	9.80%
Negotiable Cert of Deposit	A-2	10,000	-	19,999	9,994	9,992	-	-	49,985	3.78%
Medium Term Notes	A+	-	-	-	-	-	10,064	19,940	30,004	2.27%
Medium Term Notes	A	-	-	-	-	-	22,174	-	22,174	1.68%
Medium Term Notes	A-	-	-	-	-	-	16,997	-	16,997	1.28%
		59,989	24,950	39,938	94,685	75,038	49,235	19,940	363,775	27.49%
Unrated										
Managed Pool Account - LAIF	N/R	65,000	-	-	-	-	-	-	65,000	4.91%
Calif Local Agency Indebt	N/R	-	4,990	-	-	-	-	-	4,990	0.38%
Money Market	N/R	15,000	-	-	-	-	-	-	15,000	1.13%
		80,000	4,990	-	-	-	-	-	84,990	6.42%
Total Treasury Pool Investments		\$172,833	\$47,064	\$69,920	\$151,832	\$224,248	\$413,135	\$244,257	\$1,323,289	100.00%

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

Concentration of Credit Risk (continued)

	S&P Credit Rating	≤ 30 Days	31 - 365 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	20 - 25 Years	Total
Triple A										
Municipal Bonds	AAA	\$ -	\$ -	\$ -	\$ -	\$ 2,418	\$ 2,661	\$ 1,049	\$ -	\$ 6,128
		-	-	-	-	2,418	2,661	1,049	-	6,128
Double A										
Municipal Bonds	AA+	-	-	-	-	4,552	1,198	3,388	-	9,138
Municipal Bonds	AA	-	-	2,242	-	1,211	15,758	2,973	1,291	23,475
Municipal Bonds	AA-	-	-	2,160	2,089	12,849	22,399	3,188	-	42,685
		-	-	4,402	2,089	18,612	39,355	9,549	1,291	75,298
Single A										
Municipal Bonds	A-	-	-	-	-	-	767	-	-	767
Municipal Bonds	A-	-	-	-	-	1,030	-	-	-	1,030
		-	-	-	-	1,030	767	-	-	1,797
Unrated										
Stanislaus Tobacco Trust Account	N/R	5,381	-	-	-	-	-	-	-	5,381
		5,381	-	-	-	-	-	-	-	5,381
Combined Endowment Totals		\$5,381	\$-	\$4,402	\$2,089	\$22,060	\$42,783	\$10,598	\$1,291	\$88,604

Stanislaus County Treasury Pool
Summary of Investments
For the Year Ended June 30, 2017
(Dollar amounts in thousands)

	<u>Fair Value</u>	<u>Dollar Cost</u>	<u>Interest Rate Range</u>	<u>Maturity Range</u>
Negotiable Cert. of Deposit	\$ 145,031	\$ 145,000	0.95% - 1.69%	07/25/17 - 04/13/18
Commercial Paper	149,569	149,304	1.00% - 1.36%	07/05/17 - 12/15/17
Managed Funds - LAIF	65,000	65,000	1.03% - 1.03%	07/01/17 - 07/01/17
Federal Agencies - Coupons	403,917	405,106	0.75% - 2.00%	07/03/17 - 03/16/20
US Treasuries - Coupons	408,153	408,828	0.50% - 1.38%	07/31/17 - 02/15/20
Medium Term Notes	131,629	131,593	1.10% - 2.25%	05/15/18 - 10/18/19
Calif Local Agency Debt	4,990	4,990	1.50% - 1.50%	08/01/17 - 08/01/17
Money Market	15,000	15,000	0.40% - 0.40%	07/01/17 - 07/01/17
Total Investments	<u>\$ 1,323,289</u>	<u>\$ 1,324,821</u>		

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

Concentration of Credit Risk (continued)

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, 2017 was \$22.8 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, 2017 was \$77.6 billion. No amount was invested in any derivative financial products.

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 194 days as of June 30, 2017.

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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool at June 30, 2017:

<u>Statement of Net Position</u>	
Net position held for pool participants	\$ 1,281,918,126
Equity of external pool participants	807,692,863
Equity of internal pool participants	474,225,263
Total Equity	\$ 1,281,918,126
<u>Statement of Changes in Net Position</u>	
Net position at July 1, 2016	\$ 1,167,649,215
Net investment income	16,294,924
Net contributions and withdrawals	97,973,987
Net position at June 30, 2017	\$ 1,281,918,126

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 result of the implementation of Statement No. 79.

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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

The pool has the following recurring fair value measurements as of June 30, 2017:

		(Dollar amounts in thousands)		
		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
Negotiable Certs of Deposit	\$ 145,031	\$ -	\$ 145,031	\$ -
Commercial Paper	149,569	-	149,569	-
Federal Agencies	403,917	-	403,917	-
US Treasuries	408,153	408,153	-	-
Medium Term Notes	131,629	-	131,629	-
Total Investments measured at fair value	<u>\$ 1,238,299</u>	<u>\$ 408,153</u>	<u>\$ 830,146</u>	<u>\$ -</u>
Investments measured at amortized cost				
LAIF	\$ 65,000			
Calif Local Agency Debt	4,990			
Money Market	15,000			
Total Investments	<u>\$ 1,323,289</u>			

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 5: Interfund Transactions

Interfund Receivables/Payables

The compositions of interfund balances as of June 30, 2017 are as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
General fund	Capital projects	\$ 8,783,581	To cover deficit cash balance
General fund	Other governmental funds	<u>1,639,910</u>	To cover deficit cash balance
	Sub total	<u>10,423,491</u>	
General fund	Internal Service Fund	<u>755,008</u>	To cover deficit cash balance
	Sub total	<u>755,008</u>	
Behavioral Health and Recovery	General fund	<u>1,406,030</u>	State realignment
	Sub total	<u>1,406,030</u>	
	Total	<u>\$ 12,584,529</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
June 30, 2017

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

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General fund	Behavioral Health and Recovery	\$ 4,406,541	County program contributions
	Community Services Agency	25,218,442	County program contributions
	Health clinics and ancillary services	3,682,135	County program contributions
	Internal service funds	1,962,902	General liability and technology
	Other governmental funds	23,865,476	County program contributions and debt service
	Other governmental funds	<u>1,432,801</u>	Contributions to capital projects
		<u>60,568,297</u>	
Tobacco settlement	General fund	<u>2,940,981</u>	Interest distribution and debt service
Public facility fees	General fund	2,514,975	Debt service payments
	Other governmental funds	2,590,690	Contributions to capital projects
	Other governmental funds	2,296,953	Contributions to roads and bridges
	Other governmental funds	321,781	Contributions to public works
	Other governmental funds	23,400	Contributions to parks
	Other governmental funds	<u>15,805</u>	Contributions to planning
		<u>7,763,604</u>	
Other governmental funds	Behavioral Health and Recovery	96,641	Various contributions to programs
	General fund	2,302,995	Various contributions to programs
	Other governmental funds	<u>7,732,801</u>	Contributions to capital projects
		<u>10,132,438</u>	
Fink landfill	Other enterprise funds	<u>1,360,119</u>	Landfill closure/post-closure
Other enterprise funds	Other governmental funds	<u>500,000</u>	Contribution to public works
		<u>\$ 83,265,438</u>	

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Retirements	Adjustments & Transfers	Balance June 30, 2017
Governmental activities					
Capital assets, not being depreciated:					
Land and right of ways	\$ 44,534,252	\$ 55,718	\$ -	\$ -	\$ 44,589,970
Construction in progress	114,475,314	54,243,207	-	(7,388,373)	161,330,148
Total capital assets, not being depreciated	<u>159,009,566</u>	<u>54,298,925</u>	<u>-</u>	<u>(7,388,373)</u>	<u>205,920,118</u>
Capital assets, being depreciated:					
Infrastructure	827,533,877	245,060	(386,778)	404,085	827,796,244
Structures and improvements	232,471,064	7,511,319	-	6,980,968	246,963,351
Equipment	109,578,639	6,978,521	(3,714,421)	(6,872,311)	105,970,428
Intangible assets	3,351,336	-	-	-	3,351,336
Total capital assets, being depreciated	<u>1,172,934,916</u>	<u>14,734,900</u>	<u>(4,101,199)</u>	<u>512,742</u>	<u>1,184,081,359</u>
Less accumulated depreciation for:					
Infrastructure	(692,033,417)	(7,607,641)	386,778	(183,672)	(699,437,952)
Structures and improvements	(98,381,343)	(7,240,863)	-	(1,124,979)	(106,747,185)
Equipment	(70,959,073)	(6,690,555)	3,601,700	1,574,206	(72,473,722)
Intangible assets	(1,989,616)	(335,134)	-	-	(2,324,750)
Total accumulated depreciation	<u>(863,363,449)</u>	<u>(21,874,193)</u>	<u>3,988,478</u>	<u>265,555</u>	<u>(880,983,609)</u>
Total capital assets, being depreciated, net	<u>309,571,467</u>	<u>(7,139,293)</u>	<u>(112,721)</u>	<u>778,297</u>	<u>303,097,750</u>
Governmental activities capital assets, net	<u>\$ 468,581,033</u>	<u>\$ 47,159,632</u>	<u>\$ (112,721)</u>	<u>\$ (6,610,076)</u>	<u>\$ 509,017,868</u>
Business-type activities					
Capital assets, not being depreciated:					
Land and right of ways	\$ 15,462,882	\$ -	\$ -	\$ -	\$ 15,462,882
Construction in progress	305,943	488,668	-	(240,778)	553,833
Total capital assets, not being depreciated	<u>15,768,825</u>	<u>488,668</u>	<u>-</u>	<u>(240,778)</u>	<u>16,016,715</u>
Capital assets, being depreciated:					
Structures and improvements	18,068,293	34,359	-	-	18,102,652
Equipment	22,263,408	1,389,241	(121,093)	(15,077)	23,516,479
Total capital assets, being depreciated	<u>40,331,701</u>	<u>1,423,600</u>	<u>(121,093)</u>	<u>(15,077)</u>	<u>41,619,131</u>
Less accumulated depreciation for:					
Structures and improvements	(13,807,292)	(752,555)	-	-	(14,559,847)
Equipment	(11,905,412)	(1,530,625)	156,387	(2,488)	(13,282,138)
Total accumulated depreciation	<u>(25,712,704)</u>	<u>(2,283,180)</u>	<u>156,387</u>	<u>(2,488)</u>	<u>(27,841,985)</u>
Total capital assets, being depreciated, net	<u>14,618,997</u>	<u>(859,580)</u>	<u>35,294</u>	<u>(17,565)</u>	<u>13,777,146</u>
Business-type activities capital assets, net	<u>\$ 30,387,822</u>	<u>\$ (370,912)</u>	<u>\$ 35,294</u>	<u>\$ (258,343)</u>	<u>\$ 29,793,861</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

Depreciation expense was charged to governmental functions as follows:

	<u>Equipment</u>	<u>Structures and Improvements</u>	<u>Intangible</u>	<u>Infrastructure</u>	<u>Total</u>
General government	\$ 47,481	\$ 2,180,108	\$ -	\$ -	\$ 2,227,589
Public protection	2,578,106	2,906,849	64,674	-	5,549,629
Public ways	9,480	51,563	-	7,607,641	7,668,684
Health and sanitation	614,010	379,558	-	-	993,568
Public assistance	399,603	649,927	-	-	1,049,530
Education	1,623,057	208,997	-	-	1,832,054
Recreation	253,045	838,505	-	-	1,091,550
Internal service funds	1,165,773	25,356	270,460	-	1,461,589
Total	<u>\$6,690,555</u>	<u>\$ 7,240,863</u>	<u>\$ 335,134</u>	<u>\$ 7,607,641</u>	<u>\$ 21,874,193</u>

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

	<u>Equipment</u>	<u>Structures and Improvements</u>	<u>Total</u>
Fink Road Landfill	\$ 102,116	\$ 655,669	\$ 757,785
Health Clinics and Ancillary Services	244,542	76,744	321,286
Inmate Welfare/Commissary	657	6,987	7,644
Transit	1,183,310	13,155	1,196,465
Total	<u>\$1,530,625</u>	<u>\$ 752,555</u>	<u>\$ 2,283,180</u>

Note 7: **Receivables**

The governmental activities \$106,517,906 includes receivables from federal, state, and local governments in the amount of \$70,887,020.

The accounts receivable balance, net allowance, in the business-type activities is \$18,383,292. This balance includes \$17,297,709 for Health Clinics and Ancillary Services.

Note 8: **Notes Receivable**

As of June 30, 2017 a total of \$251,870 has been 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. As of June 30, 2017 the amount of \$112,988 has been loaned and recognized as notes receivable.

The remaining \$138,882 is a reimbursement for an overpayment.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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 2016-2017 is \$44,285,087,042.

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 15,545,411 in the General Fund is comprised of teeter property tax receivable of \$15,468,155 and \$77,256 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
June 30, 2017

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 \$5,401,440 for all fund types for the year ended June 30, 2017. 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, 2017.

Fiscal Year Ending June 30, 2017	Amount
2018	\$ 2,291,555
2019	1,353,428
2020	1,071,178
2021	985,576
2022	695,845
2023-2027	128,483
Total Minimum Lease Payments	\$ 6,526,065

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.

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 lease with PFD Management Inc. includes a minimum base rent of \$6,480 per year, an additional 3% commission based on annual gross sales over \$216,000, an additional 3% commission on vending machine annual gross sales over \$24,000 and an annual flat \$500 commission on catering sales. Per the amendment executed on February 27, 2017, the rent and commissions are now due on a monthly basis instead of annually. The initial lease term began on March 1, 2016 and terminated February 28, 2017. The first of the four one-year renewable term commenced on March 1, 2017 and terminates on February 28, 2018. The total maximum term of this lease is limited to five years, terminating on February 28, 2021.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 10: **Leases** (continued)

Revenue Leases (continued)

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, 2017. The annual rent is \$4,415 per year. The term of the lease is five years, terminating on December 31, 2021.

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 17th, 2004. The annual rent is one dollar. The leased property is located at 1030 11th 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.

Effective May 20, 2013 the County of Stanislaus entered into a Lease Agreement and Land Option with Golden Hills Solar, LCC for a long-term Solar and Farming Lease on county-owned land adjacent to the Fink Road Landfill. The terms of the agreement include a lease for 1,675 acres for a 70MW solar energy project. The option term is for 48 months total \$300,000 paid in quarterly advance installments of \$18,750. The lease term is one 25 year term, plus two additional optional terms of one-year each. Upon exercise of the Option, the Solar Lease rent is \$400,000 annually, with a 1.5% escalator every year.

The Agreement with Golden Hills Solar, LLC was Amended and Restated on May 9, 2017. The terms of the agreement include a lease for 1,691 acres for a 225MW solar energy project. The option term is for 60 months with a total of \$500,000 paid in quarterly advance installments of \$25,000. The lease term is one 25 year term, plus two additional optional terms of five-years each. Upon exercise of the Option the Solar Lease rent is \$660 per acre annually, 1,000 up to 1,100 acres, with a 0.5% escalator every year; with a Solar Benefit of an additional \$80 per acre annually. Upon exercise of the Option, the long-term farm lease rent is \$100 per acre annually, with a 0.5% escalator every year.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 10: **Leases** (continued)

Revenue Leases (continued)

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2017.

Fiscal Year Ending June 30, 2017	Amount
2018	\$ 198,001
2019	198,001
2020	198,001
2021	198,001
2022	198,001
2023-2047	792,025
Total Minimum Lease Revenue	\$ 1,782,030

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:

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2017
Governmental activities:		
Equipment	0.00-7.7%	\$ 553,410
Total capital lease obligations		\$ 553,410

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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, 2017 were as follows:

Fiscal Year Ending <u>June 30, 2017</u>	Governmental Activities
2018	\$ 233,570
2019	127,696
2020	117,234
2021	65,372
2022	34,585
Total minimum lease payments	<u>578,457</u>
Less: amounts representing interest	<u>(25,047)</u>
Present value of minimum lease payments	553,410
Less: current portion of capital leases	<u>(222,097)</u>
Long-term capital lease obligation	<u><u>\$ 331,313</u></u>

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

	Governmental Activities
Equipment	\$ 1,316,556
Less: accumulated depreciation	<u>(694,180)</u>
Net value	<u><u>\$ 622,376</u></u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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, 2017:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017	Amounts Due Within One Year
Governmental Activities:					
Certificates of participation	\$ 7,275,000	\$ -	\$ (7,275,000)	\$ -	\$ -
2012 Lease Refunding	3,127,429	-	(1,564,726)	1,562,703	1,562,703
2013 Lease Refunding	9,915,000	-	(4,925,000)	4,990,000	4,990,000
Plus issuance premium	221,900		(221,900)	-	-
2016 Lease HVAC Financing	-	7,775,000	(385,000)	7,390,000	455,000
Tobacco securitization note	85,343,611	-	(2,340,000)	83,003,611	5,660,000
Accreted interest tobacco note	36,413,839	4,971,917	-	41,385,756	-
	<u>\$ 142,296,779</u>	<u>\$ 12,746,917</u>	<u>\$ (16,711,626)</u>	<u>\$ 138,332,070</u>	<u>\$ 12,667,703</u>
Capital lease payable	<u>\$ 483,456</u>	<u>\$ 303,919</u>	<u>\$ (233,965)</u>	<u>\$ 553,410</u>	<u>\$ 222,097</u>
Total Governmental Activities	<u>\$ 142,780,235</u>	<u>\$ 13,050,836</u>	<u>\$ (16,945,591)</u>	<u>\$ 138,885,480</u>	<u>\$ 12,889,800</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
June 30, 2017

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

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

As of June 30, 2017, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30	Governmental Activities			
	2012 Lease Refunding		2013 Lease Refunding	
	Principal	Interest	Principal	Interest
2018	\$ 1,562,703	\$ 17,157	\$ 4,990,000	\$ 37,425
Totals	<u>\$ 1,562,703</u>	<u>\$ 17,157</u>	<u>\$ 4,990,000</u>	<u>\$ 37,425</u>
Year Ending June 30	2016 Lease (HVAC)			
	Principal	Interest		
2018	\$ 455,000	\$ 165,536		
2019	465,000	155,344		
2020	475,000	144,928		
2021	485,000	134,288		
2022	500,000	123,424		
2023-2027	2,660,000	444,528		
2028-2031	2,350,000	132,944		
Totals	<u>\$ 7,390,000</u>	<u>\$ 1,300,992</u>		
Year Ending June 30	Tobacco Securitization Note		Tobacco Securitization Note 2006	
	Principal	Interest	Principal	Interest
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	15,480,000	228,317	-	7,781,534
2023-2027	-	41,566	-	40,397,878
2028-2032	-	-	23,793,381	43,549,441
2033-2037	-	-	9,446,325	48,293,677
2038-2042	-	-	-	51,867,983
2043-2047	-	-	8,913,905	31,305,361
Totals	<u>\$ 40,850,000</u>	<u>\$ 4,764,847</u>	<u>\$ 42,153,611</u>	<u>\$ 226,131,096</u>

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
June 30, 2017

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

B. Long-Term Obligations

A summary of lease refunding and certificates of participation outstanding at year-end is as follows:

	<u>Interest Rate %</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Amount of Original Issue</u>	<u>Principal Outstanding as of June 30, 2017</u>
Governmental activities:					
2012 Lease Refunding	1.99	8/1/2012	6/1/2018	\$ 8,687,050	\$ 1,562,703
2013 Lease Refunding	1.50	8/1/2013	8/1/2017	19,540,000	4,990,000
2016 Lease HVAC Financing	2.24	8/31/2016	6/1/2031	7,775,000	7,390,000
Total governmental activities				<u>\$ 36,002,050</u>	<u>\$ 13,942,703</u>

A summary of notes payable follows:

	<u>Interest Rate %</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Amount of Original Issue</u>	<u>Outstanding as of June 30, 2017</u>
Tobacco Securitization Note	5.50-7.50	3/21/2002	6/1/2043	\$ 67,305,000	\$ 40,850,000
2006 Tobacco Securitization Note *	5.75-7.25	3/29/2006	6/1/2055	42,153,611	83,539,367
Total				<u>\$ 109,458,611</u>	<u>\$ 124,389,367</u>

* Includes accredited interest of \$41,385,756

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
2016 HVAC Financing	Heating Ventilation Air Conditioning 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
June 30, 2017

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. The County did not have any outstanding liability for arbitrage as of June 30, 2017.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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, 2017	\$ 22,276,472	\$ 16,900,000	\$ 39,176,472
Liability recognized as of June 30, 2017	\$ 8,757,460	\$ 288,809	\$ 9,046,269
Landfill capacity used to date	39.31%	100%	
Estimated remaining useful life	11 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	\$ 19,350,660
Geer Road Sanitary Landfill	\$ 474,299

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 position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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 position of the County, not restricted for any project or other purpose.

