

County of Stanislaus, California

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018



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



County of Stanislaus, California

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Fiscal Year Ended June 30, 2018



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**County of Stanislaus
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

Table of Contents

Introductory Section

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

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
In-Home Supportive Services Special Revenue Fund.....	33
<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

County of Stanislaus

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Required Supplementary Information:

Other Postemployment Benefits (OPEB) Plan – Schedule of Funding Progress	105
Schedule of County’s Proportionate Share of Net Pension Liability & Schedule of County’s Contributions	106

Other Supplementary Information:

Nonmajor Governmental Funds:

Combining Balance Sheet	108
Combining Statement of Revenues, Expenditures and Changes in Fund Balances...	109

Nonmajor Special Revenue Funds:

Combining Balance Sheet	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances...	113
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual on Budgetary Basis.....	114

Nonmajor Enterprise Funds:

Combining Statement of Net Position	132
Combining Statement of Revenues, Expenses and Changes in Fund Net Position ...	133
Combining Statement of Cash Flows	134

Internal Service Funds:

Combining Statement of Net Position	138
Combining Statement of Revenues, Expenses and Changes in Fund Net Position ...	139
Combining Statement of Cash Flows	140

Agency Funds:

Statement of Changes in Fiduciary Assets and Liabilities	141
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Successor Agency to the Stanislaus County Redevelopment Agency	143
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Statistical Information

Government-wide:

Net Position by Component.....	146
Changes in Net Position	147
Governmental Activities - Tax Revenues by Source	149

Fund Information:

Fund Balances of Governmental Funds	150
Changes in Fund Balances of Governmental Funds.....	151

Property Taxes:

Net Assessed and Estimated Actual Value of Taxable Property	152
Property Tax Rates and Distributions of General Levy Property Tax Rate Among Direct and Overlapping Governments	153
Principal Property Taxpayers	154
Property Tax Levy and Collections	155

Debt Capacity:

Ratios of Outstanding Debt by Type	156
Legal Debt Margin Information	157

Demographic and Economic Information

Demographic and Economic Statistics	158
Principal Employers.....	159
Full-time Employees by Function.....	160
Operating Indicators by Function/Program	161
Miscellaneous Statistical Data	162





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Auditor-Controller

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December 21, 2018

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 (the County) for the year ended June 30, 2018. 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 was established in 1854 and has a total land area of 1,521 square miles and approximately 973,440 acres. The County is centrally located 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 555,624 people calling Stanislaus County home, our community reflects a region rich in diversity with a strong sense of community.

The 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 almonds, milk, poultry, cattle, nurseries, and walnuts ranking among the top producing crops.

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

The County continues to promote first-rate learning and is home to Stanislaus State University and Modesto Junior College, and benefits from satellite locations of other high-quality educational institutions throughout the County.

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, District Attorney, Sheriff, and Treasurer-Tax Collector are also elected officials while all other departments are headed by appointed officials.

ECONOMY

Stanislaus County is an international agri-business powerhouse. The County agricultural production value ranks 5th in the State and is higher than 20 states in agricultural income. Of the approximately 973,440 acres in the County, 768,046 acres (79%) of the land is in farms.

The Agricultural sector and its related industry accounts for \$13 billion in our local economy, or \$35 million per day. One in four jobs is directly tied to agriculture or related food manufacturing, placing our county at significant risk due to a lack of diversity.

Economic development strategies are targeted to expand business more broadly to include tourism and transportation/distribution services.

The value of agricultural commodities produced in calendar year 2017 was approximately \$3.7 billion, an increase of more than \$387 million (12%) from a total of \$3.3 billion in calendar year 2016. This was the first year there was an increase in agricultural production value after two consecutive years of significant decreases.

The top 10 commodities account for over 80% of the total agricultural production value. The almond industry posted the largest increase of \$125 million followed by organic products at \$99 million in the County. Farmers in Stanislaus County export more than 134 commodities to 106 countries around the world.

Manufacturing continues to be an important employer sector in Stanislaus County. Some of the largest brands in the world can be found with operations in the County. The top 15 manufacturing companies employ over 18,000 workers in the County. Companies such as E. & J. Gallo Winery, Foster Farms, Del Monte Foods, Stanislaus Food Products, Conagra Brands Inc., Silgan Containers, Frito-Lay Inc., and Blue Diamond Growers have manufacturing operations located in the County.

The healthcare sector is a significant contributor to the County's economic engine with some of the finest hospitals in the world located in the County. The top non-manufacturing companies, excluding Government Agencies, employ over 13,000 workers. Doctors Medical Center, Memorial Medical Center, and Kaiser Permanente have major facilities in the County.

The County's unemployment rate for July 2018 is 6.2%, a decrease from 7.5% in July 2017, but higher than the State rate of 4.2%. Unemployment rates in the Central Valley are historically twice the national average which is currently 3.9%. High unemployment rates mean more people receiving government assistance, thus placing a greater strain on local public resources.

The 2018-2019 Property Tax Assessment Roll showed a 5.81% increase compared to 2017-2018.

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 calendar year 2005 to a low of 113 in 2011. Issued permits continue to trend upward from 250 in 2015, to 573 in 2016 and 644 in 2017.

Median Household Income is up 1% from the fourth quarter of 2016 and up 9% from the market low during the fourth quarter of 2014. However, Household Income is 7% lower than the market high in fourth quarter of 2012.

Median Home Prices are up 7% from the fourth quarter of 2016 and up 128% from the market low during the first quarter of 2012.

A Ratio of Median Home Prices to Household Income in the 2.2 to 2.6 range has historically been viewed as an indicator of Home Affordability nationally. Prior to the housing bubble, the affordability was in the low 2s. The current Affordability Ratio is 5.0, higher than the historical average. As home prices increase and wages remain flat, the ratio will continue to reflect less affordability for Modesto residents.

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. Pursuant to the County Budget Act, the County prepares a budget for each fiscal year on or before June 30 of each year, for the purpose of having authority to spend, until the budget is adopted by the Board of Supervisors on or before October 2. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This Resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

The Budget and the Annual Financial Report are prepared using Generally Accepted Accounting Principles (GAAP). The accounts of the County are organized on the basis of funds 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 the modified accrual basis of accounting, 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 for 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 the 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

The Capital Improvement Plan (CIP) was developed to assist County decision makers in determining priorities and identifying where limited one-time funds should be allocated to address the County's most important capital needs. The County's most current Capital Improvement Plan (CIP) was approved by the Board of Supervisors on July 19, 2016 for Fiscal Years 2015-2016 and 2016-2017.

The proposed CIP for Fiscal Years 2018-2019 and 2019-2020 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, and demolition efforts, are considered projects for the purposes of the CIP.

Recognizing the 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. The proposed CIP 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 115 capital improvement projects. Those needs total \$1.39 billion in total estimated project costs. Of that total, \$539.4 million in potential funding from other sources have been identified, with \$625.8 million being the portion of the estimated project costs that would be the responsibility of Stanislaus County. Funding sources for \$222 million 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 biennially 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 Years 2015-2017: The Sheriff's Department Re-Entry Alternatives to Custody and Training (REACT) Center and Public Safety Center Expansion, Stanislaus County Veterans Center, Behavioral Health and Recovery Services (BHRS) Information Systems Replacement Project and Crisis Stabilization Unit, Community Services Facility-HVAC maintenance upgrades, Environmental Resources Fink Road Landfill ash cell construction, Geer Road Landfill groundwater extraction well network, Health Services Agency facility renovations and security updates, Library Facilities and Technology Master Plan, Library Radio Frequency Identification Data System, Parks and Recreation's Woodward Reservoir Park improvements, Modesto Reservoir office, restrooms and lift station, Fairview Park playground equipment and restroom renovation, Planning and Community Development's Airport Neighborhood Sewer Project, Public Works' new shop and administration building, and various traffic signals and road widening projects.

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

- ◆ Empire and Turlock Library projects are in the Design Phase with the total expected cost for both libraries estimated at \$14 million;
- ◆ Relocation of the Health Services Agency from County Center II to County Center III by use of modular buildings and new construction estimated at approximately \$30 million;
- ◆ Countywide Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan Project, current budget of \$500,000 annually and ongoing; and
- ◆ Various Road and Bridge projects.

An integral part of planning for a capital project is to ensure that funding is available for any additional, ongoing operating and maintenance costs that will be incurred once a project is complete. These include: additional staffing, utilities, debt service payments, and Cost Allocation Plan (CAP) charges. The CIP addresses this issue by including anticipated impacts on the County operating budget in each project narrative. The Capital Projects Team is working collaboratively and in partnership with the Budget Team to fully

capture and describe the impact of various CIP projects on the County budget as they are prepared for implementation. Each narrative in the budget document contains a section entitled "Program Discussion." This portion of the budget narrative also describes these operating impacts. Improving communication and long-range planning strategies between the Final Capital Improvement Plan and the Final Budget will provide a better opportunity to fully address these impacts and aid in future planning.

ACKNOWLEDGEMENTS

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

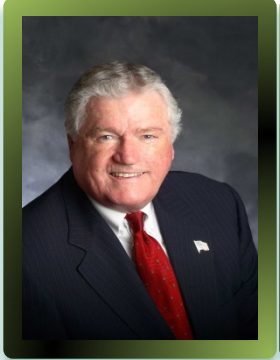
Sincerely,



Lauren Klein, CPA
Auditor-Controller

**COUNTY OF STANISLAUS
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2018**

Board of Supervisors



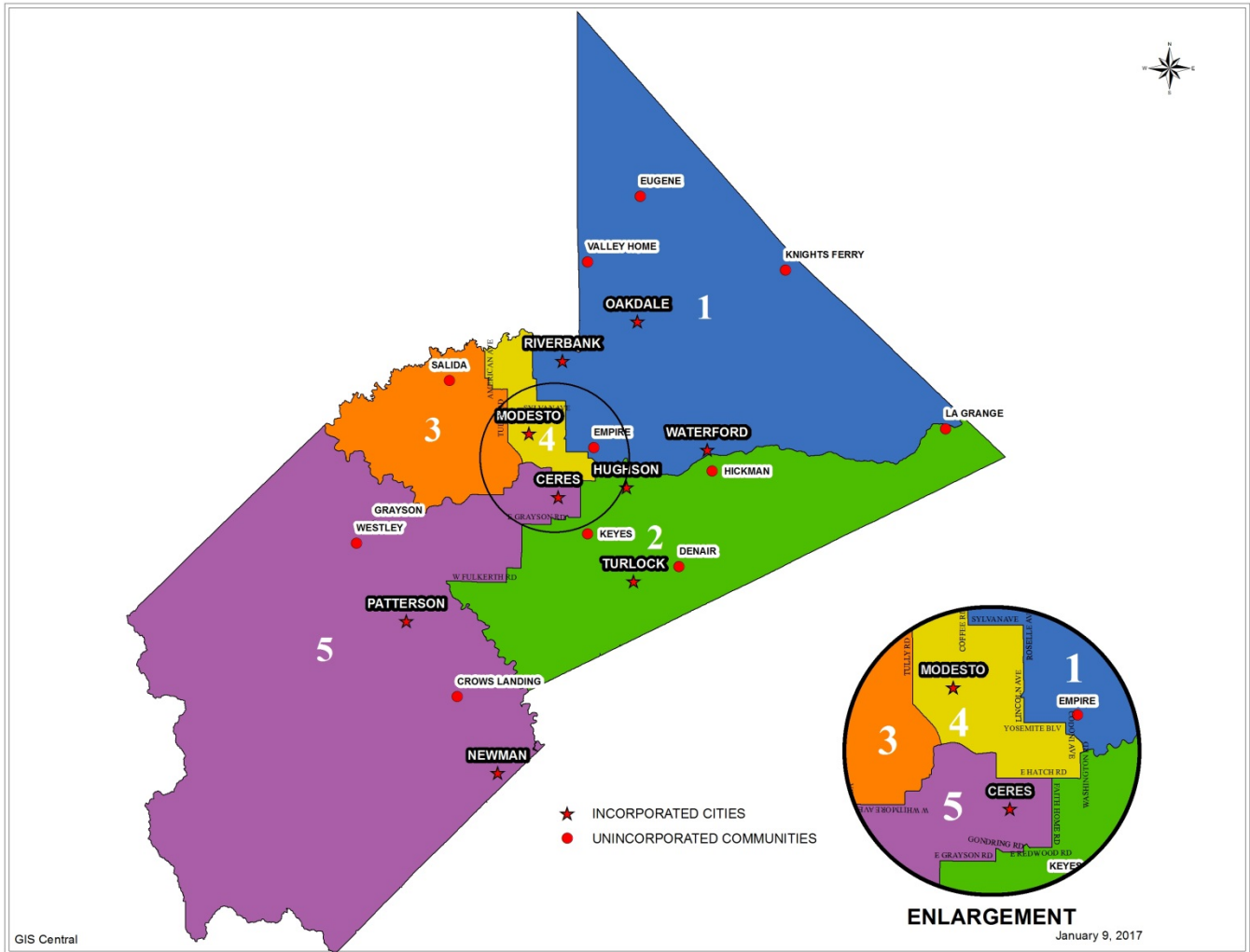
**Kristen Olsen
District 1**

**Vito Chiesa
District 2**

**Terry Withrow
District 3**

**Dick Monteith
District 4**

**Jim DeMartini
District 5**



**COUNTY OF STANISLAUS
PRINCIPAL COUNTY OFFICIALS
JUNE 30, 2018**

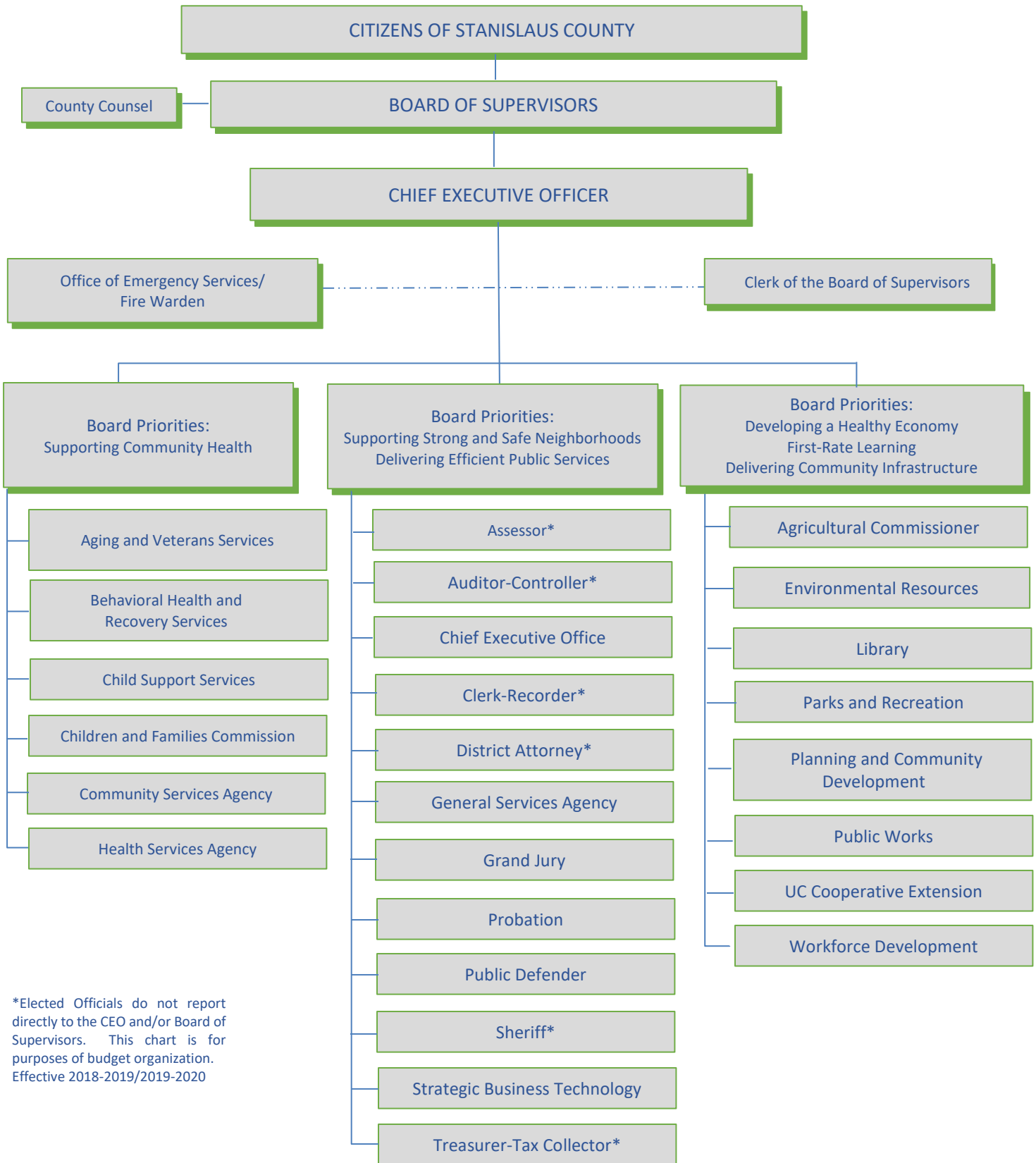
Elected Officials

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 (Interim)	Lauren Klein

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.....	Jody Hayes
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 (Interim)	David Leamon
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 2018-2019/2019-2020



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

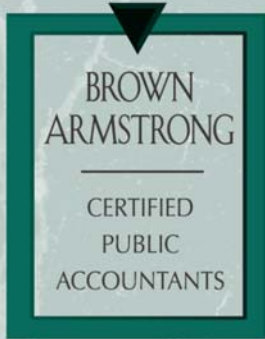
June 30, 2017

Christopher P. Morrill

Executive Director/CEO



*Financial
Section*



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Stanislaus, California (the County), as of and for the year ended June 30, 2018, 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 County'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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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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, 2018, 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, Community Services Agency Special Revenue Fund, and In-Home Supportive Services 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, Stanislaus County Other Postemployment Benefits (OPEB) Schedule of the County's Proportionate Share of the Liability, and Stanislaus County OPEB Schedule of the County's Contributions, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; GASB Statement No. 81, *Irrevocable Split-Interest Agreements*; GASB Statement No. 85, *Omnibus 2017*; and GASB Statement No. 86, *Certain Debt Extinguishment Issues*, during the fiscal year 2018. 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 21, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 21, 2018



*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, 2018. Please read it in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The County's net position is \$579 million and is comprised of the following items:
 - The net investment in capital assets of \$537 million
 - The restricted net position of \$318 million
 - The net unrestricted net position of \$(276) million
- The government's total net position decrease of \$46 million is comprised of a prior period adjustment of \$21 million and an unfavorable change in net position of \$25 million.
- As of June 30, 2018, the County governmental funds reported combined fund balances of \$496 million, an increase of \$19 million from the prior year. The unassigned fund balance is \$7 million, which represents 1.4% of the total fund balance of the governmental funds.
- As of June 30, 2018, unassigned fund balance for the General Fund was \$9 million. The unassigned fund balance represents 3.0% of expenditures and transfers of the General Fund.
- The County's total long-term liabilities decreased by a net \$41 million from the prior year. A significant portion of the decrease is due to the decrease 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 Landfills, Health

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

Clinics and Ancillary Services, Inmate Welfare/Commissary and Transit.

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

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

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

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

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

For the governmental funds, information is presented separately for the General Fund, Tobacco Settlement, Behavioral Health and Recovery Services, Community Services Agency, and In-Home Supportive Services. These funds qualify as major funds and are reported separately. 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 20-33 of this report.

Proprietary funds are divided into two types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Inmate Welfare/Commissary and

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

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 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 41-104 of this report.

The combining and individual fund statements referred to earlier provide information for non-major governmental, enterprise and internal service funds and agency funds and are presented following the notes to the financial statements. Combining and individual fund statements can be found on pages 108-141 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 674,057,106	\$ 655,281,826	\$ 79,177,476	\$ 80,545,354	\$ 753,234,582	\$ 735,827,180
Capital assets	513,930,818	509,017,868	28,521,488	29,793,861	542,452,306	538,811,729
Total assets	<u>1,187,987,924</u>	<u>1,164,299,694</u>	<u>107,698,964</u>	<u>110,339,215</u>	<u>1,295,686,888</u>	<u>1,274,638,909</u>
Deferred pension	223,849,450	321,604,159	12,217,641	15,214,761	236,067,091	336,818,920
Total deferred outflows of resources	<u>223,849,450</u>	<u>321,604,159</u>	<u>12,217,641</u>	<u>15,214,761</u>	<u>236,067,091</u>	<u>336,818,920</u>
Long-term liabilities outstanding	788,703,047	827,731,147	34,195,807	36,343,027	822,898,854	864,074,174
Other liabilities	115,214,287	111,393,249	3,941,544	5,335,282	119,155,831	116,728,531
Total liabilities	<u>903,917,334</u>	<u>939,124,396</u>	<u>38,137,351</u>	<u>41,678,309</u>	<u>942,054,685</u>	<u>980,802,705</u>
Deferred OPEB	1,096,605	-	43,849	-	1,140,454	-
Deferred pension	9,099,093	5,646,763	379,346	257,021	9,478,439	5,903,784
Total deferred inflows of resources	<u>10,195,698</u>	<u>5,646,763</u>	<u>423,195</u>	<u>257,021</u>	<u>10,618,893</u>	<u>5,903,784</u>
Net position:						
Net investment in capital assets	508,145,361	494,299,857	28,521,488	29,793,861	536,666,849	524,093,718
Restricted	297,938,766	297,608,836	20,517,119	20,969,868	318,455,885	318,578,704
Unrestricted	(308,359,785)	(250,775,999)	32,317,452	32,854,917	(276,042,333)	(217,921,082)
Total net position	<u>\$ 497,724,342</u>	<u>\$ 541,132,694</u>	<u>\$ 81,356,059</u>	<u>\$ 83,618,646</u>	<u>\$ 579,080,401</u>	<u>\$ 624,751,340</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 \$276 million.

The County's net position decreased by \$46 million. The program related deficit was \$218 million. Governmental activities expenses exceeded revenues by \$206 million and business-type activities incurred a short-fall of \$12 million. The program related deficit of \$218 million was offset by the general revenues in the amount of \$194 million, resulting in \$25 million loss. The total change in net position of negative \$46 million includes a prior period adjustment of negative \$21 million to restate the beginning Other Post-Employment Benefits (OPEB) balance due to implementation of Governmental Accounting Standards Board (GASB) Statement No. 75.

For business-type activities, the County reported a balance of \$32 million in unrestricted net position, which is consistent with prior year.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$579 million at the close of the Fiscal Year 2017-2018.

By far the largest portion of the County's net position of \$537 million (93%) 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

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

the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

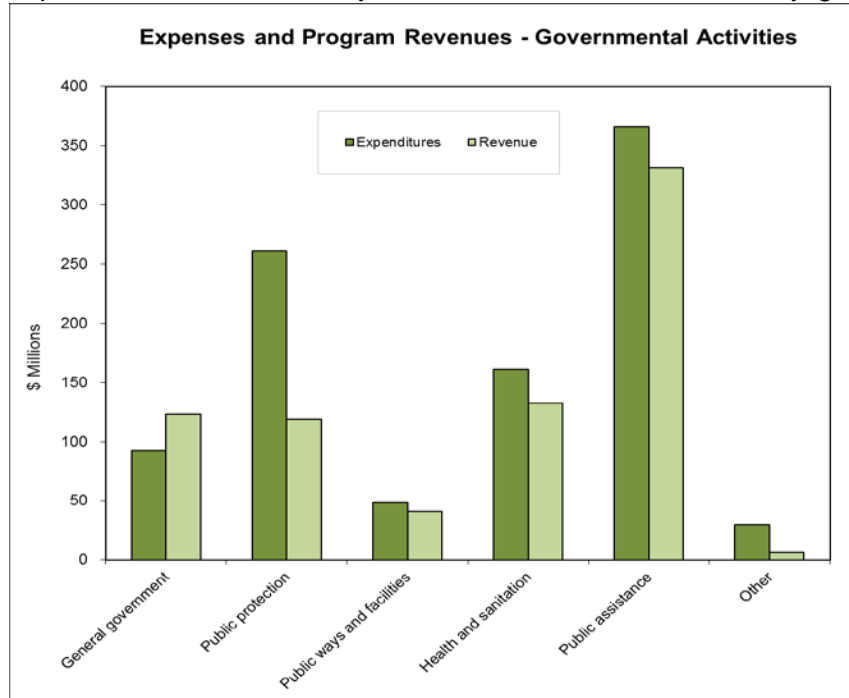
The following table indicates the changes in net position for governmental and business-type activities:

	County of Stanislaus Changes in Net Position					
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 156,127,545	\$ 149,644,889	\$ 52,201,372	\$ 52,782,221	\$ 208,328,917	\$ 202,427,110
Operating grants and contributions	587,851,042	526,433,610	2,411,096	1,395,579	590,262,138	527,829,189
Capital grants and contributions	10,105,017	36,710,716	-	-	10,105,017	36,710,716
General revenues:						
Property taxes	126,399,978	119,517,121	-	-	126,399,978	119,517,121
Sales taxes	44,802,366	36,578,957	6,022,663	6,609,799	50,825,029	43,188,756
Other taxes	3,884,785	3,898,466	-	-	3,884,785	3,898,466
Sale of capital assets	-	-	-	-	-	-
Unrestricted investment earnings	730,314	935,445	862,268	726,720	1,592,582	1,662,165
Grants/contributions not restricted	1,190,064	1,129,666	-	-	1,190,064	1,129,666
Other general revenue	9,752,619	6,728,972	-	-	9,752,619	6,728,972
Total revenues	<u>940,843,730</u>	<u>881,577,842</u>	<u>61,497,399</u>	<u>61,514,319</u>	<u>1,002,341,129</u>	<u>943,092,161</u>
Expenses						
General government	92,712,210	45,365,643	-	-	92,712,210	45,365,643
Public protection	261,440,749	300,326,244	-	-	261,440,749	300,326,244
Public ways and facilities	49,081,627	36,073,544	-	-	49,081,627	36,073,544
Health and sanitation	161,381,957	151,320,780	-	-	161,381,957	151,320,780
Public assistance	366,132,957	328,149,912	-	-	366,132,957	328,149,912
Education	13,211,024	13,664,296	-	-	13,211,024	13,664,296
Recreation and cultural services	8,414,732	8,372,919	-	-	8,414,732	8,372,919
Interest on long-term debt	8,148,825	8,381,196	-	-	8,148,825	8,381,196
Landfills	-	-	14,678,915	5,215,062	14,678,915	5,215,062
Health Clinics and Ancillary Services	-	-	42,664,812	41,048,228	42,664,812	41,048,228
Inmate Welfare/Commissary	-	-	1,832,920	1,769,487	1,832,920	1,769,487
Transit	-	-	7,375,199	7,523,667	7,375,199	7,523,667
Total expenses	<u>960,524,081</u>	<u>891,654,534</u>	<u>66,551,846</u>	<u>55,556,444</u>	<u>1,027,075,927</u>	<u>947,210,978</u>
Net position increase (decrease) before transfers	(19,680,351)	(10,076,692)	(5,054,447)	5,957,875	(24,734,798)	(4,118,817)
Transfers	(3,370,262)	(3,182,136)	3,370,262	3,182,136	-	-
Change in net position	<u>(23,050,613)</u>	<u>(13,258,828)</u>	<u>(1,684,185)</u>	<u>9,140,011</u>	<u>(24,734,798)</u>	<u>(4,118,817)</u>
Net position, July 1	541,132,694	554,391,522	83,618,646	74,478,635	624,751,340	628,870,157
Prior period adjustment	(20,357,739)	-	(578,402)	-	(20,936,141)	-
Net position – July 1, restated	<u>520,774,955</u>	<u>554,391,522</u>	<u>83,040,244</u>	<u>74,478,635</u>	<u>603,815,199</u>	<u>628,870,157</u>
Net position – June 30	<u>\$ 497,724,342</u>	<u>\$ 541,132,694</u>	<u>\$ 81,356,059</u>	<u>\$ 83,618,646</u>	<u>\$ 579,080,401</u>	<u>\$ 624,751,340</u>

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

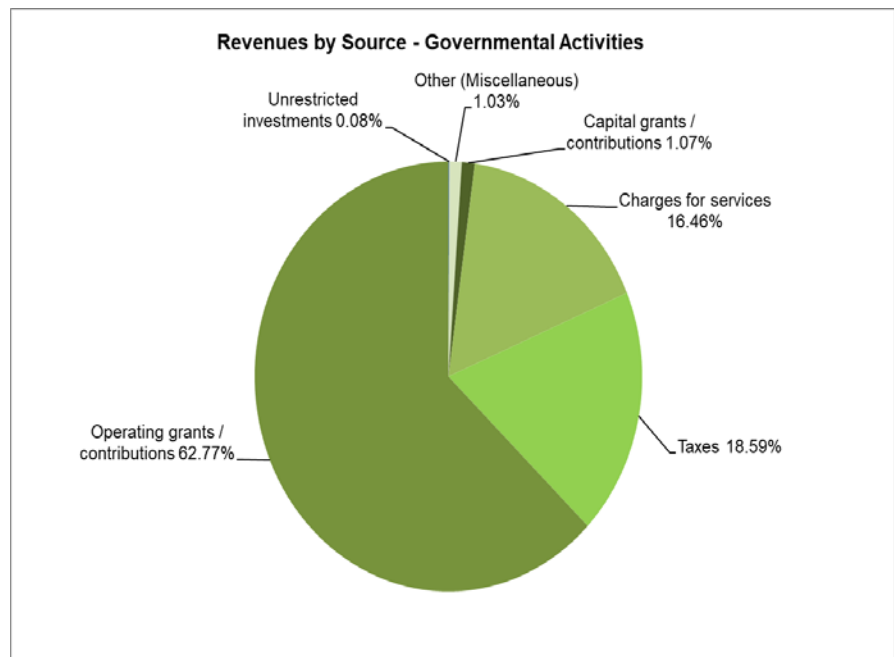
Governmental Activities

The Expenses and Program Revenues – 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 \$366 million and \$261 million was expended for Public Protection. The most significant program revenue is included in the Public Assistance activities. Total program expenses amounted to approximately \$960 million, offset by total revenue of approximately \$754 million.

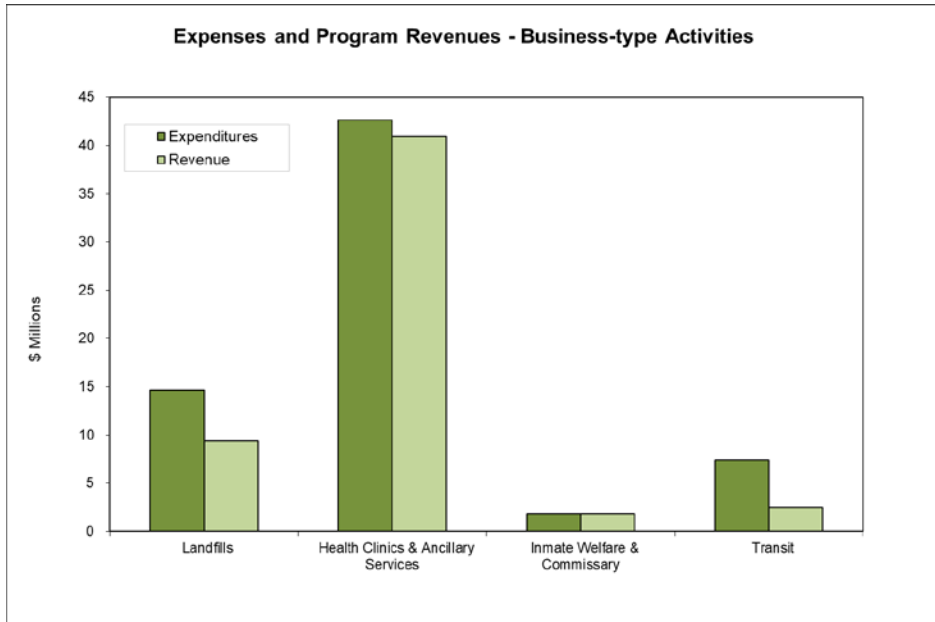
The total revenues by funding source are represented by the Revenues by Source - Governmental Activities chart. This chart combines program and general revenues, such as taxes. The Operating Grants/Contributions category, which includes intergovernmental revenue sources, represents the highest funding source at 62.77% of the total resources. Charges for Services represent 16.46%. The Other category includes donations and miscellaneous revenue and comprises 1.03% of the funding sources.



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

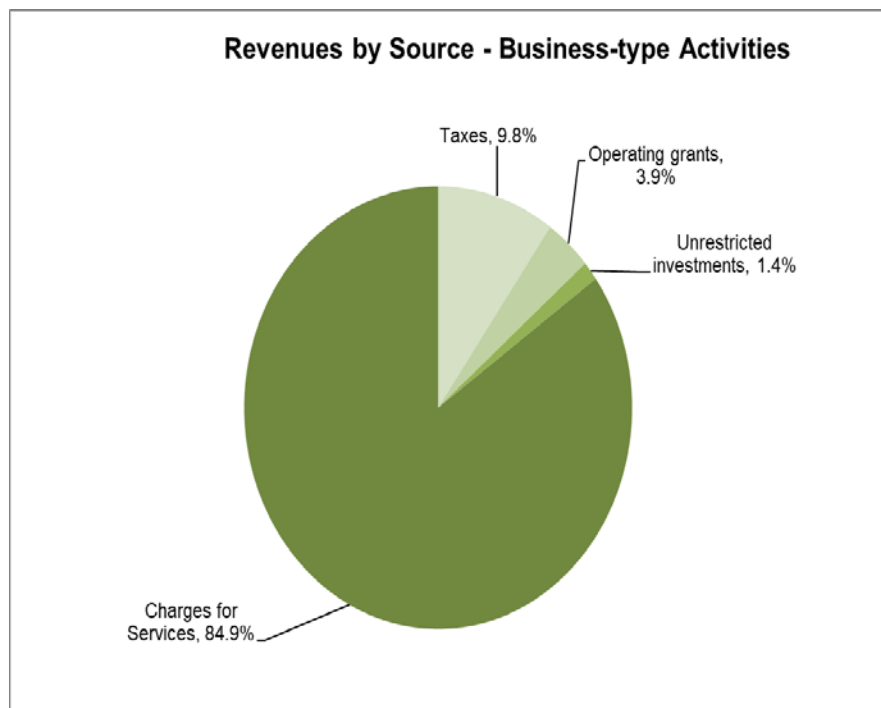
Business-Type Activities

The following Expenses and Program Revenues – Business-Type Activities chart highlights the County's business-type program expense categories and offsetting revenue for 2018. By far, Health Clinics and Ancillary Services is the largest category with over \$43 million in expenses.



The Health Clinics and Ancillary Services 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 \$23 million, with Transit and Landfills making up the bulk of costs. The Business-type costs totaled nearly \$67 million, while the program revenue was recorded at \$55 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 84.9% of the total revenue earned. Funding from Operating Grants represents 3.9% 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, 2018, the County's governmental funds reported combined fund balances of \$496 million compared to \$477 million in the prior year. The increase of \$19 million is partially due to excess revenue over the expenditures.

The unassigned fund balance of the Governmental Funds is \$7 million. The remainder of fund balance is categorized as follows:

1) Non-spendable	\$ 14 million
2) Restricted	\$ 278 million
3) Committed	\$ 18 million
4) Assigned	\$ 179 million

The General Fund is the chief operating fund of the County. At June 30, 2018, unassigned fund balance of the General Fund was \$9 million while total fund balance was \$204 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 3.0% of total fund expenditures and transfers out. The total fund balance of the General Fund represents 65.7% of the total fund expenditures and transfers out.

The unassigned fund balance of the General Fund of \$9 million remains unchanged from 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 \$204 million, \$162 million is assigned.

The total fund balance of the County's General Fund is \$204 million which is \$20 million higher than prior year balance of \$184 million. Excess revenues contribute to the increased fund balance in the General Fund.

The total fund balance of Tobacco Settlement decreased by \$4 million. Monies are transferred out for capital projects.

The total fund balance of Behavioral Health and Recovery Services decreased by \$1 million.

Community Services Agency's fund balance increased by \$41 thousand as revenues exceeded expenses.