As of June 30, 2017, the County had the following restrictions to net position:

	Governmental Activities	Business-type Activities
Restricted for:		
Capital projects	\$ 57,051,706	\$ -
Debt service	6,170,854	-
Other purposes:	-	-
Landfill closure/postclosure	-	19,873,805
Tobacco Settlement	94,817,263	-
Probation grants	24,373,306	-
Behavioral Health & Recovery	22,243,456	-
Health Services	13,393,691	-
Library	11,535,437	-
Road and Bridge	11,254,511	-
Environmental Resources	10,116,104	-
Children and Families Commission	8,371,068	-
Planning	8,259,811	-
Tax loss reserve fund	4,632,178	-
Lighting/storm drain & service area districts	3,896,803	-
Probation	3,425,718	-
Chief Executive Office	3,901,871	-
Alliance Worknet	2,628,531	-
Clerk-Recorder - capital assets	2,512,743	-
Sheriff's Office	2,312,952	-
Other	1,631,140	-
Department of Child Support	1,424,849	-
Area Agency on Aging	1,315,699	-
Indigent Health Care	1,275,255	-
Parks	890,988	-
Court Security	172,902	-
Subtotal other purposes	234,386,276	19,873,805
Total restricted net position	\$297,608,836	\$ 19,873,805
Amount of total restricted by enabling legislation	\$ 41,443	

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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, 2017 is as follows:

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Non-spendable							
Teeter receivable	\$ 9,339,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,339,672
Advances to government and other funds	1,766,751	-	-	-	-	-	1,766,751
Inventory	-	-	-	-	-	638,568	638,568
Prepaid Items	216,186	-	-	-	-	85,675	301,861
Imprest cash	85,655	-	8,550	25,650	-	12,533	132,388
Total non-spendable	<u>11,408,264</u>	<u>-</u>	<u>8,550</u>	<u>25,650</u>	<u>-</u>	<u>736,776</u>	<u>12,179,240</u>
Restricted							
Tobacco	-	94,817,263	-	-	-	6,110,662	100,927,925
Public facility fees	-	-	-	-	47,671,953	-	47,671,953
Program funds	-	-	19,180,379	252,739	-	83,289,775	102,722,893
Children and Families Commission	-	-	-	-	-	8,201,412	8,201,412
AC tax loss	4,632,178	-	-	-	-	-	4,632,178
Special districts	-	-	-	-	-	3,463,173	3,463,173
Chief executive office county fire services	-	-	-	-	-	1,992,377	1,992,377
Court security	-	-	-	-	-	172,887	172,887
Chief Executive Office Prop 69 DNA identification	-	-	-	-	-	156,300	156,300
Total restricted	<u>4,632,178</u>	<u>94,817,263</u>	<u>19,180,379</u>	<u>252,739</u>	<u>47,671,953</u>	<u>103,386,585</u>	<u>269,941,097</u>
Committed							
Capital acquisitions	5,787,402	-	3,054,527	-	-	565,161	9,407,090
Parks and litigation	1,535,387	-	-	-	-	-	1,535,387
General plan maintenance	-	-	-	-	-	33,212	33,212
Total committed	<u>7,322,789</u>	<u>-</u>	<u>3,054,527</u>	<u>-</u>	<u>-</u>	<u>598,373</u>	<u>10,975,689</u>
Assigned							
Encumbrances	5,635,813	-	-	8,002	-	23,222,340	28,866,156
Teeter plan	23,863,200	-	-	-	-	-	23,863,200
Revenue stabilization	23,000,000	-	-	-	-	-	23,000,000
Contingencies	15,518,169	-	-	-	-	-	15,518,169
Debt service	11,848,927	-	-	-	-	-	11,848,927
Carryover appropriations	10,310,349	-	-	-	-	-	10,310,349
Retirement obligation	8,800,000	-	-	-	-	-	8,800,000
AB 900 phase II tobacco debt payoff	7,100,000	-	-	-	-	-	7,100,000
Criminal justice system efficiencies	6,200,000	-	-	-	-	-	6,200,000
2013 Refinancing debt payoff	5,027,425	-	-	-	-	-	5,027,425
Community investment	5,000,000	-	-	-	-	-	5,000,000
Cash out obligation	4,000,000	-	-	-	-	-	4,000,000
Public safety facility infrastructure	3,000,000	-	-	-	-	-	3,000,000
Public safety needs	3,000,000	-	-	-	-	-	3,000,000
2007 A Borrowing final payoff	2,659,000	-	-	-	-	-	2,659,000
ADA transition plan	2,500,000	-	-	-	-	-	2,500,000
Jail expansion start-up	2,000,000	-	-	-	-	-	2,000,000
Deferred maintenance	2,000,000	-	-	-	-	-	2,000,000
Enterprise and technology upgrades	2,000,000	-	-	-	-	-	2,000,000
Demolition of old county buildings	2,000,000	-	-	-	-	-	2,000,000
Litigation/Audit exposures	1,835,000	-	-	-	-	-	1,835,000
Budget balance	1,593,328	-	-	-	-	-	1,593,328
CSA IHSS	1,239,827	-	-	-	-	-	1,239,827
Reserve CSA savings for UDW MOU	1,000,000	-	-	-	-	-	1,000,000
Training and workforce development	1,000,000	-	-	-	-	-	1,000,000
Salida Park	450,000	-	-	-	-	-	450,000
Invest fair value adjustment	(295,704)	-	-	-	-	13,523	(282,181)
Total assigned	<u>152,285,335</u>	<u>-</u>	<u>-</u>	<u>8,002</u>	<u>-</u>	<u>23,235,863</u>	<u>175,529,200</u>
Unassigned:							
General fund	8,717,151	-	-	-	-	-	8,717,151
Total unassigned	<u>8,717,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,717,151</u>
Total fund balance	<u>\$ 184,365,717</u>	<u>\$ 94,817,263</u>	<u>\$ 22,243,456</u>	<u>\$ 286,391</u>	<u>\$ 47,671,953</u>	<u>\$ 127,957,597</u>	<u>\$ 477,342,377</u>

County of Stanislaus

Notes to the Basic Financial Statements

June 30, 2017

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, and has a self-insured retention of \$250,000 per occurrence with excess insurance through CSAC-Excess Insurance Authority and several excess insurance carriers totaling \$25,000,000. The County's property coverage limit is \$846,072,075 subject to variable deductibles including \$10,000 for All Risk Coverage and \$10,000 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 incurred in calendar year 2016 and \$275,000 for medical claims incurred in calendar year 2017.

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 \$21,500,000 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 6/30/17	Fiscal Year Ending 6/30/16
Unpaid claims as of July 1	\$ 34,632,167	\$ 32,604,479
Incurred claims (including IBNRs)	7,910,085	10,015,624
Claim payments	(7,988,521)	(7,987,936)
Unpaid claims as of June 30	<u>\$ 34,553,731</u>	<u>\$ 34,632,167</u>

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, 2017, 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
June 30, 2017

Note 15: **Contingent Liabilities** (continued)

In O’Neal, et al v. Stanislaus County Employees Retirement Association (“StanCERA”), Case No. 648469, retirees have sued StanCERA alleging a breach of fiduciary, constitutional and statutory duties to its members. The County has intervened as a defendant. The trial court granted StanCERA’s and the County’s motion for Summary Judgment. The Plaintiff has appealed and the case is awaiting oral argument. The potential loss is estimated to be several million in the event of an unfavorable outcome.

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, 2017, the County’s equity interest was \$669,077. For the fiscal year ending June 30, 2017, the County contributed \$194,512 to TRRP. The financial statements for TRRP are prepared by the City of Modesto Finance Department and may be obtained

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

Tuolumne River Regional Park (continued)

by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

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 2017 was \$61,357.

The total cash plus in-kind contribution was \$491,439.75. 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, 2017, the County's equity interest in the CCCIFA was \$8,177,146 and is reported as Investments-joint ventures in the government-wide statement of net position.

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
June 30, 2017

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

The California County Tobacco Securitization Agency

In November 1998, the Attorney 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
June 30, 2017

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, P.O. 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, 2017, the County paid \$50,235 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

June 30, 2017

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.

In May 2017, the MOU has been updated to reflect the new forty county members, the new consortium name "CalACES" and to delineate the areas of understanding and agreement between the Consortium and the Members regarding matters related to the administration and fulfillment of the Consortium's purpose. This was the result of California Assembly Bill 16 being passed in September 2011 giving participating Counties the ability to begin migration to the new consortium known today, now composed of forty County members.

Currently the Authority is governed by a Board of Directors comprised of seven (7) County Directors, one from each of the defined C-IV regions. The SAWS C-IV regional model ensures adequate and fair representation of all participating counties and the remaining 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 2016/2017 were \$291,963. 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, 4th 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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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

North County Corridor Transportation Expressway Authority (continued)

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.

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. As of June 30, 2017, the County's equity interest was \$6,918,821. 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)

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 17: **Pensions (continued)**

Plan Description (continued)

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.

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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 17: **Pensions** (continued)

Benefits Provided (continued)

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.

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	25.11%	5.08-8.18%
General Tier 2	20.99%	6.69-11.58%
General Tier 3	14.74%	Non-contributory
General Tier 4	28.62%	4.88-7.96%
General Tier 5	22.92%	7.95-12.88%
General Tier 6	19.74%	8.06%
Safety Tier 2	33.48%	10.10-17.43%
Safety Tier 4	47.13%	7.63-12.24%
Safety Tier 5	36.56%	11.52-18.31%
Safety Tier 6	29.46%	13.07%

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 17: **Pensions** (continued)

Benefits Provided (continued)

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, 2015	\$47,521,100
June 30, 2016	\$51,455,859
June 30, 2017	\$55,715,221

* Contributions made by all entities processed through County payroll

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 72.8% actuarially funded as of June 30, 2016.

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

At June 30, 2017, the County reported a liability of \$637,287,750 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the liability used to calculate the net pension liability was determined by an actuarial valuation date June 30, 2015, updated to June 30, 2016. 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, 2016, the County's proportion was 88.26%, compared to 88.73% at June 30, 2015, a decrease of 0.47%.

For the year ended June 30, 2017, the County recognized pension expense of \$122,711,830. Pension expense represents the change in the net pension liability during

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 17: **Pensions** (continued)

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

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. At June 30, 2017, 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, change in contributions	\$ 286,428,037	-
County contributions subsequent to the measurement date	50,390,883	-
Deferred inflows of resources - change in actual vs. proportionate contributions	-	5,903,784
Deferred inflows of resources - proportionate share of collective investment return	-	-
	\$ 336,818,920	\$ 5,903,784

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 \$50,390,883 made subsequent to the measurement date are reported as deferred outflows of resources for fiscal year ending June 30, 2017 and will be recognized as reduction of the net pension liability in the fiscal year ending June 30, 2018.

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
2018	\$ 58,645,062
2019	58,645,066
2020	85,368,713
2021	77,865,412
Thereafter	-
	\$ 280,524,253

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

Note 17: **Pensions** (continued)

Actuarial Assumptions (continued)

actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 – June 30, 2015.

<u>Asset Class</u>	<u>2017 Long-Term Expected Real Rate of Return</u>	<u>2017 Target Allocation</u>
Domestic Equities		
U.S. Large Cap	4.7%	18.5%
U.S. Small Cap	4.8%	5.5%
International Equities		
Int'l Development	9.7%	19.0%
Emerging Market Equity	8.6%	5.0%
U.S. Fixed Income		
Core fixed income	3.3%	0.0%
U.S. Treasury	2.4%	3.0%
Short-term Gov/Credit	2.6%	19.0%
Real Estate		
Core	4.6%	7.7%
Value-add	6.6%	1.7%
Risk Parity	7.2%	14.0%
Private Equity	7.8%	0.0%
Private Credit	6.5%	5.0%
Infrastructure	4.6%	0.6%
Cash	2.2%	1.0%

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2017

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 6.25%	Discount Rate 7.25%	1% Increase 8.25%
County's proportionate share of the net retirement plan liability	\$ 944,001,276	\$ 637,287,750	\$ 382,743,256

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
June 30, 2017

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, 2017:

Annual required contribution (ARC)	\$ 2,900,304
Interest on net OPEB obligation	362,590
Amortization adjustment to ARC	<u>(524,214)</u>
Annual OPEB cost	2,738,680
Employer contribution	<u>1,489,071</u>
Change in Net OPEB obligation	1,249,609
Net OPEB obligation - beginning of year	<u>10,554,057</u>
Net OPEB obligation - end of year	<u><u>\$ 11,803,666</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	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 28,141,627</u></u>
Covered payroll (active plan members)	\$ 245,751,576
UAAL as percentage of covered payroll	11.5%

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
June 30, 2017

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: **Tax Abatements**

The California Land Conservation Act of 1965, also known as the Williamson Act, was adopted by the State Legislature in 1965 and voluntarily implemented by the Stanislaus County Board of Supervisors in January of 1969. The Act permits a landowner, whose land is used for agriculture, to enter into a contract with the County guaranteeing that the land will continue to remain in farming for a period of at least ten years. In return for this guarantee, the County assesses taxes based on the agricultural value of the land rather than the market value.

For the Fiscal Year Ended June 30, 2017, the County's portion of the tax abatements, related to the Williamson Act, was \$460,563.

Note 20: **Subsequent Events**

Subsequent events have been evaluated through December 15, 2017, which is the date the financial statements were available to be issued. The County does not have any reportable events.



*Required
Supplementary
Information*

County of Stanislaus
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2017

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

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Accrued Liability (AAL) Projected Unit Credit b	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll c	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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, 2017

Required Supplementary Information

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

	<u>FYE 6/30/16</u>	<u>FYE 6/30/15</u>	<u>FYE 6/30/14</u>	<u>FYE 6/30/13</u>
County's proportion of the net pension liability (asset)	88.26%	88.73%	88.6947%	88.4162%
County's proportion share of the net pension liability (asset)	\$ 637,287,750	\$ 256,442,634	\$ 202,065,617	\$ 329,072,460
County's covered-employee payroll	\$ 211,526,725	\$ 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	301.28%	124.66%	102.69%	171.13%
Plan fiduciary net position as a percentage of the total pension liability (asset)	70.63%	86.13%	88.49%	80.23%

Schedule of County's Contributions

	<u>FYE 6/30/16</u>	<u>FYE 6/30/15</u>	<u>FYE 6/30/14</u>
Actuarially determined contribution	\$ 51,365,402	\$ 47,779,167	\$ 41,477,186
Actual contributions	\$ 51,455,859	\$ 47,521,000	\$ 41,313,088
Contribution deficiency (excess)	<u>\$ (90,457)</u>	<u>\$ 258,167</u>	<u>\$ 164,098</u>
County's covered-employee payroll	\$ 211,526,725	\$ 205,719,027	\$ 196,780,722
Actual contributions as a percentage of County's covered-employee payroll	24.33%	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, 2017

	Special Revenue Funds	Capital Projects	Debt Service Funds		Totals
			Capital Improvement Finance Authority	Stan County Tobacco Funding Corp	
Assets					
Cash and investments	\$ 106,033,650	\$ -	\$ 1,166	\$ 70,004	\$ 106,104,820
Investments with fiscal agent	-	-	-	6,108,434	6,108,434
Account receivable	19,296,313	21,115,128	-	3,239,229	43,650,670
Interest and other receivables	1,079,671	4,858	-	25	1,084,554
Inventory	638,567	-	-	-	638,567
Prepaid items	187,373	-	-	-	187,373
Total assets	<u>127,235,574</u>	<u>21,119,986</u>	<u>1,166</u>	<u>9,417,692</u>	<u>157,774,418</u>
 Total assets and deferred outflows of resources	<u>127,235,574</u>	<u>21,119,986</u>	<u>1,166</u>	<u>9,417,692</u>	<u>157,774,418</u>
 Liabilities					
Accounts payable	8,708,502	2,891,871	1,166	3,246,838	14,848,377
Salaries and benefits payable	3,666,380	64,780	-	-	3,731,160
Due to other funds	1,639,910	8,783,581	-	-	10,423,491
Due to other governments	126,956	-	-	-	126,956
Advances from grantors & third parties	586,837	-	-	-	586,837
Advances from other funds	100,000	-	-	-	100,000
Total liabilities	<u>14,828,585</u>	<u>11,740,232</u>	<u>1,166</u>	<u>3,246,838</u>	<u>29,816,821</u>
 Fund balances					
Non-spendable	736,776	-	-	-	736,776
Restricted	97,275,923	-	-	6,110,662	103,386,585
Committed	598,373	-	-	-	598,373
Assigned	13,795,917	9,379,754	-	60,192	23,235,863
Total fund balances	<u>112,406,989</u>	<u>9,379,754</u>	<u>-</u>	<u>6,170,854</u>	<u>127,957,597</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,235,574</u>	<u>\$ 21,119,986</u>	<u>\$ 1,166</u>	<u>\$ 9,417,692</u>	<u>\$ 157,774,418</u>

County of Stanislaus
Combining Statement of Revenue, Expenditures and Changes in Fund Balance
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Special Revenue Funds	Capital Projects	Debt Service Funds		Totals
			Capital Improvement Finance Authority	Stan County Tobacco Funding Corp	
Revenues					
Taxes	\$ 12,359,178	\$ -	\$ -	\$ -	\$ 12,359,178
Licenses, permits and franchises	2,002,395	-	-	-	2,002,395
Fines, forfeitures and penalties	1,267,920	938,397	-	-	2,206,317
Revenue from use of money and property	299,974	27,825	1,195	237,166	566,160
Intergovernmental revenue	181,058,545	31,489,125	-	-	212,547,670
Charges for services	39,255,924	-	-	-	39,255,924
Miscellaneous revenue	609,993	-	-	4,800,859	5,410,852
Total revenues	<u>236,853,929</u>	<u>32,455,347</u>	<u>1,195</u>	<u>5,038,025</u>	<u>274,348,496</u>
Expenditures					
General government	745,604	-	-	-	745,604
Public protection	65,389,287	-	-	-	65,389,287
Public ways and facilities	30,176,249	-	-	-	30,176,249
Health and sanitation	34,429,266	-	-	-	34,429,266
Public assistance	104,344,590	-	-	-	104,344,590
Education	11,714,904	-	-	-	11,714,904
Recreation and cultural services	749,519	-	-	-	749,519
Capital outlay	-	43,520,286	-	-	43,520,286
Debt service:					
Interest and fiscal charges	2,312	-	751,024	2,769,785	3,523,121
Principal	48,667	-	14,149,726	2,340,000	16,538,393
Total expenditures	<u>247,600,398</u>	<u>43,520,286</u>	<u>14,900,750</u>	<u>5,109,785</u>	<u>311,131,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,746,469)</u>	<u>(11,064,939)</u>	<u>(14,899,555)</u>	<u>(71,760)</u>	<u>(36,782,723)</u>
Other financing sources (uses)					
Loan proceeds	-	-	7,775,000	-	7,775,000
Transfers in	16,347,323	11,756,292	10,676,092	-	38,779,707
Transfers out	(1,522,524)	(1,001,470)	(7,608,444)	-	(10,132,438)
Sale of capital assets	6,849	-	-	-	6,849
Total other financing sources (uses)	<u>14,831,648</u>	<u>10,754,822</u>	<u>10,842,648</u>	<u>-</u>	<u>36,429,118</u>
Net changes in fund balances	<u>4,085,179</u>	<u>(310,117)</u>	<u>(4,056,907)</u>	<u>(71,760)</u>	<u>(353,605)</u>
Fund balances -- beginning	<u>108,321,810</u>	<u>9,689,871</u>	<u>4,056,907</u>	<u>6,242,614</u>	<u>128,311,202</u>
Fund balances -- ending	<u>\$ 112,406,989</u>	<u>\$ 9,379,754</u>	<u>\$ -</u>	<u>\$ 6,170,854</u>	<u>\$ 127,957,597</u>

*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

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 thirteen 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, 2017**

	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
Assets													
Cash and investments	\$ 10,629,374	\$ 8,511,088	\$ 3,663,377	\$ 12,124,262	\$ 3,165,333	\$ 1,995,045	\$ -	\$ 10,794,746	\$ 303,591	\$ 10,469,404	\$ 869,734	\$ 43,507,696	\$ 106,033,650
Account receivable	500,265	476,410	200,422	1,072,014	432,230	26,431	2,161,366	4,312,900	1,095,599	1,866,862	-	7,151,814	19,296,313
Interest and other receivables	8,227	26,970	-	38,980	-	6,886	-	960,721	1,227	-	2,170	34,490	1,079,671
Inventory	-	-	-	417,214	14,005	-	-	207,348	-	-	-	-	638,567
Prepaid items	-	-	-	-	8,371	-	-	179,002	-	-	-	-	187,373
Total assets	11,137,866	9,014,468	3,863,799	13,652,470	3,619,939	2,028,362	2,161,366	16,454,717	1,400,417	12,336,266	871,904	50,694,000	127,235,574
Total assets and deferred outflow of resources	11,137,866	9,014,468	3,863,799	13,652,470	3,619,939	2,028,362	2,161,366	16,454,717	1,400,417	12,336,266	871,904	50,694,000	127,235,574
Liabilities													
Accounts payable	218,128	622,041	60,918	2,040,357	736,465	49,462	394,500	1,980,879	124,367	405,253	6,192	2,069,940	8,708,502
Salaries and benefits payable	364,387	21,359	297,995	203,188	254,943	554,051	-	969,639	795	366,037	-	633,986	3,666,380
Due to other funds	-	-	-	-	-	-	1,639,910	-	-	-	-	-	1,639,910
Due from other governments	-	-	-	-	-	-	126,956	-	-	-	-	-	126,956
Advances from grantors & third parties	439,248	-	7,542	-	-	-	-	110,508	-	29,539	-	-	586,837
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Total liabilities	1,021,763	643,400	366,455	2,243,545	991,408	603,513	2,161,366	3,061,026	125,162	800,829	6,192	2,803,926	14,828,585
Total liabilities and deferred inflow of resources	1,021,763	643,400	366,455	2,243,545	991,408	603,513	2,161,366	3,061,026	125,162	800,829	6,192	2,803,926	14,828,585
Fund Balances													
Non spendable	800	-	300	417,214	14,005	100	-	293,224	-	3,133	-	8,000	736,776
Restricted	9,691,515	8,201,412	3,170,801	8,057,667	2,614,526	1,424,749	-	12,324,446	1,153,142	10,994,336	865,712	38,777,617	97,275,923
Committed	-	-	-	-	-	-	-	-	-	-	-	598,373	598,373
Assigned	423,788	169,656	326,243	2,934,044	-	-	-	776,021	122,113	537,968	-	8,506,084	13,795,917
Total fund balances	10,116,103	8,371,068	3,497,344	11,408,925	2,628,531	1,424,849	-	13,393,691	1,275,255	11,535,437	865,712	47,890,074	112,406,989
Total liabilities and fund balances	\$ 11,137,866	\$ 9,014,468	\$ 3,863,799	\$ 13,652,470	\$ 3,619,939	\$ 2,028,362	\$ 2,161,366	\$ 16,454,717	\$ 1,400,417	\$ 12,336,266	\$ 871,904	\$ 50,694,000	\$ 127,235,574

County of Stanislaus
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-major Special Revenue Funds
For the Fiscal Year Ended June 30, 2017