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

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

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

County of Stanislaus Enterprise Funds

	Major Funds		Non-major	Total
	Fink Road Landfill	Health Clinics & Ancillary	Other Enterprise Funds	
Operating revenues	\$ 9,182,481	\$ 40,294,012	\$ 2,366,621	\$ 51,843,114
Operating expenses	10,651,871	42,057,603	13,235,163	65,944,637
Operating (loss)	(1,469,390)	(1,763,591)	(10,868,542)	(14,101,523)
Non-operating revenues (expenses), net	907,588	272,824	8,069,072	9,249,484
Net (loss) before contributions and transfers	(561,802)	(1,490,767)	(2,799,470)	(4,852,039)
Contributions and transfers	(4,159,075)	3,620,263	3,909,075	3,370,263
Net income (loss)	<u>\$ (4,720,877)</u>	<u>\$ 2,129,496</u>	<u>\$ 1,109,605</u>	<u>\$ (1,481,776)</u>

General Fund Budgetary Highlights

As of June 30, 2018, General Fund actual revenues were higher than budgetary estimates by \$1.4 million. Expenditures based on budgetary basis, excluding other financing uses, were \$30 million less than budgetary estimates. The General Fund appropriated \$8.5 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 \$.9 million compared to the original budget is due to the following major variances:

County Facilities: Increased capital projects costs
 Debit Service: Payoff of debt
 Public Defender: Increased contractual costs
 Sheriff's Office: Increased payroll and service and supplies costs
 Public Works: Increased costs

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, 2018, amounted to \$542 million compared to \$539 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 \$4 million. The net change is due to an increase in construction in progress offset by decrease in infrastructure.

Major capital asset events during the 2017-2018 Fiscal Year include:

County of Stanislaus

Management's Discussion and Analysis (continued)

Public Safety Center Expansion Projects

On May 21, 2018, Stanislaus County opened the Senate Bill (SB) 1022 Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center. The REACT Center is the final piece of a very determined plan to modernize public safety facilities and bring more opportunity for those incarcerated to change their lives and reduce the tragic cycle of recidivism in our community. With the opening of this facility, the Sheriff was able to close the antiquated Downtown Men's Jail, apart from court holdings.

The REACT Center was completed on time, three million dollars under budget, and completes the final phase of Stanislaus County's \$150 million Public Safety Center Expansion Projects. Other projects included the Day Reporting Center, Project One (Maximum Security and Medical/Mental Health Facility) and Project Three (Intake, Release and Transportation). The REACT project has been recognized nationally, receiving an award from the Construction Management Association of America (CMAA) for new construction over \$25 million and was also awarded the 2018 Project of the Year. In addition to the CMAA Award, the REACT project will be receiving the Chairman's Project Achievement Award and the Innovative Project Solutions Award from the Western Council of Construction Consumers and most recently was awarded a Citation by the American Institute of Architects- Academy of Architecture for Justice, which is a very competitive and prestigious award and a Citation is the highest level of acknowledgment.

In addition, several site improvements were completed at the Public Safety Center to tie in the campus. Landscaping was added between the new Public Safety Center Expansion projects and the Sheriff's Administration Building. Also, the County created a seating area in the center of the campus to honor fallen deputies and installed seven flag poles to honor the branches of the military service with a display of the United States and State of California flags.

Library Projects

After a robust community visioning process in Turlock and Empire, the Board of Supervisors approved proceeding with two new Library Projects, the Turlock Library Expansion and Renovation Project and the Empire Library Relocation Project. The Turlock Library Project has successfully completed the programming phase and has started the schematic planning efforts. The Empire Library is in the final stages of the programming phase. The Empire Library is currently housed in an outdated modular building. The Empire Library will be relocated to the Empire Community Park site, adjacent to the Empire Pool and one local elementary school. The new facility will include separate children, teen, adult, and computer areas. In addition, the space will house a large community room to be enjoyed by the Empire Community.

The Turlock Library was selected for improvements in the Library Strategic Plan. When complete, this building will increase the library size from approximately 9,600 square feet to over 14,000 square feet. The new facility will modernize library operations, including a community room, children's area, teen space, quiet reading, adult space and space for the Turlock Friends of the Library.

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

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)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2018	2017	2018	2017	2018	2017
Land and right of ways	\$ 45,746,250	\$ 44,589,970	\$ 15,462,882	\$ 15,462,882	\$ 61,209,132	\$ 60,052,852
Infrastructure	121,375,537	128,358,292	-	-	121,375,537	128,358,292
Structures and improvements	140,295,940	140,216,166	2,946,744	3,542,805	143,242,684	143,758,971
Equipment	33,791,546	33,496,706	9,854,414	10,234,341	43,645,960	43,731,047
Intangible assets	691,452	1,026,586	-	-	691,452	1,026,586
Construction in progress	172,030,093	161,330,148	257,448	553,833	172,287,541	161,883,981
Total	<u>\$ 513,930,818</u>	<u>\$ 509,017,868</u>	<u>\$ 28,521,488</u>	<u>\$ 29,793,861</u>	<u>\$ 542,452,306</u>	<u>\$ 538,811,729</u>

Additional information on the County's capital assets can be found in Note 5 of the financial statements.

Long-term debt

At June 30, 2018, the County had total long-term debt outstanding of \$132 million compared to \$139 million as of June 30, 2017. A decrease of \$7million is due to retirement of the 2012 and 2013 lease refunding, as well as the current year principal payments made on 2006 Tobacco Securitization Note and 2016 lease HVAC financing offset with increase in 2006 Tobacco accreted interest.

As of December 2016, 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)

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
2016 Lease HVAC financing	\$ 5,435,000	\$ 7,390,000
2012 Lease refunding	-	1,562,703
2013 Lease refunding	-	4,990,000
Tobacco securitization note	79,578,611	83,003,611
2006 Tobacco accreted interest	46,678,793	41,385,756
Capital leases	350,459	553,410
Total	<u>\$ 132,042,863</u>	<u>\$ 138,885,480</u>

Additional information on the County's long-term debt can be found in Note 10 of the financial statements.

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

Economic Factors and Next Year's Budget

- The unemployment rate in the County for July 2018 was 6.2% compared to 4.2% for the State of California and 3.9% for the nation.
- Median home prices increased from August 2017 to August 2018 at the following rate:
 - 9.9% Stanislaus County
 - 5.5% Statewide
- Building permits for single family units issued in the City of Modesto of Stanislaus County decreased by 17% in August 2018 compared to the prior year. Statewide issuance of building permits for single family units increased by 1,900% for the same period.
- Assigned fund balance of \$13.4 million is being used to balance the General Fund budget for Fiscal Year 2018-2019.

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, 2018**

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 438,328,235	\$ 43,444,969	\$ 481,773,204
Investments with fiscal agent	85,534,686	78,295	85,612,981
Taxes receivable	18,933,667	-	18,933,667
Accounts receivable	101,141,374	14,964,834	116,106,208
Interest and other receivables	3,372,563	141,711	3,514,274
Notes receivable	211,861	-	211,861
Inventory	1,061,629	7,121	1,068,750
Prepaid items	250,373	241,634	492,007
Loans to other governments	5,204,343	-	5,204,343
Internal balances	166,193	(166,193)	-
Restricted cash and investments	4,934,185	20,465,105	25,399,290
Investments - joint ventures	14,917,997	-	14,917,997
Capital assets (net of accumulated depreciation):			
Land & right of ways	45,746,250	15,462,882	61,209,132
Infrastructure	121,375,537	-	121,375,537
Structures and improvements	140,295,940	2,946,744	143,242,684
Equipment	33,791,546	9,854,414	43,645,960
Intangible assets	691,452	-	691,452
Construction in progress	172,030,093	257,448	172,287,541
Total capital assets	<u>513,930,818</u>	<u>28,521,488</u>	<u>542,452,306</u>
Total assets	<u>1,187,987,924</u>	<u>107,698,964</u>	<u>1,295,686,888</u>
Deferred outflows of resources			
Deferred pension	223,849,450	12,217,641	236,067,091
Total deferred outflows of resources	<u>223,849,450</u>	<u>12,217,641</u>	<u>236,067,091</u>
Liabilities			
Accounts payable	49,491,731	2,966,829	52,458,560
Salaries and benefits payable	19,410,214	946,098	20,356,312
Interest payable	134,353	-	134,353
Unearned revenue	46,092,782	-	46,092,782
Deposits from others	18,740	28,617	47,357
Due to other governments	66,467	-	66,467
Long-term liabilities:			
Portion due within one year:			
Risk management liability	15,601,597	142,343	15,743,940
Capital leases	124,976	-	124,976
Compensated absences	9,884,437	458,994	10,343,431
Long-term obligations	6,560,000	-	6,560,000
Portion due in more than one year:			
Risk management liability	21,622,071	76,580	21,698,651
Other post-employment benefits (OPEB)	30,980,193	1,238,795	32,218,988
Net pension liability	555,914,833	22,151,889	578,066,722
Capital leases payable	225,483	-	225,483
Compensated absences	22,657,053	550,186	23,207,239
Long-term obligations	125,132,404	-	125,132,404
Estimated cost of landfill closure/post closure	-	9,577,020	9,577,020
Total liabilities	<u>903,917,334</u>	<u>38,137,351</u>	<u>942,054,685</u>
Deferred inflows of resources			
Deferred OPEB	1,096,605	43,849	1,140,454
Deferred pension	9,099,093	379,346	9,478,439
Total deferred inflows of resources	<u>10,195,698</u>	<u>423,195</u>	<u>10,618,893</u>
Net position			
Net investment in capital assets	508,145,361	28,521,488	536,666,849
Restricted for:			
Capital projects	58,096,747	-	58,096,747
Debt service	6,118,867	-	6,118,867
Tax loss reserve	4,934,185	-	4,934,185
Tobacco	91,077,135	-	91,077,135
BHRS	21,080,048	-	21,080,048
Special revenue funds	116,631,784	-	116,631,784
Landfill	-	20,517,119	20,517,119
Unrestricted (deficit)	(308,359,785)	32,317,452	(276,042,333)
Total net position	<u>\$ 497,724,342</u>	<u>\$ 81,356,059</u>	<u>\$ 579,080,401</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, 2018**

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	\$ 92,712,210	\$ 22,920,329	\$ 90,608,924	\$ 9,659,079
Public protection	261,440,749	53,230,063	65,662,041	71,181
Public ways and facilities	49,081,627	10,356,902	30,273,754	267,181
Health and sanitation	161,381,957	53,657,829	79,095,353	55,122
Public assistance	366,132,957	10,376,038	321,029,912	-
Education	13,211,024	845,868	228,309	17,769
Recreation and Cultural Services	8,414,732	4,740,516	952,749	34,685
Interest on long-term debt	8,148,825	-	-	-
Total governmental activities	<u>960,524,081</u>	<u>156,127,545</u>	<u>587,851,042</u>	<u>10,105,017</u>
Business-type activities:				
Landfills	14,678,915	9,182,481	194,461	-
Health Clinics & Ancillary Services	42,664,812	40,652,270	272,101	-
Inmate Welfare/Commissary	1,832,920	1,783,507	18,522	-
Transit	7,375,199	583,114	1,926,012	-
Total business-type activities	<u>66,551,846</u>	<u>52,201,372</u>	<u>2,411,096</u>	<u>-</u>
Total primary government	<u>\$ 1,027,075,927</u>	<u>\$ 208,328,917</u>	<u>\$ 590,262,138</u>	<u>\$ 10,105,017</u>

General revenues:

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

- Net position--beginning
- Prior period adjustment
- Net position--beginning, restated
- 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, 2018

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total	Functions/Programs
			Primary government
			Governmental activities:
\$ 30,476,122	\$ -	\$ 30,476,122	General government
(142,477,464)	-	(142,477,464)	Public protection
(8,183,790)	-	(8,183,790)	Public ways and facilities
(28,573,653)	-	(28,573,653)	Health and sanitation
(34,727,007)	-	(34,727,007)	Public assistance
(12,119,078)	-	(12,119,078)	Education
(2,686,782)	-	(2,686,782)	Recreation and Cultural Services
(8,148,825)	-	(8,148,825)	Interest on long-term debt
<u>(206,440,477)</u>	<u>-</u>	<u>(206,440,477)</u>	Total governmental activities
			Business-type activities:
-	(5,301,973)	(5,301,973)	Landfills
-	(1,740,441)	(1,740,441)	Health Clinics & Ancillary Services
-	(30,891)	(30,891)	Inmate Welfare/Commissary
-	(4,866,073)	(4,866,073)	Transit
<u>-</u>	<u>(11,939,378)</u>	<u>(11,939,378)</u>	Total business-type activities
<u>\$ (206,440,477)</u>	<u>\$ (11,939,378)</u>	<u>\$ (218,379,855)</u>	Total primary government
			General revenues:
			Taxes:
63,117,800	-	63,117,800	Property taxes
60,329,027	-	60,329,027	Property taxes in lieu vehicle license fees
2,953,151	-	2,953,151	Property taxes - unsecured
34,035,571	6,022,663	40,058,234	Sales taxes
10,677,064	-	10,677,064	Sales taxes - library
89,731	-	89,731	Sales taxes - road
3,884,785	-	3,884,785	Other taxes
1,190,064	-	1,190,064	Franchise fees
730,314	862,268	1,592,582	Unrestricted investment earnings
9,752,619	-	9,752,619	Miscellaneous
(3,370,262)	3,370,262	-	Net transfers
<u>183,389,864</u>	<u>10,255,193</u>	<u>193,645,057</u>	Total general revenues and transfers
<u>(23,050,613)</u>	<u>(1,684,185)</u>	<u>(24,734,798)</u>	Change in net position
541,132,694	83,618,646	624,751,340	Net position--beginning
(20,357,739)	(578,402)	(20,936,141)	Prior period adjustment
<u>520,774,955</u>	<u>83,040,244</u>	<u>603,815,199</u>	Net position--beginning, restated
<u>\$ 497,724,342</u>	<u>\$ 81,356,059</u>	<u>\$ 579,080,401</u>	Net position--ending