	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
Revenues													
Taxes	\$ -	\$ -	\$ -	\$ 572,555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,195,058	\$ 84,266	\$ 1,507,299	\$ 12,359,178
Licenses, permits and franchises	-	-	1,961,031	23,049	-	-	-	14,490	-	-	-	3,825	2,002,395
Fines, forfeitures and penalties	136,388	-	-	-	-	-	-	106,077	677,415	-	-	348,040	1,267,920
Revenue from use of money and property	13,481	49,009	430	40,872	-	17,085	152	1,452	2,017	2,859	3,256	169,361	299,974
Intergovernmental revenue	471,575	4,833,041	69,499	14,978,006	5,939,105	14,422,827	83,682,244	14,535,270	-	239,333	575	41,887,070	181,058,545
Charges for services	7,175,351	-	5,368,110	340,954	11,361,932	-	-	10,446,101	334,997	500,293	342,912	3,385,274	39,255,924
Miscellaneous revenue	94,695	-	11,074	-	(21,731)	-	22,727	38,771	-	131,210	-	333,247	609,993
Total revenues	<u>7,891,490</u>	<u>4,882,050</u>	<u>7,410,144</u>	<u>15,955,436</u>	<u>17,279,306</u>	<u>14,439,912</u>	<u>83,705,123</u>	<u>25,142,161</u>	<u>1,014,429</u>	<u>11,068,753</u>	<u>431,009</u>	<u>47,634,116</u>	<u>236,853,929</u>
Expenditures													
General government	-	409,975	-	-	-	-	-	-	-	-	-	335,629	745,604
Public protection	9,776,133	-	2,119,659	-	-	14,437,457	-	-	-	-	277,160	38,778,878	65,389,287
Public ways and facilities	-	-	5,596,671	24,425,164	-	-	-	-	-	-	-	154,414	30,176,249
Health and sanitation	-	5,893,811	-	-	-	-	-	27,864,438	671,017	-	-	-	34,429,266
Public assistance	-	-	-	-	15,290,342	-	85,545,151	-	-	-	-	3,509,097	104,344,590
Education	-	-	-	-	-	-	-	-	-	11,713,862	-	1,042	11,714,904
Recreation and cultural services	-	-	-	-	-	-	-	-	-	-	-	749,519	749,519
Debt Service:													
Interest and fiscal charges	-	-	-	-	-	-	-	1,374	-	-	-	938	2,312
Principal	-	-	-	-	-	-	-	39,337	-	-	-	9,330	48,667
Total expenditures	<u>9,776,133</u>	<u>6,303,786</u>	<u>7,716,330</u>	<u>24,425,164</u>	<u>15,290,342</u>	<u>14,437,457</u>	<u>85,545,151</u>	<u>27,905,149</u>	<u>671,017</u>	<u>11,713,862</u>	<u>277,160</u>	<u>43,538,847</u>	<u>247,600,398</u>
Excess revenues over (under) expenditures	<u>(1,884,643)</u>	<u>(1,421,736)</u>	<u>(306,186)</u>	<u>(8,469,728)</u>	<u>1,988,964</u>	<u>2,455</u>	<u>(1,840,028)</u>	<u>(2,762,988)</u>	<u>343,412</u>	<u>(645,109)</u>	<u>153,849</u>	<u>4,095,269</u>	<u>(10,746,469)</u>
Other financing sources (uses)													
Transfers in	1,764,698	-	382,586	3,672,744	-	-	1,840,028	6,050,778	300,000	491,810	-	1,844,679	16,347,323
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,522,524)	(1,522,524)
Sale of capital assets	3,412	-	2,828	-	-	-	-	609	-	-	-	-	6,849
Total other financing sources (uses)	<u>1,768,110</u>	<u>-</u>	<u>385,414</u>	<u>3,672,744</u>	<u>-</u>	<u>-</u>	<u>1,840,028</u>	<u>6,051,387</u>	<u>300,000</u>	<u>491,810</u>	<u>-</u>	<u>322,155</u>	<u>14,831,648</u>
Net change in fund balance	<u>(116,533)</u>	<u>(1,421,736)</u>	<u>79,228</u>	<u>(4,796,984)</u>	<u>1,988,964</u>	<u>2,455</u>	<u>-</u>	<u>3,288,399</u>	<u>643,412</u>	<u>(153,299)</u>	<u>153,849</u>	<u>4,417,424</u>	<u>4,085,179</u>
Fund balances -- beginning	<u>10,232,636</u>	<u>9,792,804</u>	<u>3,418,116</u>	<u>16,205,909</u>	<u>639,567</u>	<u>1,422,394</u>	<u>-</u>	<u>10,105,292</u>	<u>631,843</u>	<u>11,688,736</u>	<u>711,863</u>	<u>43,472,650</u>	<u>108,321,810</u>
Fund balances -- ending	<u>\$ 10,116,103</u>	<u>\$ 8,371,068</u>	<u>\$ 3,497,344</u>	<u>\$ 11,408,925</u>	<u>\$ 2,628,531</u>	<u>\$ 1,424,849</u>	<u>\$ -</u>	<u>\$ 13,393,691</u>	<u>\$ 1,275,255</u>	<u>\$ 11,535,437</u>	<u>\$ 865,712</u>	<u>\$ 47,890,074</u>	<u>\$ 112,406,989</u>

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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Fines, forfeitures and penalties	\$ 44,000	\$ 44,000	\$ 136,388	\$ 92,388
Revenue from use of money and property	11,521	11,521	13,481	1,960
Intergovernmental revenue	890,228	890,228	471,575	(418,653)
Charges for services	6,746,400	6,746,400	7,175,351	428,951
Miscellaneous revenue	36,658	36,658	94,695	58,037
Total revenues - Environmental Resources	<u>7,728,807</u>	<u>7,728,807</u>	<u>7,891,490</u>	<u>162,683</u>
Expenditures: Public Protection				
Environmental Resources				
Salaries and employee benefits	7,964,362	7,921,362	7,392,756	528,606
Services and supplies	1,296,719	1,437,469	1,187,897	249,572
Other charges	685,251	756,251	754,620	1,631
Intrafund transfer	(1,320,758)	(1,320,758)	(1,376,383)	55,625
Capital assets	277,500	369,500	251,024	118,476
Total expenditures	<u>8,903,074</u>	<u>9,163,824</u>	<u>8,209,914</u>	<u>953,910</u>
Beverage Container Recycling				
Services and supplies	17,784	12,711	12,049	662
Intrafund transfer	13,188	18,261	16,841	1,420
Total expenditures	<u>30,972</u>	<u>30,972</u>	<u>28,890</u>	<u>2,082</u>
Household Hazardous Waste				
Services and supplies	304,566	304,566	190,817	113,749
Other charges	3,515	3,515	549	2,966
Intrafund transfer	531,780	531,780	486,110	45,670
Total expenditures	<u>839,861</u>	<u>839,861</u>	<u>677,476</u>	<u>162,385</u>
Vehicle Registration Fee Surcharge				
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>
AB 939/Source Reduction and Recycle				
Services and supplies	406,000	406,000	279,258	126,742
Intrafund transfer	457,521	457,521	322,396	135,125
Total expenditures	<u>863,521</u>	<u>863,521</u>	<u>601,654</u>	<u>261,867</u>
Disclosure Program				
Services and supplies	49,467	13,467	-	13,467
Intrafund transfer	359,000	395,000	395,000	-
Total expenditures	<u>408,467</u>	<u>408,467</u>	<u>395,000</u>	<u>13,467</u>
Code Enforcement Abatement				
Services and supplies	20,000	15,219	8,310	6,909
Other charges	-	10,783	10,783	-
Total expenditures	<u>20,000</u>	<u>26,002</u>	<u>19,093</u>	<u>6,909</u>

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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Used Oil Recycling				
Services and supplies	52,329	60,474	60,474	-
Intrafund transfer	99,662	91,517	28,916	62,601
Total expenditures	<u>151,991</u>	<u>151,991</u>	<u>89,390</u>	<u>62,601</u>
Environmental Enforcement				
Services and supplies	-	300	259	41
Other charges	41,174	40,874	-	40,874
Total expenditures	<u>41,174</u>	<u>41,174</u>	<u>259</u>	<u>40,915</u>
Waste Tire Enforcement Grant				
Services and supplies	19,306	19,306	2,710	16,596
Intrafund transfer	98,969	98,969	84,317	14,652
Total expenditures	<u>118,275</u>	<u>118,275</u>	<u>87,027</u>	<u>31,248</u>
Abandoned Vehicle Abatement				
Services and supplies	1,725	1,725	495	1,230
Other charges	6,562	6,562	850	5,712
Intrafund transfer	52,249	52,249	41,353	10,896
Total expenditures	<u>60,536</u>	<u>60,536</u>	<u>42,698</u>	<u>17,838</u>
Total expenditures - Environmental Resources	<u>11,505,604</u>	<u>11,772,356</u>	<u>10,151,401</u>	<u>1,620,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,776,797)</u>	<u>(4,043,549)</u>	<u>(2,259,911)</u>	<u>1,783,638</u>
Other financing sources (uses)				
Transfers in	1,900,590	1,900,590	1,764,698	(135,892)
Sale of capital assets	-	-	3,412	3,412
Total other financing sources (uses)	<u>1,900,590</u>	<u>1,900,590</u>	<u>1,768,110</u>	<u>(132,480)</u>
Net change in fund balance	<u>(1,876,207)</u>	<u>(2,142,959)</u>	<u>(491,801)</u>	<u>1,651,158</u>
Fund balance -- beginning	<u>10,232,636</u>	<u>10,232,636</u>	<u>10,232,636</u>	<u>-</u>
Fund balance -- ending	<u>\$ 8,356,429</u>	<u>\$ 8,089,677</u>	<u>\$ 9,740,835</u>	<u>\$ 1,651,158</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Revenue from use of money and property	\$ 74,343	\$ 74,343	\$ 49,009	\$ (25,334)
Intergovernmental revenue	4,705,849	4,705,849	4,833,041	127,192
Total revenues - Children and Families Commission	<u>4,780,192</u>	<u>4,780,192</u>	<u>4,882,050</u>	<u>101,858</u>
Expenditures: General Government				
Salaries and employee benefits	313,245	313,245	280,477	32,768
Services and supplies	87,584	87,584	104,872	(17,288)
Other charges	19,250	19,250	26,679	(7,429)
Total expenditures	<u>420,079</u>	<u>420,079</u>	<u>412,028</u>	<u>8,051</u>
Expenditures: Health and Sanitation				
Salaries and employee benefits	193,023	193,023	64,893	128,130
Services and supplies	3,649,515	3,649,515	3,128,953	520,562
Other charges	2,918,248	2,918,248	2,822,684	95,564
Total expenditures	<u>6,760,786</u>	<u>6,760,786</u>	<u>6,016,530</u>	<u>744,256</u>
Total expenditures - Children and Families Commission	<u>7,180,865</u>	<u>7,180,865</u>	<u>6,428,558</u>	<u>752,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,400,673)</u>	<u>(2,400,673)</u>	<u>(1,546,508)</u>	<u>854,165</u>
Net change in fund balance	<u>(2,400,673)</u>	<u>(2,400,673)</u>	<u>(1,546,508)</u>	<u>854,165</u>
Fund balance -- beginning	9,792,804	9,792,804	9,792,804	-
Fund balance -- ending	<u>\$ 7,392,131</u>	<u>\$ 7,392,131</u>	<u>\$ 8,246,296</u>	<u>\$ 854,165</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Licenses, permits and franchises	\$ 1,945,324	\$ 1,945,324	\$ 1,961,031	\$ 15,707
Revenue from use of money and property	250	250	430	180
Intergovernmental revenue	91,000	590,790	69,499	(521,291)
Charges for services	5,558,055	5,901,786	5,368,110	(533,676)
Miscellaneous revenue	1,587	1,587	11,074	9,487
Total revenues - Public Works Engineering	<u>7,596,216</u>	<u>8,439,737</u>	<u>7,410,144</u>	<u>(1,029,593)</u>
Expenditures: Public Protection				
Salaries and employee benefits	1,762,661	1,762,661	1,463,910	298,751
Services and supplies	545,126	545,126	341,590	203,536
Other charges	268,511	268,511	233,206	35,305
Intrafund transfer	320	320	-	320
Capital assets	344	344	(344)	688
Total expenditures	<u>2,576,962</u>	<u>2,576,962</u>	<u>2,038,362</u>	<u>538,600</u>
Expenditures: Public Ways				
Salaries and employee benefits	4,682,355	4,602,355	4,380,343	222,012
Services and supplies	387,801	823,679	646,483	177,196
Other charges	603,513	600,513	498,096	102,417
Intrafund transfer	-	(40,000)	-	(40,000)
Capital assets	20,000	20,000	20,000	-
Total expenditures	<u>5,693,669</u>	<u>6,006,547</u>	<u>5,544,922</u>	<u>461,625</u>
Total expenditures - Public Works Engineering	<u>8,270,631</u>	<u>8,583,509</u>	<u>7,583,284</u>	<u>1,000,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(674,415)</u>	<u>(143,772)</u>	<u>(173,140)</u>	<u>(29,368)</u>
Other financing sources (uses)				
Transfers in	396,000	456,000	382,586	(73,414)
Sale of capital assets	-	-	2,828	2,828
Total other financing sources (uses)	<u>396,000</u>	<u>456,000</u>	<u>385,414</u>	<u>(70,586)</u>
Net change in fund balance	<u>(278,415)</u>	<u>312,228</u>	<u>212,274</u>	<u>(99,954)</u>
Fund balance -- beginning	<u>3,418,116</u>	<u>3,418,116</u>	<u>3,418,116</u>	<u>-</u>
Fund balance -- ending	<u>\$ 3,139,701</u>	<u>\$ 3,730,344</u>	<u>\$ 3,630,390</u>	<u>\$ (99,954)</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 750,000	\$ 750,000	\$ 572,555	\$ (177,445)
Licenses, permits and franchises	22,000	22,000	23,049	1,049
Revenue from use of money and property	125,000	125,000	40,872	(84,128)
Intergovernmental revenue	34,441,714	28,164,830	14,978,006	(13,186,824)
Charges for services	127,500	127,500	340,954	213,454
Total revenues - Road & Bridge	<u>35,466,214</u>	<u>29,189,330</u>	<u>15,955,436</u>	<u>(13,233,894)</u>
Expenditures: Public Ways and Facilities				
Salaries and employee benefits	4,696,985	4,791,985	4,341,964	450,021
Services and supplies	35,266,976	30,576,991	9,689,431	20,887,560
Other charges	6,145,566	6,263,667	5,874,060	389,607
Capital assets	7,426,430	7,426,430	104,714	7,321,716
Total expenditures - Road & Bridge	<u>53,535,957</u>	<u>49,059,073</u>	<u>20,010,169</u>	<u>29,048,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,069,743)</u>	<u>(19,869,743)</u>	<u>(4,054,733)</u>	<u>15,815,010</u>
Other financing sources (uses)				
Transfers in	5,945,271	6,445,271	3,672,744	(2,772,527)
Total other financing sources (uses)	<u>5,945,271</u>	<u>6,445,271</u>	<u>3,672,744</u>	<u>(2,772,527)</u>
Net change in fund balance	<u>(12,124,472)</u>	<u>(13,424,472)</u>	<u>(381,989)</u>	<u>13,042,483</u>
Fund balance -- beginning	16,205,909	16,205,909	16,205,909	-
Fund balance -- ending	<u>\$ 4,081,437</u>	<u>\$ 2,781,437</u>	<u>\$ 15,823,920</u>	<u>\$ 13,042,483</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental revenue	\$ 7,651,083	\$ 7,522,540	\$ 5,939,105	\$ (1,583,435)
Charges for services	11,302,411	11,302,411	11,361,932	59,521
Miscellaneous revenue	-	-	(21,731)	(21,731)
Total revenues - Employment and Training	<u>18,953,494</u>	<u>18,824,951</u>	<u>17,279,306</u>	<u>(1,545,645)</u>
Expenditures: Public Assistance				
Workforce Development				
Salaries and employee benefits	4,315,561	4,015,561	3,553,110	462,451
Services and supplies	3,629,559	3,832,078	2,722,027	1,110,051
Other charges	276,900	245,200	217,828	27,372
Total expenditures	<u>8,222,020</u>	<u>8,092,839</u>	<u>6,492,965</u>	<u>1,599,874</u>
Workforce Development - Stanworks				
Salaries and employee benefits	8,067,069	7,349,469	5,682,726	1,666,743
Services and supplies	2,455,673	3,024,373	2,826,184	198,189
Other charges	181,900	330,800	287,759	43,041
Total expenditures	<u>10,704,642</u>	<u>10,704,642</u>	<u>8,796,669</u>	<u>1,907,973</u>
Total expenditures - Employment and Training	<u>18,926,662</u>	<u>18,797,481</u>	<u>15,289,634</u>	<u>3,507,847</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,832</u>	<u>27,470</u>	<u>1,989,672</u>	<u>1,962,202</u>
Other financing sources (uses)				
Transfers out	(27,100)	(27,100)	-	27,100
Total other financing sources (uses)	<u>(27,100)</u>	<u>(27,100)</u>	<u>-</u>	<u>27,100</u>
Net change in fund balance	<u>(268)</u>	<u>370</u>	<u>1,989,672</u>	<u>1,989,302</u>
Fund balance -- beginning	<u>639,567</u>	<u>639,567</u>	<u>639,567</u>	<u>-</u>
Fund balance -- ending	<u>\$ 639,299</u>	<u>\$ 639,937</u>	<u>\$ 2,629,239</u>	<u>\$ 1,989,302</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Revenue from use of money and property	\$ 25,000	\$ 25,000	\$ 17,085	\$ (7,915)
Intergovernmental revenue	16,302,923	16,330,965	14,422,827	(1,908,138)
Total revenues - Child Support Services	<u>16,327,923</u>	<u>16,355,965</u>	<u>14,439,912</u>	<u>(1,916,053)</u>
Expenditures: Public Protection				
Salaries and employee benefits	13,361,114	13,092,425	11,941,662	1,150,763
Services and supplies	1,334,371	1,547,643	974,019	573,624
Other charges	1,664,642	1,664,642	1,341,586	323,056
Capital assets	-	83,459	83,227	232
Total expenditures - Child Support Services	<u>16,360,127</u>	<u>16,388,169</u>	<u>14,340,494</u>	<u>2,047,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,204)</u>	<u>(32,204)</u>	<u>99,418</u>	<u>131,622</u>
Other financing sources (uses)				
Transfers out	(44,092)	(44,092)	-	44,092
Total other financing sources (uses)	<u>(44,092)</u>	<u>(44,092)</u>	<u>-</u>	<u>44,092</u>
Net change in fund balance	<u>(76,296)</u>	<u>(76,296)</u>	<u>99,418</u>	<u>175,714</u>
Fund balance -- beginning	1,422,394	1,422,394	1,422,394	-
Fund balance -- ending	<u>\$ 1,346,098</u>	<u>\$ 1,346,098</u>	<u>\$ 1,521,812</u>	<u>\$ 175,714</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 152	\$ 152
Intergovernmental revenue	80,789,537	83,992,096	83,682,244	(309,852)
Miscellaneous revenue	381,725	353,222	22,727	(330,495)
Total revenues - Public Authority	<u>81,171,262</u>	<u>84,345,318</u>	<u>83,705,123</u>	<u>(640,195)</u>
Expenditures: Public Assistance				
CSA - IHSS Administration				
Services and supplies	55,676	222,343	184,091	38,252
Other charges	819,007	857,458	770,056	87,402
Total expenditures	<u>874,683</u>	<u>1,079,801</u>	<u>954,147</u>	<u>125,654</u>
CSA - IHSS Benefits				
Services and supplies	976,146	969,905	568,865	401,040
Other charges	81,000	87,241	87,241	-
Total expenditures	<u>1,057,146</u>	<u>1,057,146</u>	<u>656,106</u>	<u>401,040</u>
CSA - IHSS Provider wages				
Other charges	82,161,445	85,130,383	83,934,898	1,195,485
Total expenditures	<u>82,161,445</u>	<u>85,130,383</u>	<u>83,934,898</u>	<u>1,195,485</u>
Total expenditures - Public Authority	<u>84,093,274</u>	<u>87,267,330</u>	<u>85,545,151</u>	<u>1,722,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,922,012)</u>	<u>(2,922,012)</u>	<u>(1,840,028)</u>	<u>1,081,984</u>
Other financing sources (uses)				
Transfers in	2,922,012	2,922,012	1,840,028	(1,081,984)
Total other financing sources (uses)	<u>2,922,012</u>	<u>2,922,012</u>	<u>1,840,028</u>	<u>(1,081,984)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance -- ending	<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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Licenses, permits and franchises	\$ 14,000	\$ 14,000	\$ 14,490	\$ 490
Fines, forfeitures and penalties	95,000	95,000	106,077	11,077
Revenue from use of money and property	8,900	8,900	1,452	(7,448)
Intergovernmental revenue	14,985,351	14,985,351	14,535,270	(450,081)
Charges for services	11,475,223	11,475,223	10,446,101	(1,029,122)
Miscellaneous revenue	132,185	132,185	38,771	(93,414)
Total revenues - Health Services Agency	<u>26,710,659</u>	<u>26,710,659</u>	<u>25,142,161</u>	<u>(1,568,498)</u>
Expenditures: Health and Sanitation				
EMS - Discretionary Fund				
Salaries and employee benefits	16,762,105	16,760,485	13,568,881	3,191,604
Services and supplies	4,287,270	4,288,890	3,285,876	1,003,014
Other charges	697,471	697,471	663,052	34,419
Intrafund transfer	3,780,752	3,780,752	3,506,701	274,051
Capital assets	100,000	100,000	-	100,000
Total expenditures	<u>25,627,598</u>	<u>25,627,598</u>	<u>21,024,510</u>	<u>4,603,088</u>
Administration				
Salaries and employee benefits	7,355,075	7,155,075	7,067,755	87,320
Services and supplies	1,829,820	2,020,070	1,655,889	364,181
Other charges	1,886,735	1,886,735	1,587,700	299,035
Intrafund transfer	(3,780,451)	(3,780,451)	(3,506,701)	(273,750)
Capital assets	341,324	351,074	308,628	42,446
Total expenditures	<u>7,632,503</u>	<u>7,632,503</u>	<u>7,113,271</u>	<u>519,232</u>
Total expenditures - Health Services Agency	<u>33,260,101</u>	<u>33,260,101</u>	<u>28,137,781</u>	<u>5,122,320</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,549,442)</u>	<u>(6,549,442)</u>	<u>(2,995,620)</u>	<u>3,553,822</u>
Other financing sources (uses)				
Transfers in	6,682,132	6,682,132	6,050,778	(631,354)
Transfers out	(335,657)	(335,657)	-	335,657
Sale of capital assets	-	-	609	609
Total other financing sources (uses)	<u>6,346,475</u>	<u>6,346,475</u>	<u>6,051,387</u>	<u>(295,088)</u>
Net change in fund balance	<u>(202,967)</u>	<u>(202,967)</u>	<u>3,055,767</u>	<u>3,258,734</u>
Fund balance -- beginning	10,105,292	10,105,292	10,105,292	-
Fund balance -- ending	<u>\$ 9,902,325</u>	<u>\$ 9,902,325</u>	<u>\$ 13,161,059</u>	<u>\$ 3,258,734</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Fines, forfeitures and penalties	\$ 606,000	\$ 606,000	\$ 677,415	\$ 71,415
Revenue from use of money and property	2,500	2,500	2,017	(483)
Charges for services	252,500	252,500	334,997	82,497
Total revenues - Indigent Health Care	<u>861,000</u>	<u>861,000</u>	<u>1,014,429</u>	<u>153,429</u>
Expenditures: Health and Sanitation				
EMS Hospital				
Services and supplies	326,426	326,426	55,591	270,835
Total expenditures	<u>326,426</u>	<u>326,426</u>	<u>55,591</u>	<u>270,835</u>
Indigent Health Care Program				
Services and supplies	456,500	456,500	454,155	2,345
Total expenditures	<u>456,500</u>	<u>456,500</u>	<u>454,155</u>	<u>2,345</u>
Administration				
Salaries and employee benefits	156,565	136,565	26,957	109,608
Services and supplies	17,050	37,050	27,294	9,756
Other charges	273,751	273,751	105,432	168,319
Total expenditures	<u>447,366</u>	<u>447,366</u>	<u>159,683</u>	<u>287,683</u>
Total expenditures - Indigent Health Care	<u>1,230,292</u>	<u>1,230,292</u>	<u>669,429</u>	<u>560,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(369,292)</u>	<u>(369,292)</u>	<u>345,000</u>	<u>714,292</u>
Other financing sources (uses)				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	<u>(69,292)</u>	<u>(69,292)</u>	<u>645,000</u>	<u>714,292</u>
Fund balance -- beginning	<u>631,843</u>	<u>631,843</u>	<u>631,843</u>	<u>-</u>
Fund balance -- ending	<u>\$ 562,551</u>	<u>\$ 562,551</u>	<u>\$ 1,276,843</u>	<u>\$ 714,292</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 9,941,951	\$ 10,096,568	\$ 10,195,058	\$ 98,490
Revenue from use of money and property	2,971	2,971	2,859	(112)
Intergovernmental revenue	237,501	239,333	239,333	-
Charges for services	462,850	468,124	500,293	32,169
Miscellaneous revenue	102,510	146,954	131,210	(15,744)
Total revenues - Library	<u>10,747,783</u>	<u>10,953,950</u>	<u>11,068,753</u>	<u>114,803</u>
Expenditures: Public Ways and Facilities				
Salaries and employee benefits	7,408,403	7,349,112	7,109,071	240,041
Services and supplies	3,179,352	3,996,705	3,421,770	574,935
Other charges	847,146	1,003,842	948,158	55,684
Capital assets	1,526,549	1,000,944	56,122	944,822
Total expenditures - Library	<u>12,961,450</u>	<u>13,350,603</u>	<u>11,535,121</u>	<u>1,815,482</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,213,667)</u>	<u>(2,396,653)</u>	<u>(466,368)</u>	<u>1,930,285</u>
Other financing sources (uses)				
Transfers in	491,810	491,810	491,810	-
Total other financing sources (uses)	<u>491,810</u>	<u>491,810</u>	<u>491,810</u>	<u>-</u>
Net change in fund balance	<u>(1,721,857)</u>	<u>(1,904,843)</u>	<u>25,442</u>	<u>1,930,285</u>
Fund balance -- beginning	11,688,736	11,688,736	11,688,736	-
Fund balance -- ending	<u>\$ 9,966,879</u>	<u>\$ 9,783,893</u>	<u>\$ 11,714,178</u>	<u>\$ 1,930,285</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 54,692	\$ 54,692	\$ 84,266	\$ 29,574
Revenue from use of money and property	-	-	3,256	3,256
Intergovernmental revenue	-	-	575	575
Charges for services	284,493	284,493	342,912	58,419
Total revenues - Lighting Districts	<u>339,185</u>	<u>339,185</u>	<u>431,009</u>	<u>91,824</u>
Expenditures: Public Ways and Facilities				
Services and supplies	386,823	386,823	277,160	109,663
Total expenditures - Lighting Districts	<u>386,823</u>	<u>386,823</u>	<u>277,160</u>	<u>109,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,638)</u>	<u>(47,638)</u>	153,849	201,487
Net change in fund balance	<u>(47,638)</u>	<u>(47,638)</u>	153,849	201,487
Fund balance -- beginning	<u>711,863</u>	<u>711,863</u>	<u>711,863</u>	<u>-</u>
Fund balance -- ending	<u>\$ 664,225</u>	<u>\$ 664,225</u>	<u>\$ 865,712</u>	<u>\$ 201,487</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,194,933	\$ 1,194,933	\$ 1,507,299	\$ 312,366
Licenses, permits and franchises	2,000	2,000	3,825	1,825
Fines, forfeitures and penalties	189,457	189,457	348,040	158,583
Revenue from use of money and property	187,550	198,110	169,361	(28,749)
Intergovernmental revenue	42,194,400	51,215,839	41,887,070	(9,328,769)
Charges for services	4,022,849	4,025,444	3,385,274	(640,170)
Miscellaneous revenue	319,870	319,870	333,247	13,377
Total revenues - Other	<u>48,111,059</u>	<u>57,145,653</u>	<u>47,634,116</u>	<u>(9,511,537)</u>
Expenditures: General				
12th Street Office Building				
Services and supplies	14,949	14,949	14,056	893
Other charges	31,203	31,203	28,531	2,672
Total expenditures	<u>46,152</u>	<u>46,152</u>	<u>42,587</u>	<u>3,565</u>
Stanislaus Veterans Center				
Services and supplies	157,144	499,878	422,198	77,680
Other charges	635,295	292,561	2,777	289,784
Total expenditures	<u>792,439</u>	<u>792,439</u>	<u>424,975</u>	<u>367,464</u>
Expenditures: Public Protection				
Stanislaus Family Justice Center				
Salaries and employee benefits	6,740	151,875	44,697	107,178
Services and supplies	105,857	697,897	197,765	500,132
Other charges	2,473	15,298	4,242	11,056
Total expenditures	<u>115,070</u>	<u>865,070</u>	<u>246,704</u>	<u>618,366</u>
County Fire Service Fund				
Salaries and employee benefits	887,589	865,589	659,888	205,701
Services and supplies	645,286	584,116	563,390	20,726
Other charges	103,261	176,431	159,098	17,333
Capital assets	38,100	48,100	42,861	5,239
Total expenditures	<u>1,674,236</u>	<u>1,674,236</u>	<u>1,425,237</u>	<u>248,999</u>
Department of Justice Drug and Alcohol				
Services and supplies	174,474	174,474	3,124	171,350
Total expenditures	<u>174,474</u>	<u>174,474</u>	<u>3,124</u>	<u>171,350</u>
Homeland Security Grant				
Salaries and employee benefits	130,538	221,437	74,973	146,464
Services and supplies	226,932	602,493	325,209	277,284
Capital assets	263,343	414,878	25,177	389,701
Total expenditures	<u>620,813</u>	<u>1,238,808</u>	<u>425,359</u>	<u>813,449</u>
Office of Emergency Services Water Resources				
Salaries and employee benefits	-	205,000	1,622	203,378
Total expenditures	<u>-</u>	<u>205,000</u>	<u>1,622</u>	<u>203,378</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Clerk Recorder Modernization Trust Fund				
Salaries and employee benefits	780,376	780,376	675,158	105,218
Services and supplies	2,307,634	2,307,634	872,383	1,435,251
Capital assets	150,558	150,558	28,526	122,032
Total expenditures	<u>3,238,568</u>	<u>3,238,568</u>	<u>1,576,067</u>	<u>1,662,501</u>
Clerk Recorder Vital and Health Statistics				
Services and supplies	139,152	139,152	-	139,152
Total expenditures	<u>139,152</u>	<u>139,152</u>	<u>-</u>	<u>139,152</u>
Arson Task Force				
Services and supplies	59,194	59,194	39,770	19,424
Total expenditures	<u>59,194</u>	<u>59,194</u>	<u>39,770</u>	<u>19,424</u>
Enforce Consumer Protection Laws				
Salaries and employee benefits	89,519	89,519	87,953	1,566
Services and supplies	-	-	(73)	73
Total expenditures	<u>89,519</u>	<u>89,519</u>	<u>87,880</u>	<u>1,639</u>
Elder Abuse Advocacy and Outreach				
Salaries and employee benefits	84,035	80,035	30,623	49,412
Services and supplies	116,602	120,602	119,264	1,338
Total expenditures	<u>200,637</u>	<u>200,637</u>	<u>149,887</u>	<u>50,750</u>
Federal Asset Forfeiture				
Services and supplies	9,619	9,619	533	9,086
Total expenditures	<u>9,619</u>	<u>9,619</u>	<u>533</u>	<u>9,086</u>
Unserviced/Underserved Victim Advocacy and Outreach Program				
Salaries and employee benefits	153,003	148,378	127,506	20,872
Services and supplies	-	21,325	9,863	11,462
Total expenditures	<u>153,003</u>	<u>169,703</u>	<u>137,369</u>	<u>32,334</u>
Impaired Driver Vertical Prosecution Program				
Salaries and employee benefits	83,267	225,626	211,972	13,654
Services and supplies	-	3,500	446	3,054
Total expenditures	<u>83,267</u>	<u>229,126</u>	<u>212,418</u>	<u>16,708</u>
Auto Insurance Fraud Program				
Salaries and employee benefits	185,939	155,149	149,775	5,374
Services and supplies	13,643	12,163	10,236	1,927
Total expenditures	<u>199,582</u>	<u>167,312</u>	<u>160,011</u>	<u>7,301</u>
Victim Services Program				
Salaries and employee benefits	597,236	556,036	464,930	91,106
Services and supplies	262,374	303,574	267,729	35,845
Total expenditures	<u>859,610</u>	<u>859,610</u>	<u>732,659</u>	<u>126,951</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Victim Compensation and Government Claims				
Salaries and employee benefits	86,880	89,613	89,567	46
Total expenditures	<u>86,880</u>	<u>89,613</u>	<u>89,567</u>	<u>46</u>
Real Estate Fraud Prosecution				
Salaries and employee benefits	352,948	360,485	360,485	-
Services and supplies	10,167	2,630	2,397	233
Total expenditures	<u>363,115</u>	<u>363,115</u>	<u>362,882</u>	<u>233</u>
Planning Special Revenue Grants				
Services and supplies	9,568,263	9,568,263	2,825,978	6,742,285
Other charges	811,403	811,403	540,060	271,343
Total expenditures	<u>10,379,666</u>	<u>10,379,666</u>	<u>3,366,038</u>	<u>7,013,628</u>
Planning General Plan Maintenance				
Services and supplies	304,500	304,500	29,654	274,846
Other charges	173,550	173,550	51,735	121,815
Total expenditures	<u>478,050</u>	<u>478,050</u>	<u>81,389</u>	<u>396,661</u>
Juvenile Justice Crime Prevention Grant				
Salaries and employee benefits	1,779,648	1,743,648	1,705,249	38,399
Services and supplies	8,500	52,599	45,157	7,442
Other charges	37,991	37,991	40,179	(2,188)
Capital assets	-	36,000	36,000	-
Total expenditures	<u>1,826,139</u>	<u>1,870,238</u>	<u>1,826,585</u>	<u>43,653</u>
Juvenile Accountability Block Grant				
Services and supplies	100,000	300,000	171,633	128,367
Total expenditures	<u>100,000</u>	<u>300,000</u>	<u>171,633</u>	<u>128,367</u>
Youthful Offender Block Grant				
Salaries and employee benefits	1,271,391	1,271,391	644,482	626,909
Services and supplies	27,292	22,292	12,750	9,542
Other charges	10,157	15,157	16,310	(1,153)
Total expenditures	<u>1,308,840</u>	<u>1,308,840</u>	<u>673,542</u>	<u>635,298</u>
Ward Welfare Fund				
Services and supplies	25,000	25,000	8,253	16,747
Capital assets	15,000	15,000	-	15,000
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>8,253</u>	<u>31,747</u>
Corrections Performance Incentive Act				
Salaries and employee benefits	708,947	787,828	578,561	209,267
Services and supplies	13,900	13,900	4,461	9,439
Other charges	8,502	8,502	9,759	(1,257)
Total expenditures	<u>731,349</u>	<u>846,230</u>	<u>628,781</u>	<u>217,449</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Local Community Corrections				
Services and supplies	802,500	802,500	691,815	110,685
Other charges	19,720,033	19,720,033	15,637,495	4,082,538
Total expenditures	<u>20,522,533</u>	<u>20,522,533</u>	<u>16,329,310</u>	<u>4,193,223</u>
Court Security				
Salaries and employee benefits	5,370,951	5,368,334	5,245,810	122,524
Services and supplies	31,146	17,060	13,380	3,680
Other charges	236,177	223,129	224,114	(985)
Total expenditures	<u>5,638,274</u>	<u>5,608,523</u>	<u>5,483,304</u>	<u>125,219</u>
California Identification Program				
Salaries and employee benefits	106,886	109,694	109,694	-
Services and supplies	441,650	578,138	498,343	79,795
Other charges	6,870	6,870	5,279	1,591
Capital assets	-	270,032	261,524	8,508
Total expenditures	<u>555,406</u>	<u>964,734</u>	<u>874,840</u>	<u>89,894</u>
Juvenile Accountability Grant				
Services and supplies	650,376	1,250,555	1,028,643	221,912
Other charges	85,549	189,414	130,949	58,465
Total expenditures	<u>735,925</u>	<u>1,439,969</u>	<u>1,159,592</u>	<u>280,377</u>
Vehicle Theft Unit				
Salaries and employee benefits	93,848	83,848	75,276	8,572
Services and supplies	181,945	181,945	148,207	33,738
Other charges	204,638	214,638	217,246	(2,608)
Capital assets	8,000	383,000	370,743	12,257
Total expenditures	<u>488,431</u>	<u>863,431</u>	<u>811,472</u>	<u>51,959</u>
Civil Process Fee				
Services and supplies	127,342	127,342	45,516	81,826
Other charges	1,112	1,112	697	415
Capital assets	249,544	249,544	1,236	248,308
Total expenditures	<u>377,998</u>	<u>377,998</u>	<u>47,449</u>	<u>330,549</u>
Sheriff - Dedicated Funds				
Other charges	-	336,866	336,866	-
Total expenditures	<u>-</u>	<u>336,866</u>	<u>336,866</u>	<u>-</u>
Driving Training Program				
Salaries and employee benefits	129,397	114,397	93,132	21,265
Services and supplies	19,254	19,254	3,510	15,744
Other charges	43,554	58,554	35,118	23,436
Total expenditures	<u>192,205</u>	<u>192,205</u>	<u>131,760</u>	<u>60,445</u>
CAL-MMET Program				
Salaries and employee benefits	311,555	51,555	51,049	506
Services and supplies	205,519	214,049	135,155	78,894
Other charges	184,646	169,646	164,908	4,738
Capital assets	-	885,579	968,002	(82,423) *
Total expenditures	<u>701,720</u>	<u>1,320,829</u>	<u>1,319,114</u>	<u>1,715</u>