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

**County of Stanislaus
Balance Sheet
Governmental Funds
June 30, 2018**

	General Fund	Tobacco Settlement	Behavioral Health and Recovery Services	Community Services Agency	In-Home Supportive Services	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments	\$ 174,062,656	\$ 6,902,979	\$ 41,396,872	\$ 9,489,443	\$ -	\$ 156,007,192	\$ 387,859,142
Investments with fiscal agent	-	79,506,354	-	-	-	6,028,332	85,534,686
Taxes receivable	18,933,667	-	-	-	-	-	18,933,667
Accounts receivable	17,615,364	-	27,027,887	21,206,590	1,657,514	33,540,341	101,047,696
Interest and other receivables	877,984	903,747	98,949	-	-	1,369,006	3,249,686
Notes receivable	98,201	-	113,660	-	-	-	211,861
Inventory	-	-	-	-	-	688,597	688,597
Due from other funds	1,644,043	-	1,545,393	-	-	333,539	3,522,975
Loans to other governments	1,347,093	3,857,250	-	-	-	-	5,204,343
Advances to other funds	100,000	-	-	-	-	-	100,000
Prepaid items	175,301	-	-	-	-	75,072	250,373
Restricted cash and investments	4,934,185	-	-	-	-	-	4,934,185
Total assets	<u>\$ 219,788,494</u>	<u>\$ 91,170,330</u>	<u>\$ 70,182,761</u>	<u>\$ 30,696,033</u>	<u>\$ 1,657,514</u>	<u>\$ 198,042,079</u>	<u>\$ 611,537,211</u>
Liabilities							
Accounts payable	\$ 5,423,091	\$ -	\$ 16,149,860	\$ 11,958,320	\$ 341,761	\$ 12,811,256	\$ 46,684,288
Salaries and benefits payable	8,531,535	-	2,134,641	4,239,865	-	4,062,862	18,968,903
Due to other funds	1,406,030	-	-	185,027	1,249,286	491,913	3,332,256
Due to other governments	-	-	-	-	66,467	-	66,467
Deposits from others	18,740	-	-	-	-	-	18,740
Advances from grantors & third parties	313,864	-	30,818,213	13,985,261	-	975,444	46,092,782
Advances from other funds	-	-	-	-	-	100,000	100,000
Total liabilities	<u>15,693,260</u>	<u>-</u>	<u>49,102,714</u>	<u>30,368,473</u>	<u>1,657,514</u>	<u>18,441,475</u>	<u>115,263,436</u>
Fund balances							
Non-spendable	12,949,362	-	8,550	25,650	-	775,080	13,758,642
Restricted	4,934,185	91,170,330	18,016,970	256,506	-	163,755,305	278,133,296
Committed	14,695,821	-	3,054,527	-	-	598,373	18,348,721
Assigned	162,118,737	-	-	45,404	-	16,908,827	179,072,968
Unassigned:							
General fund	9,397,129	-	-	-	-	-	9,397,129
Special revenue funds	-	-	-	-	-	(919,236)	(919,236)
Capital projects funds	-	-	-	-	-	(1,517,745)	(1,517,745)
Total fund balances	<u>204,095,234</u>	<u>91,170,330</u>	<u>21,080,047</u>	<u>327,560</u>	<u>-</u>	<u>179,600,604</u>	<u>496,273,775</u>
Total liabilities & fund balances	<u>\$ 219,788,494</u>	<u>\$ 91,170,330</u>	<u>\$ 70,182,761</u>	<u>\$ 30,696,033</u>	<u>\$ 1,657,514</u>	<u>\$ 198,042,079</u>	<u>\$ 611,537,211</u>

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, 2018

Total fund balances for governmental funds (page 20) \$ 496,273,775

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 governmental funds. These assets consist of:

Land	\$45,746,250	
Intangible Assets - Internally Generated Software	150,533	
Infrastructure	121,375,537	
Structures and improvements	139,720,524	
Equipment	27,596,463	
Construction in progress	<u>163,064,612</u>	
Total capital assets		497,653,919

Investments - Joint ventures 14,917,997

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. 19,900,050

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 governmental funds.

Net pension liability and deferred outflows and inflows of resources (335,951,141)

Net OPEB liability and deferred outflows and inflows of resources (31,372,752)

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 governmental 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, 2018 are:

Certificates of participation	\$ (5,435,000)	
Bonds payable and loans	(79,578,611)	
Tobacco securitization notes	(46,678,793)	
Capital leases	(350,459)	
Accrued interest on long-term debt	(134,353)	
Compensated absences	<u>(31,520,290)</u>	
Total long-term liabilities		(163,697,506)

Net position of governmental activities (page 17) \$ 497,724,342

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, 2018

	General Fund	Tobacco Settlement	Behavioral Health and Recovery Services	Community Services Agency	In-Home Supportive Services	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 154,866,351	\$ -	\$ -	\$ -	\$ -	\$ 20,220,775	\$ 175,087,126
Licenses, permits and franchises	2,899,472	-	-	101,785	-	2,097,254	5,098,511
Fines, forfeitures and penalties	6,061,120	-	115,471	-	-	1,960,458	8,137,049
Revenue from use of money and property	5,760,994	2,431,577	892,892	77,291	150	1,285,187	10,448,091
Intergovernmental revenue	89,758,432	-	63,966,794	216,203,634	94,975,542	122,883,563	587,787,965
Charges for services	57,975,395	-	40,726,560	1,582,821	-	43,922,735	144,207,511
Miscellaneous revenue	1,718,106	-	16,593	48,869	51,409	7,861,767	9,696,744
Total revenues	319,039,870	2,431,577	105,718,310	218,014,400	95,027,101	200,231,739	940,462,997
Expenditures							
Current:							
General government	42,510,713	-	-	-	-	1,039,664	43,550,377
Public protection	183,791,603	-	1,219,159	-	-	68,950,059	253,960,821
Public ways and facilities	369,967	-	-	-	-	44,498,306	44,868,273
Health and sanitation	13,066,905	-	109,392,477	-	-	37,123,197	159,582,579
Public assistance	519,544	-	-	245,236,075	100,140,080	17,417,461	363,313,160
Education	504,984	-	-	-	-	12,355,922	12,860,906
Recreation and cultural services	7,155,737	-	-	-	-	877,242	8,032,979
Capital outlay	-	-	-	-	-	16,089,642	16,089,642
Debt service:							
Interest and fiscal charges	151	-	640	10,418	-	2,663,547	2,674,756
Principal	7,859	-	3,053	166,729	-	11,982,778	12,160,419
Total expenditures	247,927,463	-	110,615,329	245,413,222	100,140,080	212,997,818	917,093,912
Excess (deficiency) of revenues over (under) expenditures	71,112,407	2,431,577	(4,897,019)	(27,398,822)	(5,112,979)	(12,766,079)	23,369,085
Other financing sources (uses)							
Capital lease	-	-	22,199	-	-	-	22,199
Transfers in	11,343,768	5,927	3,708,292	27,438,773	5,112,979	27,680,193	75,289,932
Transfers out	(62,765,240)	(6,177,632)	(0)	-	-	(10,956,017)	(79,898,889)
Sale of capital assets	38,582	-	3,119	1,218	-	12,957	55,876
Total other financing sources (uses)	(51,382,890)	(6,171,705)	3,733,610	27,439,991	5,112,979	16,737,133	(4,530,882)
Net change in fund balances	19,729,517	(3,740,128)	(1,163,409)	41,169	-	3,971,054	18,838,203
Fund balances -- beginning	184,365,717	94,817,263	22,243,456	286,391	-	175,629,550	477,342,377
Prior period adjustment	-	93,195	-	-	-	-	93,195
Fund balances at beginning of year, as restated	184,365,717	94,910,458	22,243,456	286,391	-	175,629,550	477,435,572
Fund balances -- ending	\$ 204,095,234	\$ 91,170,330	\$ 21,080,047	\$ 327,560	\$ -	\$ 179,600,604	\$ 496,273,775