*Amount is overstated due to timing difference

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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Special Districts				
Services and supplies	1,718,643	1,921,140	990,392	930,748
Total expenditures	<u>1,718,643</u>	<u>1,921,140</u>	<u>990,392</u>	<u>930,748</u>
Dangerous Building Abatement				
Services and supplies	216,000	216,000	24,186	191,814
Other charges	50,000	50,000	14,178	35,822
Total expenditures	<u>266,000</u>	<u>266,000</u>	<u>38,364</u>	<u>227,636</u>
Expenditures: Public Ways and Facilities				
Airport Sewer Project				
Services and supplies	-	6,276,884	3,692,422	2,584,462
Total expenditures	<u>-</u>	<u>6,276,884</u>	<u>3,692,422</u>	<u>2,584,462</u>
Expenditures: Public Assistance				
Area Agency on Aging				
Salaries and employee benefits	1,593,185	1,543,185	1,542,236	949
Services and supplies	337,313	388,711	315,502	73,209
Other charges	1,627,424	1,808,278	1,700,003	108,275
Capital assets	-	50,000	-	50,000
Total expenditures	<u>3,557,922</u>	<u>3,790,174</u>	<u>3,557,741</u>	<u>232,433</u>
Expenditures: Education				
Coop-Extension Farm and Home Advisors Research				
Services and supplies	16,200	16,200	1,042	15,158
Total expenditures	<u>16,200</u>	<u>16,200</u>	<u>1,042</u>	<u>15,158</u>
Expenditures: Recreation				
Off Highway Vehicle Parks				
Services and supplies	179,682	213,882	164,791	49,091
Other charges	8,650	341,905	334,436	7,469
Intrafund transfer	456,503	89,048	1,450	87,598
Capital assets	230,218	230,218	89,203	141,015
Total expenditures	<u>875,053</u>	<u>875,053</u>	<u>589,880</u>	<u>285,173</u>
Fish and Game				
Services and supplies	35,000	35,000	10,592	24,408
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>10,592</u>	<u>24,408</u>
Modesto Reservoir Patrol				
Services and supplies	33,954	33,954	-	33,954
Other charges	25,000	25,000	-	25,000
Capital assets	317,757	317,757	-	317,757
Total expenditures	<u>376,711</u>	<u>376,711</u>	<u>-</u>	<u>376,711</u>
Regional Water Safety Training Center				
Services and supplies	25,124	45,330	41,414	3,916
Other charges	14,700	21,700	21,700	-
Total expenditures	<u>39,824</u>	<u>67,030</u>	<u>63,114</u>	<u>3,916</u>
Total expenditures - Other	<u>59,867,219</u>	<u>71,085,651</u>	<u>48,312,126</u>	<u>22,773,525</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, 2017

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Excess (deficiency) of revenues over (under) expenditures	(11,756,160)	(13,939,998)	(678,010)	(32,285,062)
Other financing sources (uses)				
Transfers in	2,071,713	2,071,130	1,844,679	(226,451)
Transfers out	(1,547,868)	(1,644,669)	(1,522,524)	122,145
Total other financing sources (uses)	523,845	426,461	322,155	(104,306)
Net change in fund balance	(11,232,315)	(13,513,537)	(355,855)	13,157,682
Fund balance -- beginning	43,472,650	43,472,650	43,472,650	-
Fund balance -- ending	<u>\$ 32,240,335</u>	<u>\$ 29,959,113</u>	<u>\$ 43,116,795</u>	<u>\$ 13,157,682</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, 2017

	County Transit System	Geer Road Sanitary Landfill	Inmate Welfare/ Commissary	Total
Assets				
Current assets:				
Cash and investments	\$ 11,205,032	\$ 129,444	\$ 2,097,281	\$ 13,431,757
Accounts receivable, net	658,262	-	67,665	725,927
Interest and other receivables	26,823	1,784	4,963	33,570
Inventory	-	-	8,612	8,612
Total current assets	<u>11,890,117</u>	<u>131,228</u>	<u>2,178,521</u>	<u>14,199,866</u>
Noncurrent assets:				
Restricted cash and investments	-	474,299	-	474,299
Capital assets				
Land and right of ways	-	1,906,261	-	1,906,261
Building and improvements	131,545	-	216,731	348,276
Equipment	15,300,352	-	144,907	15,445,259
Construction in progress	158,762	-	-	158,762
Less: Accumulated depreciation	<u>(6,487,679)</u>	<u>-</u>	<u>(244,015)</u>	<u>(6,731,694)</u>
Net capital assets	<u>9,102,980</u>	<u>1,906,261</u>	<u>117,623</u>	<u>11,126,864</u>
Total noncurrent assets	<u>9,102,980</u>	<u>2,380,560</u>	<u>117,623</u>	<u>11,601,163</u>
Total assets	20,993,097	2,511,788	2,296,144	25,801,029
Deferred outflows of resources				
Deferred pensions	347,353	-	153,253	500,606
Total deferred outflows of resources	<u>347,353</u>	<u>-</u>	<u>153,253</u>	<u>500,606</u>
Liabilities				
Current liabilities:				
Accounts payable	1,179,022	191,920	146,518	1,517,460
Salaries and benefits payable	11,071	-	13,375	24,446
Compensated absences - current	12,135	-	345	12,480
Total current liabilities	<u>1,202,228</u>	<u>191,920</u>	<u>160,238</u>	<u>1,554,386</u>
Noncurrent liabilities:				
Estimated cost of closure/postclosure	-	288,809	-	288,809
Other post-employment benefits (OPEB)	11,202	-	20,350	31,552
Compensated absences	338	-	15,454	15,792
Net pension liability	<u>634,439</u>	<u>-</u>	<u>289,291</u>	<u>923,730</u>
Total noncurrent liabilities	<u>645,979</u>	<u>288,809</u>	<u>325,095</u>	<u>1,259,883</u>
Total liabilities	<u>1,848,207</u>	<u>480,729</u>	<u>485,333</u>	<u>2,814,269</u>
Deferred inflows of resources				
Deferred pensions	5,843	-	7,001	12,844
Total deferred inflows of resources	<u>5,843</u>	<u>-</u>	<u>7,001</u>	<u>12,844</u>
Net position				
Net investment in capital assets	9,102,980	1,906,261	117,623	11,126,864
Restricted - Landfill	-	474,565	-	474,565
Unrestricted	<u>10,383,420</u>	<u>(349,767)</u>	<u>1,839,440</u>	<u>11,873,093</u>
Total net position	<u>\$ 19,486,400</u>	<u>\$ 2,031,059</u>	<u>\$ 1,957,063</u>	<u>\$ 23,474,522</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, 2017

	County Transit System	Geer Road Sanitary Landfill	Inmate Welfare/ Commissary	Total
Operating revenues				
Charges for services	\$ 559,730	\$ -	\$ 2,401,183	\$ 2,960,913
Total operating revenues	<u>559,730</u>	<u>-</u>	<u>2,401,183</u>	<u>2,960,913</u>
Operating expenses				
Salaries and benefits	391,926	-	281,628	673,554
Services and supplies	5,935,277	-	1,480,214	7,415,491
Depreciation	1,196,465	-	7,644	1,204,109
Total operating expenses	<u>7,523,668</u>	<u>-</u>	<u>1,769,486</u>	<u>9,293,154</u>
Operating income (loss)	<u>(6,963,938)</u>	<u>-</u>	<u>631,697</u>	<u>(6,332,241)</u>
Nonoperating revenues (expenses)				
Investment income	31,676	9,050	7,447	48,173
Intergovernmental	7,663,147	-	-	7,663,147
Total nonoperating revenues (expenses)	<u>7,694,823</u>	<u>9,050</u>	<u>7,447</u>	<u>7,711,320</u>
Income before contributions and transfers	<u>730,885</u>	<u>9,050</u>	<u>639,144</u>	<u>1,379,079</u>
Transfers in	-	1,360,119	-	1,360,119
Transfers (out)	(500,000)	-	-	(500,000)
Transfer in (out), net	<u>(500,000)</u>	<u>1,360,119</u>	<u>-</u>	<u>860,119</u>
Change in net position	<u>230,885</u>	<u>1,369,169</u>	<u>639,144</u>	<u>2,239,198</u>
Total net position - beginning	<u>19,255,515</u>	<u>661,890</u>	<u>1,317,919</u>	<u>21,235,324</u>
Total net position - ending	<u>\$ 19,486,400</u>	<u>\$ 2,031,059</u>	<u>\$ 1,957,063</u>	<u>\$ 23,474,522</u>

County of Stanislaus
Statement of Cash Flows
Non-major Enterprise Funds
For the Fiscal Year Ended June 30, 2017

	County Transit System	Geer Road Landfill	Inmate Welfare/ Commissary	Total
Cash flows from operating activities:				
Cash received from customers and users	\$ 544,735	\$ -	\$ 2,403,518	\$ 2,948,253
Cash paid to suppliers	(6,308,560)	(1,532,617)	(1,429,243)	(9,270,420)
Cash paid to employees	(415,367)	-	(272,714)	(688,081)
Net cash provided (used) by operating activities	<u>(6,179,192)</u>	<u>(1,532,617)</u>	<u>701,561</u>	<u>(7,010,248)</u>
Cash flows from noncapital financing activities:				
Transfers in	-	1,360,119	-	1,360,119
Interfund borrowing	-	-	-	-
Subsidy from state and federal grant	7,663,147	-	-	7,663,147
Transfers out	(500,000)	-	-	(500,000)
Net cash provided (used) by noncapital financing activities	<u>7,163,147</u>	<u>1,360,119</u>	<u>-</u>	<u>8,523,266</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(830,648)	-	-	(830,648)
Proceeds (loss) from disposal of capital assets	-	-	-	-
Net cash (used) by capital and related financing activities	<u>(830,648)</u>	<u>-</u>	<u>-</u>	<u>(830,648)</u>
Cash flows from investing activities:				
Interest received	31,676	9,050	7,447	48,173
Net cash provided by investing activities	<u>31,676</u>	<u>9,050</u>	<u>7,447</u>	<u>48,173</u>
Net increase (decrease) in cash and cash equivalents	<u>184,983</u>	<u>(163,448)</u>	<u>709,008</u>	<u>730,543</u>
Cash and equivalents - beginning	11,020,049	767,191	1,388,273	13,175,513
Cash and equivalents - ending	<u>\$ 11,205,032</u>	<u>\$ 603,743</u>	<u>\$ 2,097,281</u>	<u>\$ 13,906,056</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments	\$ 11,205,032	\$ 129,444	\$ 2,097,281	\$ 13,431,757
Restricted cash and investments & investment with fiscal agent	-	474,299	-	474,299
Total cash and cash equivalents	<u>\$ 11,205,032</u>	<u>\$ 603,743</u>	<u>\$ 2,097,281</u>	<u>\$ 13,906,056</u>

County of Stanislaus
Statement of Cash Flows (continued)
Non-major Enterprise Funds
For the Fiscal Year Ended June 30, 2017

	County Transit System	Geer Road Landfill	Inmate Welfare/ Commissary	Total
Cash provided (used) by operating activities				
Operating income (loss)	\$ (6,963,938)	\$ -	\$ 631,697	\$ (6,332,241)
Depreciation	1,196,465	-	7,644	1,204,109
(Increase) decrease in accounts receivable	(14,995)	-	2,335	(12,660)
(Increase) decrease in other receivables	2,618	842	(2,066)	1,394
(Increase) decrease in inventory	-	-	(3,115)	(3,115)
(Increase) decrease in deferred outflows	(286,053)	-	(123,193)	(409,246)
Increase (decrease) in accounts payable and accrued liabilities	(375,900)	(20,380)	56,151	(340,129)
Increase (decrease) in salaries and benefits payable	(10,473)	-	(184)	(10,657)
Increase (decrease) in liability for compensated absences	(31,699)	-	(489)	(32,188)
Increase (decrease) in other post-employment benefits(OPEB)	1,267	-	1,624	2,891
Increase (decrease) in deferred inflows	(33,325)	-	(12,206)	(45,531)
Increase (decrease) in pension liability	336,841	-	143,363	480,204
Increase (decrease) in estimated cost of closure/postclosure	-	(1,513,079)	-	(1,513,079)
Net cash provided (used) by operating activities	<u>\$ (6,179,192)</u>	<u>\$ (1,532,617)</u>	<u>\$ 701,561</u>	<u>\$ (7,010,248)</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, 2017

	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
Assets														
Current assets:														
Cash and investments	\$ 6,201,033	\$ 375,544	\$ 22,731,732	\$ 15,200,024	\$ 289,000	\$ 887,378	\$ 155,346	\$ 576,372	\$ 384,756	\$ 755,694	\$ 4,997,983	\$ 49	\$ 2,191,728	\$ 54,746,639
Accounts receivable, net	213,440	-	6,679	136,535	-	-	-	-	7,486	-	5,896	583,706	9,830	963,572
Interest and other receivables	15,611	1,163	59,168	38,243	835	2,839	399	1,397	-	-	-	-	-	119,655
Inventory	-	-	-	-	-	-	-	-	134,955	71,872	-	179,584	697	387,108
Total current assets	<u>6,430,084</u>	<u>376,707</u>	<u>22,797,579</u>	<u>15,374,802</u>	<u>289,835</u>	<u>890,217</u>	<u>155,745</u>	<u>577,769</u>	<u>527,197</u>	<u>827,566</u>	<u>5,003,879</u>	<u>763,339</u>	<u>2,202,255</u>	<u>56,216,974</u>
Capital assets:														
Intangible assets	-	-	-	-	-	-	-	-	-	-	2,704,597	-	-	2,704,597
Structures and improvements	-	-	-	-	-	-	-	-	11,735	990,773	-	-	-	1,002,508
Construction in progress	-	-	-	-	-	-	-	-	-	-	-	7,558,367	-	7,558,367
Equipment	-	-	-	-	-	-	-	-	69,895	3,556,156	2,559,741	15,320,164	127,263	21,633,219
Less: Accumulated depreciation	-	-	-	-	-	-	-	-	(75,322)	(3,951,041)	(3,318,109)	(9,963,748)	(127,167)	(17,435,387)
Net capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,308</u>	<u>595,888</u>	<u>1,946,229</u>	<u>12,914,783</u>	<u>96</u>	<u>15,463,304</u>
Total assets	<u>6,430,084</u>	<u>376,707</u>	<u>22,797,579</u>	<u>15,374,802</u>	<u>289,835</u>	<u>890,217</u>	<u>155,745</u>	<u>577,769</u>	<u>533,505</u>	<u>1,423,454</u>	<u>6,950,108</u>	<u>13,678,122</u>	<u>2,202,351</u>	<u>71,680,278</u>
Deferred outflows of resources														
Deferred pensions	-	-	-	-	-	-	-	-	869,406	914,890	3,187,192	847,682	2,252,809	8,071,979
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>869,406</u>	<u>914,890</u>	<u>3,187,192</u>	<u>847,682</u>	<u>2,252,809</u>	<u>8,071,979</u>
Liabilities														
Current liabilities:														
Accounts payable	148,352	165,000	10,999	1,528,987	38,819	-	39,445	3,534	84,381	113,610	229,806	784,694	323,552	3,471,179
Salaries and benefits payable	-	-	-	-	10,269	-	-	-	43,108	42,501	142,109	40,581	120,114	398,682
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	55,677	-	55,677
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	755,008	-	755,008
Risk management liability	1,204,833	144,000	3,685,359	9,360,000	-	227,065	39,000	23,897	-	-	-	-	-	14,684,154
Compensated absences	-	-	-	-	-	-	-	-	11,518	16,659	74,013	16,372	52,681	171,243
Total current liabilities	<u>1,353,185</u>	<u>309,000</u>	<u>3,696,358</u>	<u>10,888,987</u>	<u>49,088</u>	<u>227,065</u>	<u>78,445</u>	<u>27,431</u>	<u>139,007</u>	<u>172,770</u>	<u>445,928</u>	<u>1,652,332</u>	<u>496,347</u>	<u>19,535,943</u>
Noncurrent liabilities:														
Risk management liability	2,290,955	-	17,554,741	-	-	-	-	23,881	-	-	-	-	-	19,869,577
Other post-employment benefits (OPEB)	-	-	-	-	-	-	-	-	56,638	34,215	86,378	35,836	107,231	320,298
Compensated absences	-	-	-	-	-	-	-	-	66,750	124,001	348,634	84,162	205,216	828,763
Net pension liability	-	-	-	-	-	-	-	-	1,431,357	1,442,310	5,261,403	1,377,255	3,710,301	13,222,626
Total noncurrent liabilities	<u>2,290,955</u>	<u>-</u>	<u>17,554,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,881</u>	<u>1,554,745</u>	<u>1,600,526</u>	<u>5,696,415</u>	<u>1,497,253</u>	<u>4,022,748</u>	<u>34,241,264</u>
Total liabilities	<u>3,644,140</u>	<u>309,000</u>	<u>21,251,099</u>	<u>10,888,987</u>	<u>49,088</u>	<u>227,065</u>	<u>78,445</u>	<u>51,312</u>	<u>1,693,752</u>	<u>1,773,296</u>	<u>6,142,343</u>	<u>3,149,585</u>	<u>4,519,095</u>	<u>53,777,207</u>
Deferred inflows of resources														
Deferred pensions	-	-	-	-	-	-	-	-	13,183	13,284	59,649	12,685	34,172	132,973
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,183</u>	<u>13,284</u>	<u>59,649</u>	<u>12,685</u>	<u>34,172</u>	<u>132,973</u>
Net Position														
Net investment in capital assets	-	-	-	-	-	-	-	-	6,308	595,888	1,946,229	12,914,783	96	15,463,304
Unrestricted	2,785,944	67,707	1,546,480	4,485,815	240,747	663,152	77,300	526,457	(310,332)	(44,124)	1,989,079	(1,551,249)	(98,203)	10,378,773
Total net position	<u>\$ 2,785,944</u>	<u>\$ 67,707</u>	<u>\$ 1,546,480</u>	<u>\$ 4,485,815</u>	<u>\$ 240,747</u>	<u>\$ 663,152</u>	<u>\$ 77,300</u>	<u>\$ 526,457</u>	<u>\$ (304,024)</u>	<u>\$ 551,764</u>	<u>\$ 3,935,308</u>	<u>\$ 11,363,534</u>	<u>\$ (98,107)</u>	<u>\$ 25,842,077</u>

County of Stanislaus
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

	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
Operating revenues														
Charges for services	\$ 4,847,818	\$ 117,748	\$ 4,669,946	\$ 57,035,571	\$ 280,248	\$ 4,075,799	\$ 605,419	\$ 17,733	\$ 1,304,946	\$ 2,755,495	\$ 6,414,012	\$ 3,098,448	\$ 9,950,901	\$ 95,174,084
Total operating revenues	<u>4,847,818</u>	<u>117,748</u>	<u>4,669,946</u>	<u>57,035,571</u>	<u>280,248</u>	<u>4,075,799</u>	<u>605,419</u>	<u>17,733</u>	<u>1,304,946</u>	<u>2,755,495</u>	<u>6,414,012</u>	<u>3,098,448</u>	<u>9,950,901</u>	<u>95,174,084</u>
Operating expenses														
Salaries and benefits	-	-	-	-	-	-	-	-	932,910	972,816	3,272,948	874,582	2,633,423	8,686,679
Services and supplies	4,018,277	595,105	3,936,977	54,876,239	435,462	4,052,790	695,653	284,965	344,354	2,007,527	4,098,149	(161,563)	7,117,470	82,301,405
Depreciation	-	-	-	-	-	-	-	-	587	25,748	471,379	963,300	575	1,461,589
Total operating expenses	<u>4,018,277</u>	<u>595,105</u>	<u>3,936,977</u>	<u>54,876,239</u>	<u>435,462</u>	<u>4,052,790</u>	<u>695,653</u>	<u>284,965</u>	<u>1,277,851</u>	<u>3,006,091</u>	<u>7,842,476</u>	<u>1,676,319</u>	<u>9,751,468</u>	<u>92,449,673</u>
Operating income (loss)	<u>829,541</u>	<u>(477,357)</u>	<u>732,969</u>	<u>2,159,332</u>	<u>(155,214)</u>	<u>23,009</u>	<u>(90,234)</u>	<u>(267,232)</u>	<u>27,095</u>	<u>(250,596)</u>	<u>(1,428,464)</u>	<u>1,422,129</u>	<u>199,433</u>	<u>2,724,411</u>
Nonoperating revenues (expenses)														
Investment income	20,065	712	87,634	74,401	1,129	6,323	660	422	-	-	-	-	10,196	201,542
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	1,769,087	-	1,769,087
Gain(loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	17,523	(1,658)	(23,201)	6,362	(974)
Total nonoperating revenues (expenses), net	<u>20,065</u>	<u>712</u>	<u>87,634</u>	<u>74,401</u>	<u>1,129</u>	<u>6,323</u>	<u>660</u>	<u>422</u>	<u>-</u>	<u>17,523</u>	<u>(1,658)</u>	<u>1,745,886</u>	<u>16,558</u>	<u>1,969,655</u>
Income (loss) before contributions and transfers	<u>849,606</u>	<u>(476,645)</u>	<u>820,603</u>	<u>2,233,733</u>	<u>(154,085)</u>	<u>29,332</u>	<u>(89,574)</u>	<u>(266,810)</u>	<u>27,095</u>	<u>(233,073)</u>	<u>(1,430,122)</u>	<u>3,168,015</u>	<u>215,991</u>	<u>4,694,066</u>
Transfers in	-	-	-	-	-	-	-	-	-	-	1,960,345	-	2,557	1,962,902
Transfer in (out), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,960,345</u>	<u>-</u>	<u>2,557</u>	<u>1,962,902</u>
Change in net position	<u>849,606</u>	<u>(476,645)</u>	<u>820,603</u>	<u>2,233,733</u>	<u>(154,085)</u>	<u>29,332</u>	<u>(89,574)</u>	<u>(266,810)</u>	<u>27,095</u>	<u>(233,073)</u>	<u>530,223</u>	<u>3,168,015</u>	<u>218,548</u>	<u>6,656,968</u>
Total net position - beginning	<u>1,936,338</u>	<u>544,352</u>	<u>725,877</u>	<u>2,252,082</u>	<u>394,832</u>	<u>633,820</u>	<u>166,874</u>	<u>793,267</u>	<u>(331,119)</u>	<u>784,837</u>	<u>3,405,085</u>	<u>8,195,519</u>	<u>(316,655)</u>	<u>19,185,109</u>
Total net position (deficit) - ending	<u>\$ 2,785,944</u>	<u>\$ 67,707</u>	<u>\$ 1,546,480</u>	<u>\$ 4,485,815</u>	<u>\$ 240,747</u>	<u>\$ 663,152</u>	<u>\$ 77,300</u>	<u>\$ 526,457</u>	<u>\$ (304,024)</u>	<u>\$ 551,764</u>	<u>\$ 3,935,308</u>	<u>\$ 11,363,534</u>	<u>\$ (98,107)</u>	<u>\$ 25,842,077</u>

**County of Stanislaus
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017**

	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	
Cash flows from operating activities:														
Cash received from customers and users	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,677	\$ -	\$ 55,677
Cash received from interfund services	4,630,844	118,735	4,668,712	57,088,581	281,310	4,078,637	606,173	18,703	1,303,776	2,755,495	6,411,523	3,355,223	9,949,942	95,267,654
Cash paid to suppliers	(4,005,490)	(580,105)	(3,955,848)	(54,674,115)	(431,566)	(4,138,986)	(701,017)	(284,965)	(356,402)	(1,989,638)	(3,985,818)	530,851	(7,104,570)	(81,677,669)
Cash paid to employees	325,236	19,000	(1,052,905)	760,000	10,208	8,618	-	(138,385)	(883,670)	(918,363)	(3,095,274)	(824,687)	(2,500,536)	(8,290,758)
Net cash provided (used) by operating activities	950,590	(442,370)	(340,041)	3,174,466	(140,048)	(51,731)	(94,844)	(404,647)	63,704	(152,506)	(669,569)	3,117,064	344,836	5,354,904
Cash flows from noncapital financing activities:														
Transfers in	-	-	-	-	-	-	-	-	-	-	1,960,345	-	2,557	1,962,902
Subsidy from state & federal grant	-	-	-	-	-	-	-	-	-	-	-	1,769,087	-	1,769,087
Net cash provided (used) by noncapital financing activities	-	-	-	-	-	-	-	-	-	-	1,960,345	1,769,087	2,557	3,731,989
Cash flows from capital and related financing activities:														
Sale of capital assets	-	-	-	-	-	-	-	-	-	17,523	-	-	6,362	23,885
Purchase of capital assets	-	-	-	-	-	-	-	-	-	(504)	(72,270)	(8,268,488)	-	(8,341,262)
Net cash provided (used) by capital and related financing activities	-	-	-	-	-	-	-	-	-	17,019	(72,270)	(8,268,488)	6,362	(8,317,377)
Cash flows from investing activities:														
Interest received	20,065	712	87,634	74,401	1,129	6,323	660	422	-	-	-	-	10,196	201,542
Net cash provided (used) by investing activities	20,065	712	87,634	74,401	1,129	6,323	660	422	-	-	-	-	10,196	201,542
Net increase (decrease) in cash and cash equivalents	970,655	(441,658)	(252,407)	3,248,867	(138,919)	(45,408)	(94,184)	(404,225)	63,704	(135,487)	1,218,506	(3,382,337)	363,951	971,058
Beginning 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
Ending Cash Balance	\$ 6,201,033	\$ 375,544	\$ 22,731,732	\$ 15,200,024	\$ 289,000	\$ 887,378	\$ 155,346	\$ 576,372	\$ 384,756	\$ 755,694	\$ 4,997,983	\$ 49	\$ 2,191,728	\$ 54,746,639
Cash provided (used) by operating activities:														
Operating income	\$ 829,541	\$ (477,357)	\$ 732,969	\$ 2,159,332	\$ (155,214)	\$ 23,009	\$ (90,234)	\$ (267,232)	\$ 27,095	\$ (250,596)	\$ (1,428,464)	\$ 1,422,129	\$ 199,433	\$ 2,724,411
Adjustments to reconcile operating income to net cash provided (used) by operating activities:														
Depreciation	-	-	-	-	-	-	-	-	587	25,748	471,379	963,300	575	1,461,589
(Increase) decrease in accounts receivable	(213,439)	-	312	58,277	791	2,859	572	(1,170)	-	(2,489)	(498,233)	(959)	(653,479)	
(Increase) decrease in other receivables	(3,536)	987	(1,546)	(5,267)	272	(21)	182	970	-	-	-	-	(7,959)	
(Increase) decrease in inventory	-	-	-	-	-	-	-	(91,361)	-	-	-	51,597	(39,764)	
(Increase) decrease in deferred outflows	-	-	-	-	-	-	-	(750,187)	(803,401)	(2,744,564)	(735,449)	(1,943,593)	(6,977,194)	
Increase (decrease) in accounts payable	12,788	15,000	(18,871)	202,124	3,895	(86,196)	(5,364)	79,313	17,889	112,331	317,691	12,900	663,500	
Increase (decrease) in salaries and benefits payable	-	-	-	-	10,208	-	-	6,422	5,923	6,673	3,211	15,610	48,047	
Increase (decrease) in unearned revenue	-	-	-	-	-	-	-	-	-	-	-	55,677	55,677	
Increase (decrease) in risk mgmt current liability	164,711	19,000	(276,277)	760,000	-	8,618	-	(73,217)	-	-	-	-	602,835	
Increase (decrease) in current liability comp abs	-	-	-	-	-	-	-	-	3,876	4,146	24,293	4,816	4,930	
Increase (decrease) in risk mgmt long-term liability	160,525	-	(776,628)	-	-	-	-	(65,168)	-	-	-	-	(681,271)	
Increase (decrease) in due to other funds/governments	-	-	-	-	-	-	-	-	-	-	-	755,008	755,008	
Increase (decrease) in other post-employment benefits(OPE)	-	-	-	-	-	-	-	-	6,935	3,708	9,124	4,030	14,375	
Increase (decrease) in LT liability comp abs	-	-	-	-	-	-	-	(7,391)	975	(7,238)	(71)	(4,156)	(17,881)	
Increase (decrease) in pension liability	-	-	-	-	-	-	-	852,578	901,055	3,112,557	832,386	2,209,126	7,907,702	
Increase (decrease) in deferred inflows	-	-	-	-	-	-	-	(62,993)	(57,953)	(223,171)	(59,028)	(163,405)	(566,550)	
Net cash provided (used) by operating activities	\$ 950,590	\$ (442,370)	\$ (340,041)	\$ 3,174,466	\$ (140,048)	\$ (51,731)	\$ (94,844)	\$ (404,647)	\$ 63,704	\$ (152,506)	\$ (669,569)	\$ 3,117,064	\$ 344,836	\$ 5,354,904

*Successor
Agency*

County of Stanislaus
Successor Agency to the Stanislaus County Redevelopment Agency
For the Fiscal Year Ended June 30, 2017

The agency had the following long-term debt liabilities as of June 30, 2017:

	<u>Beginning Principal Balance</u>	<u>Deletions</u>	<u>Ending Principal Balance</u>	<u>Due Within One Year</u>
<u>Notes Payable</u>				
United States Department of Agriculture	\$ 3,770,000	\$ 80,000	\$ 3,690,000	\$ 85,000
<u>Bonds Payable</u>				
2005 tax allocation bonds	11,075,000	445,000	10,630,000	450,000
Total long-term liabilities	<u>\$ 14,845,000</u>	<u>\$525,000</u>	<u>\$ 14,320,000</u>	<u>\$ 535,000</u>

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

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	585,000	596,648	1,181,648
2023-2027	3,115,000	2,517,293	5,632,293
2028-2032	3,475,000	1,670,214	5,145,214
2033-2037	3,855,000	729,962	4,584,962
2038-2042	1,075,000	118,335	1,193,335
	<u>\$ 14,320,000</u>	<u>\$ 8,301,112</u>	<u>\$22,621,112</u>

County of Stanislaus
Successor Agency to the Stanislaus County Redevelopment Agency
For the Fiscal Year Ended June 30, 2017

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
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	100,000	139,170	239,170
2023-2027	575,000	626,594	1,201,594
2028-2032	705,000	490,939	1,195,939
2033-2037	870,000	324,284	1,194,284
2038-2042	1,075,000	118,335	1,193,335
	<u>\$ 3,690,000</u>	<u>\$ 2,296,675</u>	<u>\$ 5,986,675</u>

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
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	485,000	457,478	942,478
2023-2027	2,540,000	1,890,699	4,430,699
2028-2032	2,770,000	1,179,275	3,949,275
2033-2037	2,985,000	405,678	3,390,678
	<u>\$10,630,000</u>	<u>\$ 6,004,437</u>	<u>\$16,634,437</u>

*Statistical
Information*

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 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	\$ 494,299,857
Restricted	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	297,608,836
Unrestricted (deficit)	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)	(250,775,999)
Total governmental activities net position	<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>	<u>541,132,694</u>
Business-type activities										
Net investment in capital assets	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	29,793,861
Restricted	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	20,969,868
Unrestricted (deficit)	(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	32,854,917
Total business-type activities net position	<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>	<u>83,618,646</u>
Net position										
Net investment in capital assets	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	524,093,718
Restricted	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	318,578,704
Unrestricted (deficit)	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)	(217,921,082)
Total net position	<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>	<u>\$ 624,751,340</u>