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, 2018

Net change in fund balances - total governmental funds (page 22)		\$ 18,838,203
<p>The change in net position reported for governmental activities in the statement of activities is different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for capital assets and infrastructure	\$ 25,539,263	
Less current year depreciation	<u>(20,684,876)</u>	4,854,387
<p>The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.</p>		
		(755,023)
<p>Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.</p>		
		(22,199)
<p>Repayments of debt principal and issuance premiums are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and premiums are amortized in the statement of activities.</p>		
Repayments:		
Other long-term debt	11,932,703	
Capital lease	<u>225,149</u>	12,157,852
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Other post-employment benefits (OPEB)	\$ -	
Change in investment in joint ventures	(847,049)	
Change in accrued interest payable	46,684	
Change in tobacco accreted interest payable	(5,199,842)	
Change in compensated absences	<u>(1,188,610)</u>	(7,188,817)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.</p>		
		(5,415,575)
<p>Change in net pension liability and deferred outflows and inflows of resources</p>		
		(45,303,795)
<p>Change in OPEB liability and deferred outflows and inflows of resources</p>		
		(20,573,385)
Change in net position of governmental activities (page 19)		<u><u>\$ (43,408,352)</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
General Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 150,205,000	\$ 152,655,000	\$ 154,866,351	\$ 2,211,351
Licenses, permits and franchises	2,393,980	2,482,335	2,899,472	417,137
Fines, forfeitures and penalties	4,755,500	4,755,500	6,061,120	1,305,620
Revenue from use of money and property	4,934,192	6,711,492	5,760,994	(950,498)
Intergovernmental revenue	80,296,701	91,542,834	89,758,432	(1,784,402)
Charges for services	57,257,078	58,652,707	57,975,395	(677,312)
Miscellaneous revenue	800,453	861,325	1,718,106	856,781
Total revenues - General Fund	<u>300,642,904</u>	<u>317,661,193</u>	<u>319,039,870</u>	<u>1,378,677</u>
Expenditures: General Government				
Assessor				
Salaries and employee benefits	5,563,879	5,739,180	5,669,771	69,409
Services and supplies	552,797	539,767	445,633	94,134
Other charges	420,255	420,255	376,842	43,413
Intrafund transfer	1,225	1,225	105	1,120
Total expenditures	<u>6,538,156</u>	<u>6,700,427</u>	<u>6,492,351</u>	<u>208,076</u>
Auditor-Controller				
Salaries and employee benefits	4,400,161	4,488,385	4,238,135	250,250
Services and supplies	183,901	241,901	168,679	73,222
Other charges	290,830	290,830	268,017	22,813
Intrafund transfer	409	409	30	379
Capital assets	22,000	22,000	20,950	1,050
Total expenditures	<u>4,897,301</u>	<u>5,043,525</u>	<u>4,695,811</u>	<u>347,714</u>
Board of Supervisors				
Salaries and employee benefits	1,005,914	1,062,854	976,676	86,178
Services and supplies	113,100	113,100	107,735	5,365
Other charges	85,094	85,094	73,612	11,482
Total expenditures	<u>1,204,108</u>	<u>1,261,048</u>	<u>1,158,023</u>	<u>103,025</u>
Chief Executive				
Salaries and employee benefits	5,826,684	6,454,879	6,058,109	396,770
Services and supplies	1,876,727	2,000,827	1,382,726	618,101
Other charges	485,174	485,174	406,631	78,543
Intrafund transfer	447,791	315	255	60
Total expenditures	<u>8,636,376</u>	<u>8,941,195</u>	<u>7,847,721</u>	<u>1,093,474</u>
Economic Development				
Services and supplies	36,806	96,806	22,045	74,761
Total expenditures	<u>36,806</u>	<u>96,806</u>	<u>22,045</u>	<u>74,761</u>
Risk Management				
Salaries and employee benefits	1,774,486	1,681,737	1,485,778	195,959
Services and supplies	88,650	162,399	110,854	51,545
Other charges	94,314	94,314	90,511	3,803
Intrafund transfer	312	312	45	267
Capital assets	-	19,000	18,308	692
Total expenditures	<u>1,957,762</u>	<u>1,957,762</u>	<u>1,705,496</u>	<u>252,266</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
CEO - Focus on Prevention				
Salaries and employee benefits	732,199	721,732	459,810	261,922
Services and supplies	990,710	528,234	288,577	239,657
Other charges	-	26,000	25,741	259
Intrafund transfer	(447,476)	-	-	-
Capital assets	150,000	150,000	74,749	75,251
Total expenditures	<u>1,425,433</u>	<u>1,425,966</u>	<u>848,877</u>	<u>577,089</u>
CEO - ADA Self-Evaluation and Transition Plan Project				
Services and supplies	555,635	555,635	-	555,635
Total expenditures	<u>555,635</u>	<u>555,635</u>	<u>-</u>	<u>555,635</u>
CEO - Discretionary Revenue				
Intrafund transfer	-	-	(1,357)	1,357
Total expenditures	<u>-</u>	<u>-</u>	<u>(1,357)</u>	<u>1,357</u>
Capital Improvement Financing Authority				
Services and supplies	140,633	140,633	33,783	106,850
Total expenditures	<u>140,633</u>	<u>140,633</u>	<u>33,783</u>	<u>106,850</u>
Plant Acquisition				
Salaries and employee benefits	83,325	151,547	146,075	5,472
Services and supplies	6,326,791	5,832,204	2,657,514	3,174,690
Other charges	89,460	9,460	4,291	5,169
Capital assets	14,606	250,606	50,254	200,352
Total expenditures	<u>6,514,182</u>	<u>6,243,817</u>	<u>2,858,134</u>	<u>3,385,683</u>
General Fund Contribution to Other Programs				
Other charges	3,968,764	4,379,034	4,364,140	14,894
Total expenditures	<u>3,968,764</u>	<u>4,379,034</u>	<u>4,364,140</u>	<u>14,894</u>
Appropriations for Contingencies				
Appropriations for contingencies	13,943,669	8,496,226	-	8,496,226
Total expenditures	<u>13,943,669</u>	<u>8,496,226</u>	<u>-</u>	<u>8,496,226</u>
County Facilities				
Salaries and employee benefits	-	1,417	1,417	-
Services and supplies	3,293,711	1,092,906	672,169	420,737
Other charges	648,609	606,036	606,036	-
Intrafund transfer	40,000	50,234	50,234	-
Capital assets	2,855	2,855	-	2,855
Total expenditures	<u>3,985,175</u>	<u>1,753,448</u>	<u>1,329,856</u>	<u>423,592</u>
Elections Division				
Salaries and employee benefits	1,259,940	1,074,941	1,074,033	908
Services and supplies	1,730,727	2,085,927	1,687,649	398,278
Other charges	118,063	118,063	103,300	14,763
Intrafund transfer	1,400	1,400	5	1,395
Total expenditures	<u>3,110,130</u>	<u>3,280,331</u>	<u>2,864,987</u>	<u>415,344</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
County Counsel				
Salaries and employee benefits	2,673,219	2,678,174	2,445,687	232,487
Services and supplies	207,228	207,228	38,769	168,459
Other charges	169,818	169,818	152,813	17,005
Intrafund transfer	30	30	167	(137)
Total expenditures	<u>3,050,295</u>	<u>3,055,250</u>	<u>2,637,436</u>	<u>417,814</u>
Treasurer and Tax Collector				
Salaries and employee benefits	1,274,636	1,217,536	1,180,481	37,055
Services and supplies	219,313	289,213	196,255	92,958
Other charges	185,941	185,941	150,705	35,236
Intrafund transfer	(11,712)	(23,712)	(156,561)	132,849
Capital assets	-	25,000	22,100	2,900
Total expenditures	<u>1,668,178</u>	<u>1,693,978</u>	<u>1,392,980</u>	<u>300,998</u>
Revenue Recovery				
Salaries and employee benefits	1,439,592	1,439,592	1,149,480	290,112
Services and supplies	231,550	355,600	278,137	77,463
Other charges	152,252	152,252	126,148	26,104
Intrafund transfer	(690,736)	(678,224)	(364,261)	(313,963)
Capital assets	2,700	27,700	20,920	6,780
Total expenditures	<u>1,135,358</u>	<u>1,296,920</u>	<u>1,210,424</u>	<u>86,496</u>
Treasury				
Salaries and employee benefits	380,188	380,188	373,935	6,253
Services and supplies	153,654	221,904	199,147	22,757
Other charges	46,328	50,578	37,005	13,573
Intrafund transfer	115,000	42,000	42,000	-
Capital assets	-	127,800	123,948	3,852
Total expenditures	<u>695,170</u>	<u>822,470</u>	<u>776,035</u>	<u>46,435</u>
General Services Agency				
Salaries and employee benefits	668,665	651,165	587,497	63,668
Services and supplies	10,778	28,278	22,915	5,363
Other charges	47,323	47,323	33,820	13,503
Total expenditures	<u>726,766</u>	<u>726,766</u>	<u>644,232</u>	<u>82,534</u>
Expenditures: Public Protection				
Agricultural Commissioner				
Salaries and employee benefits	4,342,246	4,118,571	3,974,655	143,916
Services and supplies	333,146	333,146	284,386	48,760
Other charges	439,651	439,651	417,453	22,198
Intrafund transfer	74,838	74,838	67,866	6,972
Capital assets	419,783	316,171	306,006	10,165
Total expenditures	<u>5,609,664</u>	<u>5,282,377</u>	<u>5,050,366</u>	<u>232,011</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Office of Emergency Services				
Salaries and employee benefits	930,143	1,072,026	1,001,470	70,556
Services and supplies	1,188,352	1,188,352	803,816	384,536
Other charges	223,279	223,279	140,587	82,692
Intrafund transfer	510	510	21	489
Capital assets	254,500	84,500	58,613	25,887
Total expenditures	<u>2,596,784</u>	<u>2,568,667</u>	<u>2,004,507</u>	<u>564,160</u>
County Court Funding				
Services and supplies	125,000	125,000	124,736	264
Other charges	5,575,732	5,575,732	5,554,308	21,424
Intrafund transfer	504,400	504,400	400,406	103,994
Total expenditures	<u>6,205,132</u>	<u>6,205,132</u>	<u>6,079,450</u>	<u>125,682</u>
Recorder Division				
Salaries and employee benefits	1,894,816	1,900,563	1,672,048	228,515
Services and supplies	307,335	183,026	103,320	79,706
Other charges	274,050	274,050	273,851	199
Intrafund transfer	521	521	515	6
Capital assets	358,930	36,530	36,530	-
Total expenditures	<u>2,835,652</u>	<u>2,394,690</u>	<u>2,086,264</u>	<u>308,426</u>
District Attorney				
Salaries and employee benefits	15,589,022	15,235,716	15,032,794	202,922
Services and supplies	1,386,134	1,938,271	1,237,134	701,137
Other charges	1,077,479	1,077,479	1,040,213	37,266
Intrafund transfer	2,140	2,140	(6,223)	8,363
Capital assets	255,000	255,000	192,043	62,957
Total expenditures	<u>18,309,775</u>	<u>18,508,606</u>	<u>17,495,961</u>	<u>1,012,645</u>
Planning				
Salaries and employee benefits	1,795,500	1,860,799	1,855,555	5,244
Services and supplies	223,781	213,781	113,398	100,383
Other charges	193,684	193,684	180,163	13,521
Intrafund transfer	1,858	1,858	(9,473)	11,331
Total expenditures	<u>2,214,823</u>	<u>2,270,122</u>	<u>2,139,643</u>	<u>130,479</u>
Probation Administration				
Salaries and employee benefits	2,211,332	2,201,497	2,154,325	47,172
Services and supplies	359,900	374,900	335,245	39,655
Other charges	477,484	477,484	316,810	160,674
Total expenditures	<u>3,048,716</u>	<u>3,053,881</u>	<u>2,806,380</u>	<u>247,501</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Probation Community Corrections Partnership				
Salaries and employee benefits	4,044,058	4,044,058	3,419,211	624,847
Services and supplies	798,767	798,342	579,140	219,202
Other charges	35,987	36,412	36,412	-
Capital assets	117,000	117,000	116,084	916
Total expenditures	<u>4,995,812</u>	<u>4,995,812</u>	<u>4,150,847</u>	<u>844,965</u>
Probation Juvenile Commitment Facility				
Salaries and employee benefits	3,199,842	3,209,688	3,083,127	126,561
Services and supplies	452,288	448,288	265,700	182,588
Other charges	408,097	412,097	411,741	356
Total expenditures	<u>4,060,227</u>	<u>4,070,073</u>	<u>3,760,568</u>	<u>309,505</u>
Probation - Field Services				
Salaries and employee benefits	9,737,690	9,764,274	9,577,512	186,762
Services and supplies	1,580,892	1,739,432	1,096,478	642,954
Other charges	836,143	836,143	820,128	16,015
Intrafund transfer	9,591	11,591	9,749	1,842
Capital assets	443,129	443,129	275,016	168,113
Total expenditures	<u>12,607,445</u>	<u>12,794,569</u>	<u>11,778,883</u>	<u>1,015,686</u>
Probation - Institutions				
Salaries and employee benefits	5,644,377	5,659,722	5,452,180	207,542
Services and supplies	440,050	440,050	332,067	107,983
Other charges	552,630	552,630	480,177	72,453
Capital assets	4,359	4,359	-	4,359
Total expenditures	<u>6,641,416</u>	<u>6,656,761</u>	<u>6,264,424</u>	<u>392,337</u>
Public Defender				
Salaries and employee benefits	6,096,298	6,229,605	6,215,269	14,336
Services and supplies	407,730	918,351	816,824	101,527
Other charges	298,704	353,543	311,824	41,719
Intrafund transfer	64,635	64,635	62,766	1,869
Capital assets	20,000	20,000	17,335	2,665
Total expenditures	<u>6,887,367</u>	<u>7,586,134</u>	<u>7,424,018</u>	<u>162,116</u>
Indigent Defense				
Services and supplies	4,661,460	4,661,460	4,129,316	532,144
Total expenditures	<u>4,661,460</u>	<u>4,661,460</u>	<u>4,129,316</u>	<u>532,144</u>
Sheriff's Administration				
Salaries and employee benefits	8,250,147	8,306,000	8,260,055	45,945
Services and supplies	1,471,114	2,200,364	2,048,695	151,669
Other charges	703,472	703,472	690,553	12,919
Intrafund transfer	(43,750)	(43,750)	(29,401)	(14,349)
Capital assets	845,413	870,913	524,405	346,508
Total expenditures	<u>11,226,396</u>	<u>12,036,999</u>	<u>11,494,307</u>	<u>542,692</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Sheriff's Operations				
Salaries and employee benefits	23,931,290	25,282,009	25,270,862	11,147
Services and supplies	5,865,903	6,055,158	5,224,810	830,348
Other charges	2,150,175	2,150,175	2,010,114	140,061
Intrafund transfer	(647,362)	(642,362)	(725,333)	82,971
Capital assets	2,772,688	2,879,004	2,271,014	607,990
Total expenditures	<u>34,072,694</u>	<u>35,723,984</u>	<u>34,051,467</u>	<u>1,672,517</u>
Sheriff's Detention				
Salaries and employee benefits	31,593,112	31,948,062	31,166,536	781,526
Services and supplies	5,861,214	5,661,214	4,926,114	735,100
Other charges	3,487,479	3,687,479	3,678,621	8,858
Intrafund transfer	21,464	21,464	21,603	(139)
Capital assets	663,472	663,472	280,525	382,947
Total expenditures	<u>42,846,741</u>	<u>41,981,691</u>	<u>40,073,399</u>	<u>1,908,292</u>
Sheriff's Adult Detention				
Salaries and employee benefits	9,029,882	9,379,351	9,379,351	-
Services and supplies	1,387,620	1,902,266	1,832,262	70,004
Other charges	388,735	408,990	392,330	16,660
Capital assets	57,673	957,673	716,159	241,514
Total expenditures	<u>10,863,910</u>	<u>12,648,280</u>	<u>12,320,102</u>	<u>328,178</u>
Sheriff's Contract Cities				
Salaries and employee benefits	9,051,109	9,110,590	9,009,132	101,458
Services and supplies	1,275,154	1,275,154	1,152,513	122,641
Other charges	598,538	598,538	528,059	70,479
Intrafund transfer	249,600	249,600	188,509	61,091
Capital assets	262,000	262,000	103,098	158,902
Total expenditures	<u>11,436,401</u>	<u>11,495,882</u>	<u>10,981,311</u>	<u>514,571</u>
Grand Jury				
Salaries and employee benefits	60,808	60,808	59,575	1,233
Services and supplies	80,517	80,084	43,076	37,008
Other charges	14,429	14,862	14,862	-
Intrafund transfer	300	300	-	300
Total expenditures	<u>156,054</u>	<u>156,054</u>	<u>117,513</u>	<u>38,541</u>
Expenditures: Public Ways				
Airport				
Services and supplies	190,000	190,000	188,599	1,401
Total expenditures	<u>190,000</u>	<u>190,000</u>	<u>188,599</u>	<u>1,401</u>
CEO Crows Landing Air Facility				
Services and supplies	1,177,945	712,219	128,729	583,490
Other charges	20,410	33,415	33,415	-
Intrafund transfer	-	10,471	10,471	-
Total expenditures	<u>1,198,355</u>	<u>756,105</u>	<u>172,615</u>	<u>583,490</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, 2018