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 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	\$ 45,365,643
Public protection	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	300,326,244
Public ways and facilities	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	36,073,544
Health and sanitation	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	151,320,780
Public assistance	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	328,149,912
Education	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	13,664,296
Recreation	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	8,372,919
Interest and fiscal charges on long-term debt	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)	8,381,196
Total governmental activities expenses	<u>709,595,210</u>	<u>707,073,388</u>	<u>730,058,914</u>	<u>693,885,766</u>	<u>659,180,439</u>	<u>710,041,725</u>	<u>745,575,800</u>	<u>735,233,250</u>	<u>799,201,465</u>	<u>891,654,534</u>
Business-type activities:										
Landfills	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	5,215,062
Behavioral Health	3,403,472	(2,472)	-	-	-	-	-	-	-	-
Health Clinics and Ancillary	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	41,044,649
Inmate Welfare and Commissary	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	1,769,487
Transit	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	7,523,667
Total business-type activities expenses	<u>57,552,634</u>	<u>54,326,849</u>	<u>61,474,015</u>	<u>52,446,677</u>	<u>48,257,452</u>	<u>44,298,758</u>	<u>49,154,741</u>	<u>52,076,659</u>	<u>53,528,622</u>	<u>55,552,865</u>
Total primary government expenses	<u>767,147,844</u>	<u>761,400,237</u>	<u>791,532,929</u>	<u>746,332,443</u>	<u>707,437,891</u>	<u>754,340,483</u>	<u>794,730,541</u>	<u>787,309,909</u>	<u>852,730,087</u>	<u>947,207,399</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	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	19,483,419
Public protection	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	50,897,678
Public ways and facilities	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	10,641,483
Health and sanitation	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	49,896,007
Public assistance	4,306,559	4,276,140	7,475,063	8,130,839	6,336,221	6,962,414	8,408,836	10,627,429	12,578,244	12,979,298
Education	929,447	525,221	456,577	365,953	325,092	439,237	486,531	571,470	736,246	804,946
Recreation	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	4,942,058
Operating grants and contributions	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	526,433,610
Capital grants and contributions	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	36,710,716
Total governmental activities program revenues	<u>558,584,845</u>	<u>546,547,472</u>	<u>553,527,132</u>	<u>554,147,527</u>	<u>546,271,677</u>	<u>593,601,936</u>	<u>624,563,433</u>	<u>669,177,144</u>	<u>725,062,116</u>	<u>712,789,215</u>
Business-type activities:										
Charges for services:										
Landfills	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	7,789,485
Behavioral Health	2,747,730	-	-	-	-	-	-	-	-	-
Health Clinics and Ancillary	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	42,031,823
Inmate Welfare and Commissary	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	2,401,183
Transit	287,648	363,804	346,729	502,139	465,005	687,089	506,184	539,266	510,822	559,730
Operating grants and contributions	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	1,395,579
Capital grants and contributions	742,258	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>54,506,750</u>	<u>50,094,277</u>	<u>52,238,230</u>	<u>46,986,336</u>	<u>46,157,879</u>	<u>43,708,859</u>	<u>44,533,871</u>	<u>49,559,151</u>	<u>49,200,580</u>	<u>54,177,800</u>
Total primary government program revenues	<u>613,091,595</u>	<u>596,641,749</u>	<u>605,765,362</u>	<u>601,133,863</u>	<u>592,429,556</u>	<u>637,310,795</u>	<u>669,097,304</u>	<u>718,736,295</u>	<u>774,262,696</u>	<u>766,967,015</u>
Net (expense)/revenue										
Governmental activities	(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)	(178,865,319)
Business-type activities	(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)	(1,375,065)
Total primary government net expense	<u>(154,056,249)</u>	<u>(164,758,484)</u>	<u>(185,767,567)</u>	<u>(145,198,581)</u>	<u>(115,008,335)</u>	<u>(117,029,688)</u>	<u>(125,633,237)</u>	<u>(68,573,614)</u>	<u>(78,467,391)</u>	<u>(180,240,384)</u>

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	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	119,517,121
Sales taxes	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	36,578,957
Other taxes	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	3,898,466
Franchise fees	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	1,129,666
Payment in lieu of taxes										
Open space subvention	1,466,943	1,332,316	-	-	-	-	-	-	-	-
Unrestricted investment earnings	11,247,849	7,448,383	9,327,724	8,173,086	9,608,355	1,975,516	818,300	884,347	718,321	935,445
Miscellaneous	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	6,728,972
Transfers	(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)	(3,182,136)
Total governmental activities	158,467,824	147,948,267	119,049,871	143,498,600	131,472,763	140,322,299	131,299,183	128,997,818	153,243,836	165,606,491
Business-type activities:										
Sales taxes	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	6,609,799
Unrestricted investment earnings	943,553	673,368	95,463	813,164	495,681	374,703	687,854	758,618	1,345,053	726,720
Sale of capital assets	-	-	-	-	-	-	-	12,985	(61,574)	(3,579)
Transfers	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	3,182,136
Total business-type activities	14,737,179	7,706,879	8,309,048	6,513,419	6,418,618	5,725,578	12,255,259	26,133,908	14,719,006	10,515,076
Total primary government	173,205,003	155,655,146	127,358,919	150,012,019	137,891,381	146,047,877	143,554,442	155,131,726	167,962,842	176,121,567
Change in net position excluding extraordinary items										
Governmental activities	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	(13,258,828)
Business-type activities	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	9,140,011
Total primary government	19,148,754	(9,103,338)	(58,408,648)	4,813,438	22,883,046	29,018,189	17,921,205	86,558,112	89,495,451	(4,118,817)
Extraordinary items										
RDA debt write-off	-	-	-	-	18,141,513	-	-	-	-	-
RDA due to successor agency	-	-	-	-	(19,421,089)	-	-	-	-	-
Net extraordinary loss	-	-	-	-	(1,279,576)	-	-	-	-	-
Change in net position	\$ 19,148,754	\$ (9,103,338)	\$ (58,408,648)	\$ 4,813,438	\$ 21,603,470	\$ 29,018,189	\$ 17,921,205	\$ 86,558,112	\$ 89,495,451	\$ (4,118,817)

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Other Tax</u>	<u>Total</u>
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
2017	\$119,517,121	\$36,578,957	\$3,898,466	\$159,994,544

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 62,679,395	\$ 41,020,498	\$ 33,648,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	11,408,264
Restricted	-	-	-	3,902,067	3,766,553	3,728,477	3,872,119	4,240,486	4,506,356	4,632,178
Committed	-	-	-	7,360,782	2,835,387	7,460,200	4,510,888	6,933,209	7,772,769	7,322,789
Assigned	-	-	-	53,427,519	71,991,359	92,656,760	97,448,659	101,215,033	128,572,135	152,285,335
Unassigned	-	-	-	20,761,362	16,066,425	9,599,149	16,765,674	15,945,066	9,966,047	8,717,151
Total general fund	<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>	<u>184,365,717</u>
All other governmental funds										
Reserved	33,055,756	44,950,684	38,392,864	-	-	-	-	-	-	-
Unreserved										
Special Revenue	167,860,880	165,211,615	166,634,879	-	-	-	-	-	-	-
Capital Projects	127,469,211	113,352,227	107,615,020	-	-	-	-	-	-	-
Debt Service	803,917	(53,215)	343,325	-	-	-	-	-	-	-
Non-spendable	-	-	-	604,486	629,283	567,030	567,922	567,757	568,132	770,976
Restricted	-	-	-	275,406,521	275,903,217	258,631,067	277,156,074	278,069,806	269,243,780	265,308,919
Committed	-	-	-	7,673,957	8,006,919	5,958,731	3,700,637	3,657,838	3,657,838	3,652,900
Assigned	-	-	-	31,321,622	23,969,078	37,470,379	24,896,916	21,776,005	26,439,995	23,243,865
Unassigned	-	-	-	(606,674)	(1,309,161)	(1,166,409)	(1,036,901)	(372,416)	(224,116)	-
Total all other governmental funds	<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>	<u>\$ 292,976,660</u>

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 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	\$ 159,994,544
Licenses, permits and franchises	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	4,501,367
Fines, forfeitures and penalties	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	8,081,083
Revenue from use of money and property	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	743,626
Intergovernmental revenue	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	563,135,025
Charges for services	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	138,122,330
Miscellaneous revenue	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	6,681,654
Donation	-	-	-	188,052	-	-	-	-	-	-
Total revenues	726,944,079	697,956,147	677,626,099	700,011,611	679,804,516	733,032,650	760,756,248	818,117,146	882,571,923	881,259,629
Expenditures										
General	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	37,387,007
Public protection	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	233,255,786
Public ways and facilities	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	31,085,519
Health and sanitation	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	147,406,576
Public assistance	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	339,250,164
Education	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	12,209,085
Recreation and cultural services	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	7,091,792
Capital outlay	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	43,593,843
Debt Service										
Interest and fiscal charges	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	3,535,852
Principal	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	16,723,691
Total expenditures	704,928,904	702,091,623	701,560,427	694,745,098	658,495,295	730,175,420	762,953,710	794,923,739	859,441,887	871,539,315
Excess of revenues over (under) expenditures	<u>22,015,175</u>	<u>(4,135,476)</u>	<u>(23,934,328)</u>	<u>5,266,513</u>	<u>21,309,221</u>	<u>2,857,230</u>	<u>(2,197,462)</u>	<u>23,193,407</u>	<u>23,130,036</u>	<u>9,720,314</u>
Other financing sources (uses)										
Capital lease proceeds	254,451	1,005,918	1,224,693	363,711	-	370,612	394,368	-	247,658	303,918
Transfers in	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	76,260,282
Transfers (out)	(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)	(81,405,320)
Loan proceeds	-	-	-	-	-	8,687,050	19,540,000	61,662	-	7,775,000
Sale of capital assets	501	-	18,266	73,981	24,200	118,679	20,005	-	1,771,897	47,318
Payment to refund bond agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(10,719,402)	(2,985,709)	(2,657,211)	(2,001,439)	(1,591,226)	8,766,145	11,005,843	(20,528,294)	(4,551,288)	2,981,198
Extraordinary items										
Amount due to Successor Agency	-	-	-	-	(19,421,089)	-	-	-	-	-
Net change in fund balances	\$ 11,295,773	\$ (7,121,185)	\$ (26,591,539)	\$ 3,265,074	\$ 296,906	\$ 11,623,375	\$ 8,808,381	\$ 2,665,113	\$ 18,578,748	\$ 12,701,512
Debt service as a percentage of noncapital expenditures	4.57%	4.68%	4.65%	4.82%	5.13%	5.79%	7.42%	2.34%	2.10%	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
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%
2016/2017	\$43,807,012,877	\$2,392,355,386	\$542,400,723	-\$1,914,281,221	\$44,827,487,765	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 limited the property tax rate to 1% of assessed value plus the rate necessary to fund local voter approved bonds and special assessments.

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		
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%
2016/2017	0.9821	1.2820	13.00%	6.40%	70.10%	10.50%	100.00%

Note: 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 through 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 rate are shared by all overlapping government entities.

(1) Includes Superintendent of Schools

(2) Includes independent special districts, dependent school districts, redeveloper successor agencies and County Fire Service

County of Stanislaus
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Secured Assessed Value	2016/2017			2007/2008		
		Property Taxes Billed	Rank	Percentage of Total Property Taxes Billed	Property Taxes	Rank	Percentage of Total Property Taxes
Gallo Winery	\$ 440,613,920	\$ 5,002,533	1	0.8970%	\$ 1,378,021	4	0.2728%
Pacific Gas and Electric	327,477,112	4,248,809	2	0.7618%	1,608,842	3	0.3185%
World International, LLC	22,040,608	3,237,703	3	0.5805%			0.0000%
Gallo Glass Co	291,025,616	3,213,673	4	0.5762%	1,682,328	2	0.3331%
Doctor's Medical Center	228,032,370	2,517,888	5	0.4515%	1,216,776	5	0.2409%
Excel Monte Vista LP	138,921,002	1,877,170	6	0.3366%			0.0000%
Beard Land Imp Co	100,970,754	1,533,133	7	0.2749%			0.0000%
WR Griffin Patterson LLC	100,198,114	1,487,418	8	0.2667%			0.0000%
G3 Enterprises Inc	124,503,970	1,407,566	9	0.2524%			0.0000%
Fresno Farming LLC	102,771,626	1,372,759	10	0.2461%			0.0000%
Diablo Grande, LTD				0.0000%	2,933,771	1	0.5808%
Recot Inc (Frito Lay)				0.0000%	1,178,915	6	0.2334%
Hershey's Chocolate, Inc				0.0000%	1,131,569	7	0.2240%
Pacific Bell				0.0000%	1,077,428	8	0.0000%
Del Monte Corp				0.0000%	1,071,880	9	0.2122%
Foster Dairy Farms				0.0000%	1,026,928	10	0.0000%
Total	<u>\$ 1,876,555,092</u>	<u>\$ 25,898,651</u>		<u>4.6436%</u>	<u>\$ 14,306,458</u>		<u>2.4157%</u>

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
2007/2008	\$ 505,125,278	\$ 464,689,972	91.99%	\$ 34,579,021	\$ 499,268,993	98.84%
2008/2009	\$ 474,286,882	\$ 451,524,927	95.20%	\$ 20,240,772	\$ 471,765,699	99.47%
2009/2010	\$ 446,704,648	\$ 430,564,452	96.39%	\$ 13,413,518	\$ 443,977,970	99.39%
2010/2011	\$ 436,493,485	\$ 424,593,296	97.27%	\$ 9,870,540	\$ 434,463,836	99.54%
2011/2012	\$ 426,313,135	\$ 416,034,209	97.59%	\$ 7,148,528	\$ 423,182,737	99.27%
2012/2013	\$ 427,774,039	\$ 417,419,791	97.58%	\$ 5,516,261	\$ 422,936,052	98.87%
2013/2014	\$ 448,139,124	\$ 438,298,281	97.80%	\$ 4,206,717	\$ 442,504,998	98.74%
2014/2015	\$ 491,947,597	\$ 482,999,011	98.18%	\$ 3,585,493	\$ 486,584,504	98.91%
2015/2016	\$ 526,506,616	\$ 515,308,358	97.87%	\$ 2,657,041	\$ 517,965,399	98.38%
2016/2017	\$ 557,726,852	\$ 548,386,591	98.33%	\$ -	\$ 548,386,591	98.33%

*Includes all taxing authorities within the County excluding Airplane Tax.
For Fiscal Year Ending June 30 of given year.

County of Stanislaus
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Certificates of participation	\$ 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	1,562,703
2013 Lease Refunding	-	-	-	-	-	-	19,540,000	14,765,000	9,915,000	4,990,000
Plus issuance premium	1,413,354	1,269,011	1,124,669	980,326	835,983	691,641	502,193	362,046	221,899	-
2016 Lease HVAC financing	-	-	-	-	-	-	-	-	-	7,390,000
Bonds payable	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	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	83,003,611
Accreted interest tobacco note	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	41,385,756
	<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>	<u>138,332,070</u>
Risk management liability	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	34,505,953
Capital lease payable	394,045	1,134,634	1,688,007	973,618	679,780	567,439	688,802	466,373	483,456	553,410
Compensated absences	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	31,331,685
	<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>	<u>66,391,048</u>
Total governmental activities	<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>	<u>204,723,118</u>
Business-type activities:										
Certificates of participation	721,216	553,136	377,416	194,056	-	-	-	-	-	-
Risk management liability	284,000	161,000	628,000	1,048,000	781,000	648,000	648,000	213,013	186,163	47,778
Compensated absences	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	1,165,593
Capital lease payable	24,770	1,276,404	982,022	663,281	340,820	-	-	-	-	-
Total business-type activities	<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>	<u>1,213,371</u>
Total primary government	337,191,470	324,748,688	315,530,376	300,118,382	271,913,361	249,679,253	225,126,180	215,818,011	209,246,424	205,936,489
Percentage of personal income (1)	2.11%	2.04%	1.97%	1.80%	1.53%	1.35%	1.16%	1.02%	0.99%	0.97%
Per capita (2)	<u>\$ 641</u>	<u>\$ 617</u>	<u>\$ 595</u>	<u>\$ 580</u>	<u>\$ 520</u>	<u>\$ 474</u>	<u>\$ 425</u>	<u>\$ 401</u>	<u>\$ 386</u>	<u>\$ 383</u>

Note:

(1) FYE 2016 & 2017 were calculated based on FYE 2015 personal income. Personal income was not available for FYE 2016 & 2017 at the time schedule was completed.

Population	525,903	526,383	530,584	517,685	522,651	526,546	530,327	538,388	541,560	N/A
Personal income (in thousands)	15,977,182	15,948,738	15,980,924	16,652,338	17,810,902	18,528,026	19,341,120	21,236,783	N/A	N/A
Per capita income	\$ 31,485	\$ 31,248	\$ 31,006	\$ 32,115	\$ 34,138	\$ 35,259	\$ 36,556	\$ 39,445	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>
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%
2016/2017	\$ 44,827,487,765	1.25%	\$ 560,343,597	-	\$ 560,343,597	0%

Note: The legal debt limit percentage is set by statute. Debt includes only general obligation bonded debt supported by property taxes.

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)
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	\$ 21,236,783	\$ 29,445	107,653	5.5%
2016	541,560	not available	not available	109,513	7.5%

Detail of estimated population, as of January 1, 2017:

(2) Incorporated Cities

Ceres	47,754
Hughson	7,331
Modesto	215,080
Newman	11,165
Oakdale	22,711
Patterson	22,730
Riverbank	24,610
Turlock	72,879
Waterford	8,906
Total of incorporated	433,166
Total of unincorporated areas	114,891
Total population	548,057

- 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	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Stanislaus County	3,892	1	1.71%	4,891	1	2.28%
Modesto City Schools	3,200	2	1.40%	3,600	2	1.68%
E & J Gallo Winery	3,000	3	1.32%	3,300	3	1.54%
Doctors Medical Center	2,600	4	1.14%	1,960	8	0.91%
Memorial Medical Center	2,056	5	0.90%	2,832	4	1.32%
Foster Farms	2,000	6	0.88%			N/A
Turlock Emergency Medical Srvcs	2,000	6	0.88%			N/A
Save Mart Supermarkets	1,661	8	0.73%			N/A
Del Monte Foods	1,500	9	0.66%	1,850	9	0.86%
Turlock Unified School District	1,244	10	0.55%	2,202	6	1.02%
Seneca (Signature) Foods			N/A	2,300	5	1.07%
Ceres Unified School District			N/A	2,032	7	0.95%
Stanislaus County Food Products			N/A	1,800	10	0.84%
Total ten largest	23,153		10.15%	26,767		11.67%
Total all other (2)	204,979		89.85%	202,554		88.33%
Total companies or organizations	<u>228,132</u>		<u>100.00%</u>	<u>229,321</u>		<u>100.00%</u>

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Paid employees (1)										
Governmental activities										
General government	N/A	372	N/A	299	287	284	292	297	304	324
Public protection	N/A	1,615	N/A	1,405	1,304	1,301	1,345	1,396	1,288	1,482
Public ways and facilities	N/A	118	N/A	105	76	100	99	100	119	94
Health and sanitation	N/A	781	N/A	717	642	639	653	667	850	732
Public assistance	N/A	975	N/A	948	983	992	1,025	1,074	1,125	1,133
Education	N/A	170	N/A	137	130	134	139	142	148	158
Recreation	N/A	49	N/A	48	40	43	44	45	48	52
Total governmental activities	N/A	4,080	N/A	3,659	3,462	3,493	3,597	3,721	3,882	3,975
Business-type activities										
Landfill	N/A	19	N/A	17	16	16	17	16	6	16
Health Clinics & Ancillary	N/A	288	N/A	262	249	254	259	261	268	266
Transit	N/A	4	N/A	4	4	4	3	4	4	4
Inmate Welfare/Commissary	N/A	13	N/A	0	5	6	5	3	2	3
Behavioral Health	N/A	0	N/A	0	0	0	0	0	0	0
Total business-type activities	N/A	324	N/A	283	274	280	284	284	280	289
Total Stanislaus County	N/A	4,404	N/A	3,942	3,736	3,773	3,881	4,005	4,162	4,264
Actual full-time equivalent employees (2)										
Governmental activities										
General government	352	348	337	270	281	268	272	279	288	289
Public protection	1,486	1,464	1,418	1,224	1,215	1,208	1,235	1,399	1,426	1,317
Public ways and facilities	109	110	107	99	73	98	97	99	96	90
Health and sanitation	644	676	664	568	622	576	547	608	645	586
Public assistance	979	951	927	913	962	969	1,003	1,059	1,106	1,016
Education	94	88	86	71	70	68	68	102	108	74
Recreation	30	27	23	20	20	20	20	40	44	34
Total governmental activities	3,694	3,664	3,562	3,165	3,243	3,207	3,242	3,586	3,713	3,406
Business-type activities										
Landfill	17	17	17	14	13	14	15	16	17	12
Health Clinics & Ancillary	193	229	220	186	185	182	178	226	239	168
Transit	3	3	3	3	3	3	3	4	4	3
Inmate Welfare/Commissary	0	0	0	4	5	4	4	4	4	3
Behavioral Health	0	0	0	0	0	0	0	0	0	0
Total business-type activities	213	249	240	207	206	203	200	250	264	186
Total Stanislaus County	3,907	3,913	3,802	3,372	3,449	3,410	3,442	3,836	3,977	3,592

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety:										
Other:										
Filed felonies-District Attorney	11,391	11,055	10,405	8,447	7,363	7,464	8,022	4,399	4,235	3,631
Filed misdemeanors-District Attorney	6,600	6,554	6,368	5,300	5,598	6,097	6,243	9,141	10,069	9,976
Public Defender's total new caseload	11,034	10,837	10,084	8,358	8,343	8,490	10,218	9,178	10,636	14,915
Fire emergency responses	42,791	42,190	38,114	37,897	41,208	42,741	44,404	46,443	51,634	53,966
Sheriff:										
Total miles patrolled	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	891,487
Processed and booked adult offenders	23,922	22,934	21,464	18,391	18,417	20,472	21,997	19,025	18,850	18,926
Probation										
Juvenile referrals processed	6,449	5,727	4,883	4,280	3,554	2,868	2,611	2,307	2,022	2,005
Juvenile bookings processed	1,965	2,017	2,031	1,803	1,453	1,160	1,022	931	909	820
Adult and juvenile cases supervised	23,799	24,390	24,216	22,627	21,663	21,173	21,166	20,646	20,902	21,668
Health & public assistance										
ADMHS clients served	3,209	3,216	2,017	1,845	1,661	1,857	2,037	2,243	2,315	2,457
Established orders for child support	1,814	3,691	4,596	2,858	2,463	1,787	1,892	1,761	1,527	1,369
Assistance claims paid to eligible recipients	143,630	155,426	164,172	174,764	170,956	217,837	218,617	207,236	209,626	195,435
Patient encounters at public health clinics	N/A	N/A	N/A	16,979	28,009	25,427	23,562	21,555	19,221	16,216
Community resources & public facilities										
Building inspections	11,569	8,621	7,079	7,198	7,633	7,334	9,441	11,472	10,833	11,788
Building permits (calendar year)	2,448	2,032	2,313	2,138	2,134	2,452	2,811	N/A	3,285	3,016
Cost of building permits (calendar year)	\$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	\$2,004,964
Enhanced or maintained road lanes (miles)	1,545	1,527	1,546	1,524	1,521	1,513	1,513	1,511	1,511	1,511
General government & support services										
Clerk-Recorder-Assessor										
Recorded documents & vital copies issued	150,371	138,709	123,366	116,213	113,461	122,290	99,919	101,090	96,437	96,490
Elections										
Registered voters	230,163	216,847	224,513	229,057	232,887	232,887	211,227	175,821	219,255	243,983
Number voting	162,941	58,340	71,405	122,490	156,935	156,935	55,835	39,176	97,511	177,884
Percent voting	70.79%	26.90%	31.80%	53.48%	67.39%	67.39%	26.43%	22.28%	44.47%	72.91%
Resource recovery										
Waste recycled (tons per month)	451	453	556	313	261	245	259	270	404	416
Landfill waste disposal (tons per month)	192,276	238,491	169,779	160,972	159,487	266,086	184,759	185,030	267,159	282,105

County of Stanislaus
Miscellaneous Statistical Data
June 30, 2017

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 & Hosp	3
Flood Control	2	Drainage	1
Fire Protection	14	Water	<u>6</u>
		Total	<u><u>52</u></u>



COUNTY OF STANISLAUS

SINGLE AUDIT REPORT

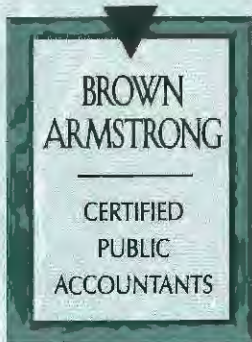
JUNE 30, 2017

**COUNTY OF STANISLAUS
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

TABLE OF CONTENTS

	<u>Page</u>
<u>Reports</u>	
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 <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	3
<u>Schedule</u>	
Schedule of Expenditures of Federal Awards.....	6
Notes to Schedule of Expenditures of Federal Awards	12
<u>Findings and Questioned Costs</u>	
Schedule of Findings and Questioned Costs.....	17
Summary Schedule of Prior Audit Findings	19

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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE
EAST SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

5250 CLAREMONT
AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

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, 2017, 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, 2017.

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* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

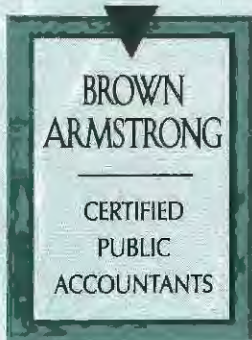
Purpose of This Report

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, 2017



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

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE
EAST SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

5250 CLAREMONT
AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its 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, 2017.

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, 2017, 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, 2017, 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 30, 2018

SCHEDULE

**COUNTY OF STANISLAUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

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 AGRICULTURE				
Passed through California Department of Food and Agriculture				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ -	16-8506-1211-CA	\$ 90,376
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	17-8506-1211-CA	112,815
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	16-8506-0889-CA	6,592
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	16-8506-0934-GR	54,658
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	16-8506-0934-GR	120,432
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	16-8506-0464-CA	192,355
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	17-8506-0464-CA	72,396
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	16-8506-1164-CA	2,917
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	16-8506-1164-CA	10,241
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	15-8506-0572-CA	3,490
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	16-8506-0572-CA	3,245
Subtotal		-		669,519
Meat, Poultry, and Egg Products Inspection	10.477	-	12-25-A-3269	1,717
Passed through California Department of Social Services:				
Supplemental Nutrition Assistance Program	10.551	184,942	13-20511	781,423
Passed through California Department of Education:				
National School Lunch Program	10.555	-		164,705
Passed through California Department of Health Care Services:				
Women, Infants, and Children (WIC)	10.557	-	15-10120	3,342,536
Passed through California Department of Aging:				
Supplemental Nutrition Assistance Program	10.561	23,801	16167CACASQ3903	28,308
Passed through California Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	Stanislaus	11,405,177
Subtotal		23,801		11,433,485
Passed through California Department of Food and Agriculture:				
Seniors Farmers Market Nutrition Program	10.576	-	SFMNP-1617-30	20,000
TOTAL U.S. DEPARTMENT OF AGRICULTURE		208,743		16,413,385
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				
Direct Federal Program				
Community Development Block Grants (CDBG)				
HUD-CDBG FY 11/12	14.218	-	B-11-UC-06-0100	127,623
HUD-CDBG FY 12/13	14.218	31,721	B-12-UC-06-0100	500,104
HUD-CDBG FY 13/14	14.218	-	B-13-UC-06-0100	270,350
HUD-CDBG FY 14/15	14.218	-	B-14-UC-06-0100	11,422
HUD-CDBG FY 15/16	14.218	100,781	B-15-UC-06-0100	908,126
HUD-CDBG FY 16/17	14.218	425,244	B-16-UC-06-0100	778,495
Subtotal		557,746		2,596,120
Direct Federal Program				
Emergency Solutions Grant Program				
HUD-ESG Funds 15/16	14.231	71,510	E-15-UC-06-0100	72,092
HUD-ESG Funds 16/17	14.231	143,216	E-16-UC-06-0100	151,374
Subtotal		214,726		223,466
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		772,472		2,819,586

(Continued)

COUNTY OF STANISLAUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

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 Justice and Delinquency Prevention	16.540	-		157,877
Crime Victim Assistance	16.575	-	99-00000.16	137,369
Crime Victim Assistance	16.575	20,775	99-00000.16	70,040
Crime Victim Assistance	16.575	110,716	99-00000.16	225,316
Crime Victim Assistance	16.575	-	99-00000.16	342,909
Subtotal		131,491		775,634
Violence Against Women Formula Grants	16.588	-	LE15 05 0500	104,046
Violence Against Women Formula Grants	16.588	-	LE16 06 0500	88,607
Subtotal		-		192,653
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	246,703	2016-WE-AX-0045	246,703
Passed through California Office of Justice:				
2013 Edward Byrne Memorial Justice Assistance Grant	16.738	104,116	2013-DJ-BX-0365	120,849
2014 Edward Byrne Memorial Justice Assistance Grant	16.738	116,640	2014-DJ-BX-1184	116,640
2015 Edward Byrne Memorial Justice Assistance Grant	16.738	112,491	2015-DJ-BX-0912	115,970
Passed through California Board of State and Community Corrections:				
2016 Edward Byrne Memorial Justice Assistance Grant	16.738	398,751	BSCC 675-15	474,382
2017 Edward Byrne Memorial Justice Assistance Grant	16.738	245,441	BSCC 675-17	338,195
Subtotal		977,441		1,166,036
TOTAL U.S. DEPARTMENT OF JUSTICE		1,355,635		2,538,903
U.S. DEPARTMENT OF LABOR				
Passed through California Department of Aging:				
Senior Community Service Employment Program	17.235	133,146	TV-1617-30	133,146
Passed through California Employment Development Department:				
WIOA Adult Program	17.258	-	K7102076	275,183
WIOA Adult Program	17.258	-	K698399	150,000
WIOA Adult Program	17.258	-	K7102076	1,882,125
WIOA Adult Program	17.258	452,339	K7102076	515,791
WIOA Adult Program	17.258	-	K7102076	8,481
WIOA Adult Program	17.258	-	K698399	754
WIOA Adult Program	17.258	-	K7102076	7,069
WIOA Youth Activities	17.259	-	K698399	442,226
WIOA Youth Activities	17.259	1,463,585	K7102076	1,776,430
WIOA Dislocated Worker Formula Grants	17.278	54,490	K7102076	354,662
WIOA Dislocated Worker Formula Grants	17.278	-	K7102076	404,697
WIOA Dislocated Worker Formula Grants	17.278	-	K7102076	29,942
WIOA Dislocated Worker Formula Grants	17.278	-	K698399	98,123
WIOA Dislocated Worker Formula Grants	17.278	-	K7102076	23,640
Subtotal WIOA Cluster		1,970,414		5,939,103
TOTAL U.S. DEPARTMENT OF LABOR		2,103,560		6,072,249

(Continued)

**COUNTY OF STANISLAUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2017**

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 TRANSPORTATION				
Passed through California Department of Transportation:				
Highway Planning and Construction	20.205	-	BRLSZ-5938(176)	167,348
Highway Planning and Construction	20.205	-	BRLO-5938(157)	5,071
Highway Planning and Construction	20.205	-	BRLS-5938(188)	510,604
Highway Planning and Construction	20.205	-	STPL-5938(240)	303,586
Highway Planning and Construction	20.205	-	BRLO-5938(190)	130,078
Highway Planning and Construction	20.205	-	BRLO-5938(196)	44,481
Highway Planning and Construction	20.205	-	STPL-5938(228)	430,574
Highway Planning and Construction	20.205	-	STPL-5938(229)	88,647
Highway Planning and Construction	20.205	-	STPL-5938(236)	532
Highway Planning and Construction	20.205	-	BRLO-5938(226)	108,827
Highway Planning and Construction	20.205	-	BRLO-5938(227)	81,670
Highway Planning and Construction	20.205	-	BRLO-5938(189)	255,212
Highway Planning and Construction	20.205	-	STPLZ-5938(076)	11,642
Highway Planning and Construction	20.205	-	BRLO-5938(193)	104,893
Highway Planning and Construction	20.205	-	BRLO-5938(201)	121,077
Highway Planning and Construction	20.205	-	BRLS-5938(167)	335,007
Highway Planning and Construction	20.205	-	CML-5938(225)	140,766
Highway Planning and Construction	20.205	-	CML-5938(239)	69,081
Highway Planning and Construction	20.205	-	CML-5938(223)	82,410
Highway Planning and Construction	20.205	-	CML-5938(180)	6,080
Highway Planning and Construction	20.205	-	CML-5938(183)	201,186
Highway Planning and Construction	20.205	-	CML-5938(181)	190,254
Highway Planning and Construction	20.205	-	BRLO-5938(191)	34,326
Highway Planning and Construction	20.205	-	BRLO-5938(194)	9,788
Highway Planning and Construction	20.205	-	BRLO-5938(192)	39,570
Highway Planning and Construction	20.205	-	BRLS-5938(199)	254,212
Highway Planning and Construction	20.205	-	RPSTPL-5938(215)	33,710
Highway Planning and Construction	20.205	-	BPMPPL-5938(230)	87,113
Highway Planning and Construction	20.205	-	HSIPL-5938(234)	334
Subtotal		-		3,668,076
Formula Grants for Rural Areas	20.509	-	CA 18-X059	437,900
Passed through California Office of Traffic Safety:				
National Priority Safety Program	20.616	-	0521-0890-101	212,459
National Priority Safety Program	20.616	7,117	OP1611/OP1713	61,678
Subtotal		7,117	DI1404	274,137
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		7,117		4,580,112
U.S. DEPARTMENT OF EDUCATION				
Passed through California Department of Rehabilitation:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	-	28295	85,423
TOTAL U.S. DEPARTMENT OF EDUCATION		-		85,423
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through California Department of Aging:				
Title VII(B), Elder Abuse Prevention	93.041	6,093	16AACAT7EA/17AACAT7EA	6,093
Title VII(A), Ombudsman Program	93.042	31,514	16AACAT7OM/17AACAT7OM	31,514
Title III-D, Supportive Services	93.043	26,339	16AACAT3PH/17AACAT3PH	26,339
Title III-B, Supportive Services	93.044	171,937	16AACAT3SS/17AACAT3SS	423,350
Title III-C1, Congregate Nutrition	93.045	199,513	16AAAT3CM/17AACAT3CM	265,896
Title III-C2 Home Delivered Nutrition	93.045	368,139	16AACAT3HD/17AACAT3HD	402,133
Nutrition Services Incentive Program	93.053	137,933	16AACANSIP/17AACANSIP	137,933
Subtotal Aging Cluster		877,521		1,229,412
National Family Caregiver Support, Title III, Part E	93.052	-	16AACAT3FC/17AACAT3FC	209,942
Passed through California Department of Education:				
Child Care and Development Block Grant	93.575	-	C3AP-6061	1,042,140

(Continued)

**COUNTY OF STANISLAUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2017**

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 California Department of Social Services:				
Temporary Assistance for Needy families (TANF)	93.558	202,821	Stanislaus	29,067,361
Temporary Assistance for Needy families (TANF)	93.558	-	Stanislaus	1,813,403
Temporary Assistance for Needy families (TANF)	93.558	-	Stanislaus	11,707,283
Temporary Assistance for Needy families (TANF)	93.558	-	Stanislaus	2,373,720
Temporary Assistance for Needy families (TANF)	93.558	-	Stanislaus	123,440
Subtotal		202,821		45,085,207
Passed through California Department of Health Care Services:				
Refugee and Entrant Assistance - State Administered Program	93.566	-	Stanislaus	76,817
Refugee and Entrant Assistance - State Administered Program	93.566	-	Stanislaus	322,554
Refugee and Entrant Assistance - State Administered Program	93.566	88,660	RESS 1508/1609	88,660
Refugee and Entrant Assistance - State Administered Program	93.566	119,640	TAFO 1508	119,640
Refugee and Entrant Assistance - State Administered Program	93.566	-		103
Passed through California Department of Public Health:				
Refugee and Entrant Assistance - State Administered Program	93.566	-	15-50-90840-00/16-50-90899-00	263,854
Subtotal		208,300		871,828
Guardianship Assistance	93.090	-	Stanislaus	212,780
Promoting Safe and Stable Families	93.556	363,594	Stanislaus	486,972
Community Based Child Abuse Prevention Grants	93.590	-	Stanislaus	26,623
Passed through California Department of Child Support Services:				
Child Support Enforcement	93.563	-	Stanislaus	9,122,030
Child Support Enforcement Research	93.564	-	PASS 1115	601,572
Passed through California Department of Social Services:				
Child Welfare Services/CWS Direct Cost IV-B	93.645	-	Stanislaus	365,127
Foster Care - Title IV-E Out of Home Placement Prevention	93.658	-		385,166
Foster Care - Title IV-E	93.658	-	Stanislaus	10,778,183
Subtotal		-		11,163,349
Adoptions Assistance	93.659	-	Stanislaus	6,374,800
Social Services Block Grant	93.667	-	Stanislaus	1,050,215
Independent Living - ILP	93.674	145,191	Stanislaus	145,191
Family Planning Services	93.217	-	Stanislaus	115,677
Public Health Emergency Preparedness	93.069	-	14-10551	389,138
National Bioterrorism Hospital Preparedness Program	93.886	-	14-10551	198,419
Teenage Pregnancy Prevention Program	93.297	-	16-10215	14,841
Passed through California Department of Aging:				
Centers for Medicare and Medicaid Services (CMS) Research Demonstrations and Evaluations	93.324	-	90SA0067-01-00/90SA0067-02-00	117,038
Medicare Enrollment Assistance Program	93.071	-	14AACAMSHI	19,127
Passed through California Department of Mental Health:				
Block Grants for Community Mental Health Services	93.958	470,499	Stanislaus	2,949,339
Subtotal		470,499		2,949,339
Transition from Homelessness (PATH)	93.150	-		146,152

(Continued)

COUNTY OF STANISLAUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

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 California Department of Alcohol and Drug Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	320,081	Stanislaus	2,560,381
Block Grants for Prevention and Treatment of Substance Abuse	93.959	34,016	Stanislaus	34,016
Block Grants for Prevention and Treatment of Substance Abuse	93.959	110,000	84.19	642,172
Block Grants for Prevention and Treatment of Substance Abuse	93.959	30,000	Stanislaus	30,000
Block Grants for Prevention and Treatment of Substance Abuse	93.959	269,960	Stanislaus	269,960
Subtotal		<u>784,056</u>		<u>3,536,528</u>
Passed through California Department of Public Health:				
Immunization Cooperative Agreements	93.268	-	15-10459	89,736
HIV Care Formula Grants	93.917	-	15-11079/16-10880	163,832
HIV Prevention Activities Health Department Based	93.940	-	15-10953	73,080
AIDS Surveillance	93.944	-	16-10810	39,397
Maternal and Child Health Services Block Grant to the States	93.994	-	201650	145,322
Maternal and Child Health Services Block Grant to the States	93.994	-	201650	349,542
Maternal and Child Health Services Block Grant to the States	93.994	-	15-10173	800,443
Subtotal		-		<u>1,295,307</u>
Passed through California Department of Public Health:				
Medical Assistance Program	93.778	-	14-10033	46,290
Passed through California Department of Aging:				
Multi Purposes Senior Services Program	93.778	-	1617-MSSP-14	658,267
Passed through California Department of Health Care Services:				
Medical Assistance Program - California Children's Services	93.778	-		1,538,150
Medical Assistance Program	93.778	150,511	13-900004 A01	1,017,164
Medical Assistance Program	93.778	-	50-1318	291,070
Medical Assistance Program	93.778	-	14-10033	124,789
Medical Assistance Program	93.778	-	201650	505,465
Medical Assistance Program	93.778	-		858,270
Medical Assistance Program	93.778	-		1,806,557
Medical Assistance Program	93.778	-		143,885
Medical Assistance Program	93.778	-		3,401,034
Medical Assistance Program	93.778	-		402,959
Medical Assistance Program	93.778	-		290,610
Medical Assistance Program	93.778	-		39,310,908
Medical Assistance Program	93.778	-		14,081,052
Medical Assistance Program	93.778	-		60,043
Medical Assistance Program	93.778	-		1,033,206
Subtotal		<u>150,511</u>		<u>65,389,719</u>
Grants for New and Expanded Services under the Health Center Program	93.527	-		88,964
Passed through California Department of Public Health:				
Tuberculosis Demonstration, Research, Public and Professional Education	93.947	-		43,690
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>3,246,429</u>		<u>152,719,918</u>

(Continued)

**COUNTY OF STANISLAUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2017**

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 HOMELAND SECURITY				
Passed through The Governor's Office of Emergency Services: Homeland Security Grant Program	97.087	-	099-00000	418,355
Homeland Security Grant Program	97.087	-		1,062
Subtotal		-		419,417
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		-		419,417
NATIONAL SCIENCE FOUNDATION				
Passed through Califa Group: Education and Human Resources	47.076	-	R79E	630
TOTAL NATIONAL SCIENCE FOUNDATION		-		630
U.S. EXECUTIVE OFFICE OF THE PRESIDENT				
Passed through Office of National Drug Control Policy (ONDCP): 2015 High Intensity Drug Trafficking Areas (HIDTA)	95.001	-	G15CV002A	119,103
2016 High Intensity Drug Trafficking Areas (HIDTA)	95.001	-	G16CV002A	104,841
TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT		-		223,944
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through California State Library: Adult Literacy Program	45.310	-	40-8807	590
Adult Literacy Program	45.310	-	40-8808	4,280
Adult Literacy Program	45.310	-	40-8535	2,753
Adult Literacy Program	45.310	-	40-8810	1,330
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES		-		8,953
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 7,693,856		\$ 185,882,520

**COUNTY OF STANISLAUS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

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	\$ 274,058
Workforce Innovation and Opportunity Act - Adult and Dislocated Worker	17.258	Opportunity Stanislaus	178,281
Workforce Innovation and Opportunity Act - Youth	17.259	Central Valley Opportunity Center	10,773
Workforce Innovation and Opportunity Act - Youth	17.259	Ceres Unified School District	964,014
Workforce Innovation and Opportunity Act - Youth	17.259	Computer Tutor	488,798
Workforce Innovation and Opportunity Act - Adult and Dislocated Worker	17.278	Opportunity Stanislaus	54,490
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	25,937
Title III-B, Supportive Services	93.044	Senior Advocacy Network	76,000
Title VII-A, Ombudsman Program	93.042	Catholic Charities Diocese of Stockton	31,514
Title VII-B, Elder Abuse Prevention	93.041	Catholic Charities Diocese of Stockton	6,093
Title III-D	93.043	Healthy Aging Association	26,339
Title III-C1, Congregate Nutrition	93.045	Howard Training Center	199,513
Title III-C2, Home Delivered Nutrition	93.045	Howard Training Center	368,138
Nutrition Services Incentive Program	93.053	Howard Training Center	137,933
Supplemental Nutrition Assistance Program	10.551	Catholic Charities Diocese of Stockton	8,298
Supplemental Nutrition Assistance Program	10.551	Healthy Aging Association	9,882
Supplemental Nutrition Assistance Program	10.551	SCOE Child/Family Services	51,819
Supplemental Nutrition Assistance Program	10.551	Ei Concilio	15,096
Supplemental Nutrition Assistance Program	10.551	University of California Cooperative Extension	32,216
Supplemental Nutrition Assistance Program	10.551	SCOE - School Wellness	62,631
Supplemental Nutrition Assistance Program	10.551	Children Now	5,000
Program-Education (SNAP-ED) July16 to September 16	10.561	Healthy Aging Association	7,793
Supplemental Nutrition Assistance			
Program-Education (SNAP-ED) October16 to June 17	10.561	Healthy Aging Association	16,008
Senior Community Service Employment Department	17.235	Ser Jobs for Progress	133,146
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Center for Human Services	320,081
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Center for Human Services	140,000
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Center for Human Services	34,015
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Sierra Vista Children & Family Services	269,960
Block Grants for Community Mental Health Services	93.958	Turning Point Community Programs	470,499
Arrest Policies and Enforcement of Protection Orders Program	16.590	Stanislaus Family Justice Center	246,703
Community Development Block Grant	14.218	Alliance Small Business Development Center	8,031
Community Development Block Grant	14.218	Count Appointed Special Advocate	20,000
Community Development Block Grant	14.218	Center for Human Services	59,295
Community Development Block Grant	14.218	Children's Crisis Center	59,820
Community Development Block Grant	14.218	Disability Resource Agency Independent Living	4,621
Community Development Block Grant	14.218	Family Promise	19,377
Community Development Block Grant	14.218	Project Sentinel	24,900
Community Development Block Grant	14.218	Salvation Army Red Shield	38,304
Community Development Block Grant	14.218	Second Harvest	19,600
Community Development Block Grant	14.218	City of Ceres	247,790
Community Development Block Grant	14.218	City of Hughson	8,925
Community Development Block Grant	14.218	City of Newman	1,898
Community Development Block Grant	14.218	City of Oakdale	918
Community Development Block Grant	14.218	City of Patterson	11,443
Community Development Block Grant	14.218	City of Waterford	32,824
Community Development Block Grant - Emergency Solutions Grant	14.231	Children's Crisis Center	32,485
Community Development Block Grant - Emergency Solutions Grant	14.231	Community Housing and Shelter	34,173
Community Development Block Grant - Emergency Solutions Grant	14.231	Family Promise	32,041
Community Development Block Grant - Emergency Solutions Grant	14.231	Salvation Army	60,000
Community Development Block Grant - Emergency Solutions Grant	14.231	We Care	56,027
Crime Victim Assistance	16.575	Count Appointed Special Advocates for Children	31,245
Crime Victim Assistance	16.575	Stanislaus Family Justice Center Foundation	29,963
Crime Victim Assistance	16.575	Haven's Center of Stanislaus	49,508
Crime Victim Assistance	16.575	Stanislaus Family Justice Center Foundation	2,598
Crime Victim Assistance	16.575	Senior Law Project	7,857
Crime Victim Assistance	16.575	Catholic Charities	10,320