	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	13,798,939	13,798,939	13,044,984	753,955
Other charges	50	50	50	-
Total expenditures	<u>13,798,989</u>	<u>13,798,989</u>	<u>13,045,034</u>	<u>753,955</u>
Expenditures: Public Assistance				
Veterans' Services				
Salaries and employee benefits	465,490	459,266	454,623	4,643
Services and supplies	53,944	40,744	28,747	11,997
Other charges	22,326	42,526	38,042	4,484
Total expenditures	<u>541,760</u>	<u>542,536</u>	<u>521,412</u>	<u>21,124</u>
Expenditures: Education				
Cooperative Extension				
Salaries and employee benefits	320,526	312,733	287,222	25,511
Services and supplies	24,805	31,305	29,199	2,106
Other charges	137,453	142,702	142,702	-
Intrafund transfer	-	-	45	(45)
Capital assets	58,500	52,000	51,805	195
Total expenditures	<u>541,284</u>	<u>538,740</u>	<u>510,973</u>	<u>27,767</u>
Expenditures: Recreation and Cultural Services				
Parks and Recreation				
Salaries and employee benefits	3,396,530	3,597,528	3,312,096	285,432
Services and supplies	1,845,846	1,838,496	1,600,745	237,751
Other charges	923,846	1,006,170	998,682	7,488
Intrafund transfer	431,766	521,960	505,476	16,484
Capital assets	516,709	516,709	300,039	216,670
Total expenditures	<u>7,114,697</u>	<u>7,480,863</u>	<u>6,717,038</u>	<u>763,825</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	1,781,522	1,781,522	-
Intrafund transfer	(71,435)	(71,435)	(67,659)	(3,776)
Total expenditures	<u>29,922</u>	<u>1,710,087</u>	<u>1,713,863</u>	<u>(3,776)</u>
Total expenditures - General Fund	<u>279,075,885</u>	<u>278,174,243</u>	<u>248,153,746</u>	<u>30,020,497</u>
Excess of revenues over expenditures	<u>21,567,019</u>	<u>39,486,950</u>	<u>70,886,124</u>	<u>31,399,174</u>
Other financing sources (uses)				
Transfers in	8,508,584	11,275,884	11,343,768	67,884
Transfers out	(62,988,255)	(75,043,270)	(62,765,240)	12,278,030
Sale of capital assets	-	-	38,582	38,582
Total other financing sources (uses)	<u>(54,479,671)</u>	<u>(63,767,386)</u>	<u>(51,382,890)</u>	<u>12,384,496</u>
Net change in fund balance	<u>(32,912,652)</u>	<u>(24,280,436)</u>	<u>19,503,234</u>	<u>43,783,670</u>
Fund balance -- beginning	<u>139,068,988</u>	<u>145,225,707</u>	<u>183,130,989</u>	<u>-</u>
Fund balance -- ending	<u>\$ 106,156,336</u>	<u>\$ 120,945,271</u>	<u>\$ 202,634,223</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Fines, forfeitures, and penalties	\$ 70,580	\$ 70,580	\$ 115,471	\$ 44,891
Revenue from use of money and property	884,874	934,874	892,892	(41,982)
Intergovernmental revenue	67,333,111	67,533,111	63,966,794	(3,566,317)
Charges for services	39,117,579	40,009,579	40,726,560	716,981
Miscellaneous revenue	-	-	16,493	16,493
Donation	-	-	100	100
Total revenues - Behavioral Health and Recovery Services	<u>107,406,144</u>	<u>108,548,144</u>	<u>105,718,310</u>	<u>(2,829,834)</u>
Expenditures: Public Protection				
Salaries and employee benefits	998,399	983,399	871,555	111,844
Services and supplies	72,525	72,525	60,039	12,486
Other charges	161,450	176,450	172,927	3,523
Intrafund transfer	121,615	121,615	114,638	6,977
Total expenditures	<u>1,353,989</u>	<u>1,353,989</u>	<u>1,219,159</u>	<u>134,830</u>
Expenditures: Health and Sanitation				
Salaries and employee benefits	47,831,171	46,616,171	43,377,424	3,238,747
Services and supplies	59,343,670	63,547,178	59,775,584	3,771,594
Other charges	7,485,822	6,924,251	6,248,521	675,730
Capital assets	482,929	358,191	125,576	232,615
Intrafund transfer	(121,615)	(121,615)	(114,638)	(6,977)
Total expenditures	<u>115,021,977</u>	<u>117,324,176</u>	<u>109,412,467</u>	<u>7,911,709</u>
Total expenditures - Behavioral Health and Recovery Services	<u>116,375,966</u>	<u>118,678,165</u>	<u>110,631,626</u>	<u>8,046,539</u>
(Deficiency) of revenues over (under) expenditures	<u>(8,969,822)</u>	<u>(10,130,021)</u>	<u>(4,913,316)</u>	<u>5,216,705</u>
Other financing sources (uses)				
Transfers in	2,302,262	2,302,262	3,708,292	1,406,030
Sale of capital assets	-	-	3,119	3,119
Capital lease proceeds	-	22,199	22,199	-
Total other financing sources (uses)	<u>2,302,262</u>	<u>2,324,461</u>	<u>3,733,610</u>	<u>1,409,149</u>
Net change in fund balance	<u>(6,667,560)</u>	<u>(7,805,560)</u>	<u>(1,179,706)</u>	<u>6,625,854</u>
Fund balance - beginning	<u>15,214,375</u>	<u>12,972,045</u>	<u>24,888,797</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,546,815</u>	<u>\$ 5,166,485</u>	<u>\$ 23,709,091</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Licenses, permits and franchises	\$ 96,600	\$ 96,600	\$ 101,785	\$ 5,185
Revenue from use of money and property	-	70,319	77,291	6,972
Intergovernmental revenue	241,099,272	243,443,008	216,203,634	(27,239,374)
Charges for services	1,885,541	1,980,626	1,582,821	(397,805)
Miscellaneous revenue	22,705	33,167	48,755	15,588
Donation	-	-	114	114
Total revenues - Community Services Agency	<u>243,104,118</u>	<u>245,623,720</u>	<u>218,014,400</u>	<u>(27,609,320)</u>
Expenditures: Public Assistance				
Salaries and employee benefits	100,591,958	97,557,401	88,778,829	8,778,572
Services and supplies	29,200,717	31,290,838	24,878,655	6,412,183
Other charges	136,215,874	141,663,365	131,188,889	10,474,476
Capital assets	965,000	965,000	604,251	360,749
Total expenditures - Community Services Agency	<u>266,973,549</u>	<u>271,476,604</u>	<u>245,450,624</u>	<u>26,025,980</u>
(Deficiency) of revenues (under) expenditures	<u>(23,869,431)</u>	<u>(25,852,884)</u>	<u>(27,436,224)</u>	<u>(1,583,340)</u>
Other financing sources (uses)				
Transfers in	24,120,730	26,104,183	27,438,773	1,334,590
Transfers out	(251,657)	(251,657)	-	251,657
Sale of capital assets	-	-	1,218	1,218
Total other financing sources (uses)	<u>23,869,073</u>	<u>25,852,526</u>	<u>27,439,991</u>	<u>1,587,465</u>
Net change in fund balance	<u>(358)</u>	<u>(358)</u>	<u>3,767</u>	<u>4,125</u>
Fund balance - beginning	<u>80,123</u>	<u>207,564</u>	<u>478,279</u>	<u>-</u>
Fund balance - ending	<u>\$ 79,765</u>	<u>\$ 207,206</u>	<u>\$ 482,046</u>	<u>\$ 4,125</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
In-Home Supportive Services-Special Revenue Fund
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 150	\$ 150
Intergovernmental revenue	99,919,904	98,688,729	94,975,542	(3,713,187)
Miscellaneous revenue	342,897	342,897	51,409	(291,488)
Total revenues - In-Home Supportive Services	<u>100,262,801</u>	<u>99,031,626</u>	<u>95,027,101</u>	<u>(4,004,525)</u>
Expenditures: Public Assistance				
CSA - IHSS Administration				
Services and supplies	55,676	48,675	18,897	29,778
Other charges	976,111	748,458	552,690	195,768
Total expenditures	<u>1,031,787</u>	<u>797,133</u>	<u>571,587</u>	<u>225,546</u>
CSA - IHSS Benefits				
Services and supplies	1,060,088	1,060,088	599,855	460,233
Other charges	131,794	131,794	89,806	41,988
Total expenditures	<u>1,191,882</u>	<u>1,191,882</u>	<u>689,661</u>	<u>502,221</u>
CSA - IHSS Provider wages				
Other charges	102,232,231	102,232,231	98,878,832	3,353,399
Total expenditures	<u>102,232,231</u>	<u>102,232,231</u>	<u>98,878,832</u>	<u>3,353,399</u>
Total expenditures - In-Home Supportive Services	<u>104,455,900</u>	<u>104,221,246</u>	<u>100,140,080</u>	<u>4,081,166</u>
(Deficiency) of revenues (under) expenditures	<u>(4,193,099)</u>	<u>(5,189,620)</u>	<u>(5,112,979)</u>	<u>76,641</u>
Other financing sources (uses)				
Transfers in	4,193,099	5,189,620	5,112,979	(76,641)
Total other financing sources (uses)	<u>4,193,099</u>	<u>5,189,620</u>	<u>5,112,979</u>	<u>(76,641)</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>