(Continued)

NOTE 5 – SUBRECIPIENTS (Continued)

Name of Program	CFDA	Subrecipient	Amount
2013 Edward Bryne Memorial Justice Assistance Grant	16.738	City of Modesto	104,118
2014 Edward Bryne Memorial Justice Assistance Grant	16.738	City of Modesto	116,640
2015 Edward Bryne Memorial Justice Assistance Grant	16.738	Stanislaus Family Justice Center	112,491
2016 Edward Bryne Memorial Justice Assistance Grant	16.738	City of Modesto	232,924
2016 Edward Bryne Memorial Justice Assistance Grant	16.738	Boys & Girls Club	96,610
2016 Edward Bryne Memorial Justice Assistance Grant	16.738	Stanislaus Family Justice Center	69,217
2017 Edward Bryne Memorial Justice Assistance Grant	16.738	City of Modesto	134,759
2017 Edward Bryne Memorial Justice Assistance Grant	16.738	Boys & Girls Club	46,388
2017 Edward Bryne Memorial Justice Assistance Grant	16.738	Stanislaus Family Justice Center	64,294
National Priority Safety Program	20.616	Aspiranet	1,039
National Priority Safety Program	20.616	Center for Human Services	2,258
National Priority Safety Program	20.616	Parent Resource Center	977
National Priority Safety Program	20.616	Sierra Vista	2,843
Temporary Assistance for Needy Families (TANF)	93.558	Modesto City Schools	147,660
Temporary Assistance for Needy Families (TANF)	93.558	International Rescue Committee	55,161
Refugee & Entrant Assistance - State Administered Program	93.566	International Rescue Committee	88,660
Refugee & Entrant Assistance - State Administered Program	93.566	International Rescue Committee	119,640
Promoting Safe and Stable Families	93.556	Sierra Vista	202,484
Promoting Safe and Stable Families	93.556	Center for Human Services	117,267
Promoting Safe and Stable Families	93.556	Aspiranet	43,833
Independent Living - ILP	93.674	Aspiranet	145,191
Medi-Cal Administrative Activities	93.778	Center for Human Services	74,194
Medi-Cal Administrative Activities	93.778	Ceres Partnership for Healthy Children	32,811
Medi-Cal Administrative Activities	93.778	Stanislaus County Public Guardian	43,506
		Total	\$ 7,693,956

NOTE 6 – PROGRAM CLUSTERS

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
<u>WIOA Cluster:</u>		
17.258	WIOA Adult	\$ 2,839,383
17.259	WIOA Youth	2,218,656
17.278	WIOA Dislocated Workers	881,064
	Total	\$ 5,939,103

Aging Cluster:

93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 423,350
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	668,129
93.053	Nutrition Services Incentive Program	137,933
	Total	\$ 1,229,412

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		Total	
		Federal Expenditures	State Expenditures	Federal Expenditures	State Expenditures	Federal Expenditures	State Expenditures
17.235	TV-1617-30	\$ 133,146	\$ -	\$ -	\$ -	\$ 133,146	\$ -
93.041	AP-1617-30	6,093	-	-	-	6,093	-
93.042	AP-1617-30	31,514	-	-	-	31,514	-
93.043	AP-1617-30	26,339	-	-	-	26,339	-
93.044	AP-1617-30	372,172	13,347	51,178	-	423,350	13,347
93.045	AP-1617-30	199,513	43,046	66,483	306	265,996	43,352
93.045	AP-1617-30	368,138	70,428	33,995	81	402,133	70,509
93.052	AP-1617-30	187,617	-	22,325	-	209,942	-
93.053	AP-1617-30	137,933	-	-	-	137,933	-
93.324	HI-1617-30	105,865	159,663	11,173	11,918	117,038	171,581
93.778	MSSP-1617-30	658,267	-	-	-	658,267	-
10.561	SP-1516-30 (July 16 to Sept 16)	7,793	-	226	-	8,019	-
10.561	SP-1617-30 (Oct 16 to June 17)	16,008	-	4,281	-	20,289	-
93.071	MI-1517-30	19,127	-	-	-	19,127	-
	Ombudsman Initiative - AP -1617-30	-	65,910	-	-	-	65,910
	TOTAL	\$ 2,269,525	\$ 352,394	\$ 189,661	\$ 12,305	\$ 2,459,186	\$ 364,699

NOTE 9 – CALIFORNIA OFFICE OF EMERGENCY SERVICES (CalOES) GRANTS

The following represents expenditures for CalOES programs for the year ended June 30, 2017. 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, 2016	For the Year Ended June 30, 2017	Cumulative as of June 30, 2017	Federal Share	State Share	County Share
VW13320500 - Victim/Witness Assistance Program						
Personnel services	\$ 366,655	\$ 377,323	\$ 743,978	\$ 282,992	\$ 94,331	\$ -
Operating expenses	40,245	79,889	120,134	59,917	19,972	-
Totals	\$ 406,900	\$ 457,212	\$ 864,112	\$ 342,909	\$ 114,303	\$ -

NOTE 9 – CALIFORNIA OFFICE OF EMERGENCY SERVICES (CaIOES) GRANTS (Continued)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through June 30, 2016	For the Year Ended June 30, 2017	Cumulative as of June 30, 2017	Federal Share	State Share	County Share
<u>UV13040500 - Unserved/Underserved Advocacy & Outreach Program</u>						
Personnel services	\$ 76,848	\$ 144,206	\$ 221,054	\$ 127,506	\$ -	\$ 16,700
Operating expenses	34,585	35,895	70,480	9,863	-	26,032
Totals	<u>\$ 111,433</u>	<u>\$ 180,101</u>	<u>\$ 291,534</u>	<u>\$ 137,369</u>	<u>\$ -</u>	<u>\$ 42,732</u>
<u>XC1601050000 - County Victim Services Program</u>						
Personnel services	\$ -	\$ 87,607	\$ 87,607	\$ 87,607	\$ -	\$ -
Operating expenses	-	224,468	224,468	137,709	-	86,759
Totals	<u>\$ -</u>	<u>\$ 312,075</u>	<u>\$ 312,075</u>	<u>\$ 225,316</u>	<u>\$ -</u>	<u>\$ 86,759</u>
<u>XE1601050000 - Elder Abuse Program</u>						
Personnel services	\$ -	\$ 52,369	\$ 52,369	\$ 44,582	\$ -	\$ 7,787
Operating expenses	-	65,883	65,883	25,458	-	40,425
Totals	<u>\$ -</u>	<u>\$ 118,252</u>	<u>\$ 118,252</u>	<u>\$ 70,040</u>	<u>\$ -</u>	<u>\$ 48,212</u>
<u>LE14 04 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ 67,331	\$ -	\$ 67,331	\$ -	\$ -	\$ -
Operating expenses	39,078	-	39,078	-	-	-
Totals	<u>\$ 106,409</u>	<u>\$ -</u>	<u>\$ 106,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LE15 05 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ 47,055	\$ 52,523	\$ 99,578	\$ 52,523	\$ -	\$ -
Operating expenses	29,550	51,523	81,073	51,523	-	-
Totals	<u>\$ 76,605</u>	<u>\$ 104,046</u>	<u>\$ 180,651</u>	<u>\$ 104,046</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LE16 05 0500 - Law Enforcement Specialized Units (LE) Program</u>						
Personnel services	\$ -	\$ 54,847	\$ 54,847	\$ 54,847	\$ -	\$ -
Operating expenses	-	33,760	33,760	33,760	-	-
Totals	<u>\$ -</u>	<u>\$ 88,607</u>	<u>\$ 88,607</u>	<u>\$ 88,607</u>	<u>\$ -</u>	<u>\$ -</u>

FINDINGS AND QUESTIONED COSTS

**COUNTY OF STANISLAUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

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
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
not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance
for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be
reported in accordance with the Uniform Guidance? | No |
| 4. Identification of major programs: | |

CFDA Number

Program

- | | |
|--|---|
| 10.557 | Special Supplemental Nutrition
Program for Women, Infants, and
Children (WIC) |
| 20.205 | Highway Planning and Construction |
| 93.658 | Foster Care Title IV-E |
| 93.778 | Medical Assistance Program |
| 5. Dollar threshold used to distinguish between
Type A and Type B programs? | \$3,000,000 |
| 6. Auditee qualified as a low-risk auditee under
the Uniform Guidance? | Yes |

Section 2

Financial Statement Findings

None.

**COUNTY OF STANISLAUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2017**

Section 3

Federal Award Findings and Questioned Costs

None.

**COUNTY OF STANISLAUS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017**

No findings in the prior year.

**JUNE 30, 2017
COMPREHENSIVE
ANNUAL FINANCIAL
(CAFR) & SINGLE
AUDIT REPORT**

April 24, 2018

Board of Supervisors Presentation

OBJECTIVE

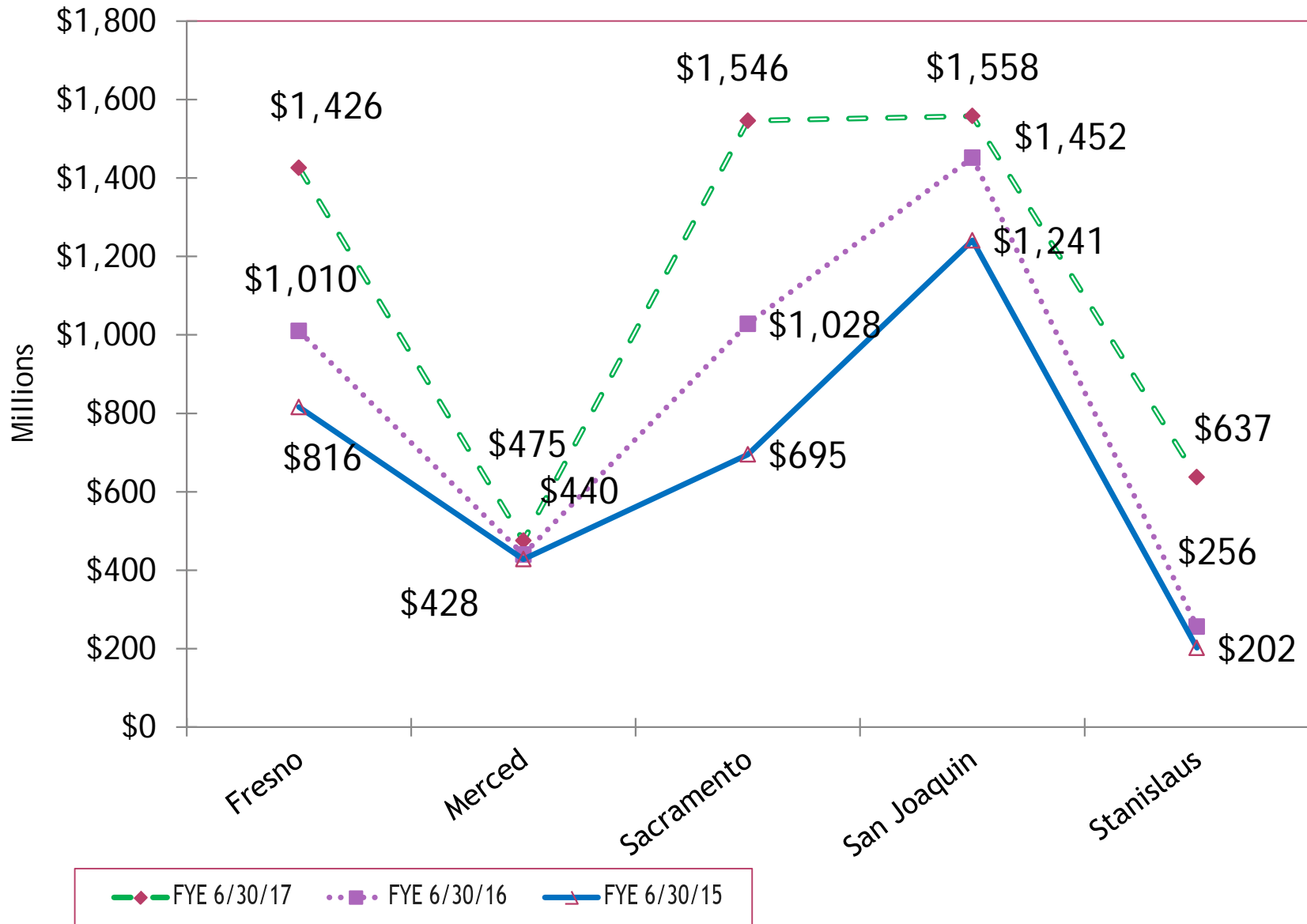
○ Audit Results

- 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

STATEMENT 68 UPDATE

- GASB 68 - Accounting & Financial Reporting of Pensions
 - Net pension liability (NPL)
 - FYE 6/30/15 - \$202m
 - FYE 6/30/16 - \$256m
 - FYE 6/30/17 - \$637m
 - Actuarial assumptions:
 - Rate of return 7.25%
 - Actual rate: negative 1.3%
 - Financial reporting period is based on one year lag of measurement date
 - 6/30/17 CAFR is based on 6/30/16 measurement date
 - 6/30/18 CAFR is based on 6/30/17 measurement date
 - 14.4% actual rate

NPL COMPARISON



NEW PROUNCEMENTS - CAFR

- GASB Statement 77 - Tax Abatement Disclosures
 - Disclosure of County's tax abatement agreements
 - Williamson Act - Taxes assessed on agricultural value
 - Estimated \$461k tax abatements
 - Note 19 Tax Abatements (pg 97)

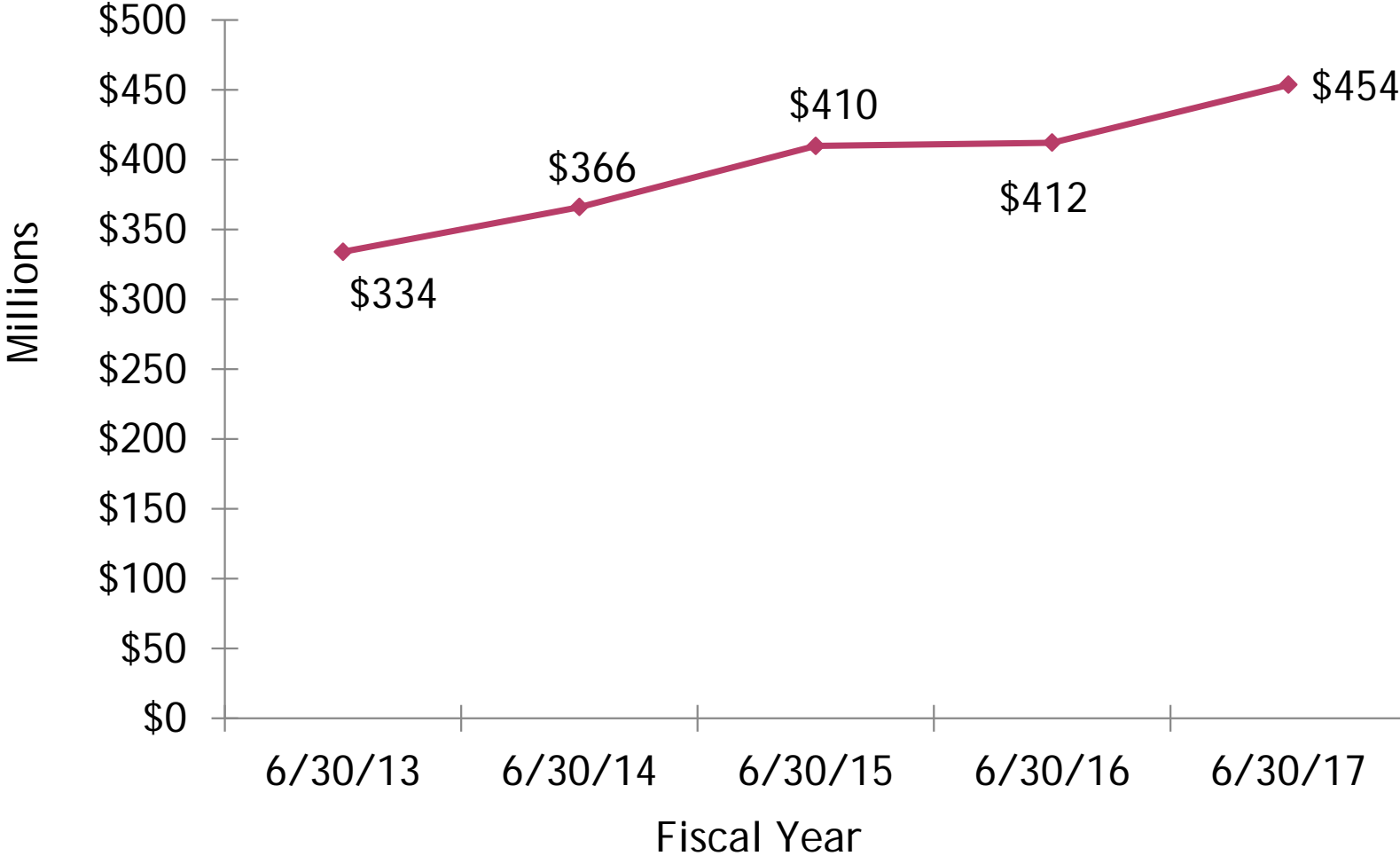
FUTURE PROUNCEMENT - CAFR

- GASB Statement 75 - Accounting & Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)
 - County does not offer post-employment benefits
 - County does not contribute towards cost of premium
 - Retirees & dependents' premium at rate of active employee
 - Constitutes an economic benefit to retirees
 - Known as Implicit Subsidy
 - OPEB liability
 - Pre-Statement 75: \$11m
 - Post-Statement 75: \$30m

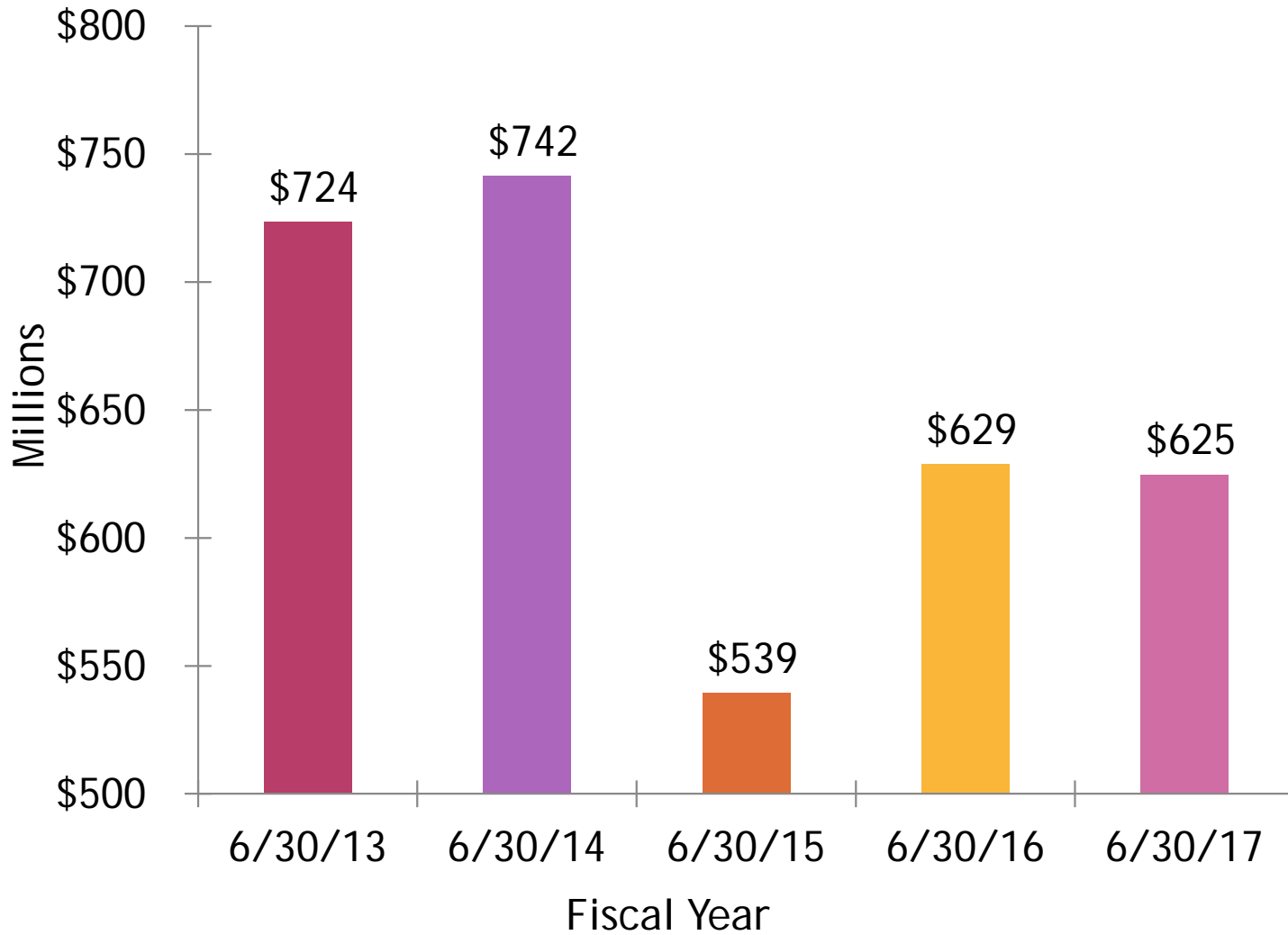
OPEB STATISTICS

- 189 Retirees & surviving spouse are enrolled in medical plan
- 3,664 Active employees eligible in future
- 614 Vested deferred former employees eligible to join in future

CASH & INVESTMENTS



NET POSITION



CONCLUSION

- ◉ Clean audit opinions
- ◉ Net pension liability revisited
- ◉ Statement 77 - Tax Abatement Disclosure
- ◉ Statement 75 - Acctg & Fin Reporting OPEB
- ◉ Cash & net position