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, 2018**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Assets					
Current assets:					
Cash and investments	\$ 14,533,075	\$ 13,369,020	\$ 15,001,227	\$ 42,903,322	\$ 51,010,740
Accounts receivable, net	1,658,084	12,767,902	538,848	14,964,834	93,681
Interest and other receivables	88,871	9,560	41,956	140,387	124,199
Inventory	-	-	7,121	7,121	373,031
Prepaid items	-	241,634	-	241,634	-
Total current assets	<u>16,280,030</u>	<u>26,388,116</u>	<u>15,589,152</u>	<u>58,257,298</u>	<u>51,601,651</u>
Noncurrent assets:					
Investments with fiscal agent	78,295	-	-	78,295	-
Restricted cash and investments	19,979,882	-	485,223	20,465,105	-
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	10,433,527	284,605	18,558,911	1,002,508
Equipment	4,704,415	4,469,644	15,451,791	24,625,850	21,194,861
Construction in progress	-	-	257,448	257,448	8,965,476
Less: Accumulated depreciation	<u>(9,081,263)</u>	<u>(13,291,520)</u>	<u>(8,010,820)</u>	<u>(30,383,603)</u>	<u>(17,590,545)</u>
Net capital assets	<u>17,020,552</u>	<u>1,611,651</u>	<u>9,889,285</u>	<u>28,521,488</u>	<u>16,276,897</u>
Total noncurrent assets	<u>37,078,729</u>	<u>1,611,651</u>	<u>10,374,508</u>	<u>49,064,888</u>	<u>16,276,897</u>
Total assets	<u>53,358,759</u>	<u>27,999,767</u>	<u>25,963,660</u>	<u>107,322,186</u>	<u>67,878,548</u>
Deferred outflows of resources					
Deferred pensions	798,701	10,937,688	481,252	12,217,641	7,159,752
Total deferred outflows of resources	<u>798,701</u>	<u>10,937,688</u>	<u>481,252</u>	<u>12,217,641</u>	<u>7,159,752</u>
Liabilities					
Current liabilities:					
Accounts payable	375,596	1,759,549	831,684	2,966,829	2,807,448
Salaries and benefits payable	68,102	840,440	37,556	946,098	441,310
Due to other funds	-	166,193	-	166,193	24,526
Deposits from others	28,617	-	-	28,617	-
Risk management liability - current	-	-	-	-	15,743,940
Capital leases - current	-	-	-	-	218,205
Compensated absences - current	38,083	408,481	12,430	458,994	-
Total current liabilities	<u>510,398</u>	<u>3,174,663</u>	<u>881,670</u>	<u>4,566,731</u>	<u>19,235,429</u>
Noncurrent liabilities:					
Estimated cost of landfill closure/post closure	9,577,020	-	-	9,577,020	-
Risk management liability	-	-	-	-	21,698,651
Other post-employment benefits (OPEB)	82,628	1,106,935	49,232	1,238,795	679,976
Compensated absences	63,488	452,070	34,628	550,186	802,993
Net pension liability	1,477,531	19,793,988	880,370	22,151,889	12,159,216
Total noncurrent liabilities	<u>11,200,667</u>	<u>21,352,993</u>	<u>964,230</u>	<u>33,517,890</u>	<u>35,340,836</u>
Total liabilities	<u>11,711,065</u>	<u>24,527,656</u>	<u>1,845,900</u>	<u>38,084,621</u>	<u>54,576,265</u>
Deferred inflows of resources					
Deferred OPEB	2,925	39,182	1,742	43,849	24,070
Deferred pensions	24,143	323,443	31,760	379,346	213,867
Total deferred inflows of resources	<u>27,068</u>	<u>362,625</u>	<u>33,502</u>	<u>423,195</u>	<u>237,937</u>
Net position					
Net investment in capital assets	17,020,552	1,611,651	9,889,285	28,521,488	16,276,897
Restricted	20,030,407	-	486,712	20,517,119	-
Unrestricted	5,368,368	12,435,523	14,189,513	31,993,404	3,947,201
Total net position	<u>\$ 42,419,327</u>	<u>\$ 14,047,174</u>	<u>\$ 24,565,510</u>	<u>81,032,011</u>	<u>\$ 20,224,098</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				324,048	
Net position of business-type activities				<u>\$ 81,356,059</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, 2018

	Business-type Activities - Enterprise Funds			Total	Governmental
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds		Internal Service Funds
Operating revenues					
Charges for services	\$ 9,182,481	\$ 40,294,012	\$ 2,366,621	\$ 51,843,114	\$ 101,835,441
Total operating revenues	<u>9,182,481</u>	<u>40,294,012</u>	<u>2,366,621</u>	<u>51,843,114</u>	<u>101,835,441</u>
Operating expenses					
Salaries and benefits	1,447,578	18,362,107	748,821	20,558,506	9,109,721
Services and supplies	7,283,998	23,359,131	11,181,481	41,824,610	99,205,820
Depreciation	1,100,735	336,365	1,304,861	2,741,961	1,396,001
Estimated cost of closure/post closure	819,560	-	-	819,560	-
Total operating expenses	<u>10,651,871</u>	<u>42,057,603</u>	<u>13,235,163</u>	<u>65,944,637</u>	<u>109,711,542</u>
Operating (loss)	<u>(1,469,390)</u>	<u>(1,763,591)</u>	<u>(10,868,542)</u>	<u>(14,101,523)</u>	<u>(7,876,101)</u>
Nonoperating revenues (expenses)					
Investment income	907,588	4,847	158,334	1,070,769	454,800
Intergovernmental	-	272,101	7,948,675	8,220,776	864,676
Gain (loss) on sale of capital assets	-	(4,124)	(37,937)	(42,061)	72,590
Total nonoperating revenues (expenses)	<u>907,588</u>	<u>272,824</u>	<u>8,069,072</u>	<u>9,249,484</u>	<u>1,392,066</u>
Loss before contributions and transfers	<u>(561,802)</u>	<u>(1,490,767)</u>	<u>(2,799,470)</u>	<u>(4,852,039)</u>	<u>(6,484,035)</u>
Transfers in	-	3,620,263	4,159,075	7,779,338	1,238,694
Transfers (out)	(4,159,075)	-	(250,000)	(4,409,075)	-
Transfers in (out), net	<u>(4,159,075)</u>	<u>3,620,263</u>	<u>3,909,075</u>	<u>3,370,263</u>	<u>1,238,694</u>
Change in net position	<u>(4,720,877)</u>	<u>2,129,496</u>	<u>1,109,605</u>	<u>(1,481,776)</u>	<u>(5,245,341)</u>
Total net position - beginning	47,164,034	12,453,632	23,474,523	83,092,189	25,842,077
Prior period restatement	(23,830)	(535,954)	(18,618)	(578,402)	(372,638)
Total net position - beginning - restated	<u>47,140,204</u>	<u>11,917,678</u>	<u>23,455,905</u>	<u>82,513,787</u>	<u>25,469,439</u>
Total net position - ending	<u>\$ 42,419,327</u>	<u>\$ 14,047,174</u>	<u>\$ 24,565,510</u>		<u>\$ 20,224,098</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(202,409)</u>	
Change in net position of business-type activities				<u>\$ (1,684,185)</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, 2018**

	Business-type Activities - Enterprise Funds				Governmental
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:					
Cash received from customers and users	\$ 7,884,052	\$ 44,823,819	\$ 2,553,700	\$ 55,261,571	\$ 102,700,788
Cash received from (paid for) interfund services	-	166,193	-	166,193	(100,283,789)
Cash paid to suppliers	(7,282,759)	(24,065,868)	(12,162,961)	(43,511,588)	-
Cash paid to employees	(1,427,393)	(18,646,885)	(721,211)	(20,795,489)	(6,574,064)
Net cash provided (used) by operating activities	<u>(826,100)</u>	<u>2,277,259</u>	<u>(10,330,472)</u>	<u>(8,879,313)</u>	<u>(4,157,065)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	3,620,263	4,159,075	7,779,338	1,238,694
Subsidy from state and federal grant	-	272,101	7,948,675	8,220,776	864,676
Transfers out	(4,159,075)	-	(250,000)	(4,409,075)	-
Net cash provided (used) by noncapital financing activities	<u>(4,159,075)</u>	<u>3,892,364</u>	<u>11,857,750</u>	<u>11,591,039</u>	<u>2,103,370</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	(1,186,035)	(220,397)	(105,218)	(1,511,650)	(2,209,594)
(Loss) from disposal of capital assets	-	-	-	-	72,590
Net cash (used) by capital and related financing activities	<u>(1,186,035)</u>	<u>(220,397)</u>	<u>(105,218)</u>	<u>(1,511,650)</u>	<u>(2,137,004)</u>
Cash flows from investing activities:					
Interest received	907,588	4,847	158,334	1,070,769	454,800
Net cash provided by investing activities	<u>907,588</u>	<u>4,847</u>	<u>158,334</u>	<u>1,070,769</u>	<u>454,800</u>
Net increase (decrease) in cash and cash equivalents	<u>(5,263,622)</u>	<u>5,954,073</u>	<u>1,580,394</u>	<u>2,270,845</u>	<u>(3,735,899)</u>
Cash and equivalents - beginning	39,854,874	7,414,947	13,906,056	61,175,877	54,746,639
Cash and equivalents - ending	<u>\$ 34,591,252</u>	<u>\$ 13,369,020</u>	<u>\$ 15,486,450</u>	<u>\$ 63,446,722</u>	<u>\$ 51,010,740</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and investments	\$ 14,533,075	\$ 13,369,020	\$ 15,001,227	\$ 42,903,322	\$ 51,010,740
Restricted cash and investments & investment with fiscal agent	20,058,177	-	485,223	20,543,400	-
Total cash and cash equivalents	<u>\$ 34,591,252</u>	<u>\$ 13,369,020</u>	<u>\$ 15,486,450</u>	<u>\$ 63,446,722</u>	<u>\$ 51,010,740</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, 2018

	Business-type Activities - Enterprise Funds			Governmental	
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating loss to net cash provided (used) by operating activities					
Operating (loss)	\$ (1,469,390)	\$ (1,763,591)	\$(10,868,542)	\$(14,101,523)	\$ (7,876,101)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:					
Depreciation	1,100,735	336,365	1,304,861	2,741,961	1,396,001
(Increase) decrease in accounts receivable	(1,298,428)	4,529,807	187,079	3,418,458	869,891
(Increase) decrease in other receivables	11,852	41,816	(8,386)	45,282	(4,544)
(Increase) decrease in inventory	-	-	1,491	1,491	14,077
(Increase) decrease in prepaid items	-	(27,497)	-	(27,497)	-
(Increase) decrease in deferred outflows of resources	(33,268)	3,011,034	19,354	2,997,120	912,227
Increase (decrease) in accounts payable and accrued liabilities	(10,613)	(721,054)	(685,776)	(1,417,443)	(663,731)
Increase (decrease) in salaries and benefits payable	15,628	(1,501)	13,110	27,237	42,628
Increase (decrease) in unearned revenue	-	-	-	-	(55,677)
Increase (decrease) in liability for compensated absences	11,746	(186,944)	18,786	(156,412)	21,192
Increase (decrease) in other post-employment benefits (OPEB)	(1,574)	(21,095)	(938)	(23,607)	(12,960)
Increase (decrease) in deferred inflows of resources	(4,993)	150,509	20,658	166,174	104,964
Increase (decrease) in pension liability	32,645	(3,236,783)	(43,360)	(3,247,498)	(1,063,410)
Increase (decrease) in due to other funds/gov'ts	-	166,193	-	166,193	-
Increase (decrease) in advances from other funds	-	-	-	-	(730,482)
Increase (decrease) in estimated cost of closure/post closure	819,560	-	(288,809)	530,751	-
Increase (decrease) in risk management liability	-	-	-	-	2,888,860
Net cash provided (used) by operating activities	<u>\$ (826,100)</u>	<u>\$ 2,277,259</u>	<u>\$ (10,330,472)</u>	<u>\$ (8,879,313)</u>	<u>\$ (4,157,065)</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, 2018

	Employees' Retirement Trust	Investment Trust	Agency Funds	Successor Agency Private-Purpose Trust
Assets				
Cash and investments	\$ 195,650,852	\$ 829,534,954	\$ 2,168,733	\$ 1,949,601
Investments with fiscal agent	-	-	-	1,205,351
Receivables (net of allowance for uncollectables):	-	21,399,632	1,455,975	-
Interest and dividends	5,372,554	-	-	2,152
Securities transactions	31,398,072	-	-	-
Contributions	5,897,011	-	-	-
Other	-	35,503,107	-	-
Advances to other governments	-	-	-	12,345
Prepaid	28,589	-	-	-
Other assets	5,326,791	-	-	-
Investments:				
Bonds	335,655,061	-	-	-
Stocks	1,103,761,404	-	-	-
Private credit	94,881,719	-	-	-
Private real estate	79,771,614	-	-	-
Infrastructure	30,177,146	-	-	-
Risk parity	283,242,444	-	-	-
Collateral on loaned securities	85,288,212	-	-	-
Total assets	<u>2,256,451,469</u>	<u>886,437,693</u>	<u>3,624,708</u>	<u>3,169,449</u>
Liabilities				
Accounts payable	43,807,512	19,882,481	102,990	-
Securities lending obligation	85,288,212	-	-	-
Grant deed extension fee	395,000	-	-	-
Trust obligations	-	14,356,064	3,521,718	-
Interest payable	-	-	-	340,723
Bonds and notes payable	-	-	-	13,785,000
Total liabilities	<u>129,490,724</u>	<u>34,238,545</u>	<u>3,624,708</u>	<u>14,125,723</u>
Net position restricted for pensions/investment pool participants	<u>\$ 2,126,960,745</u>	<u>\$ 852,199,148</u>	<u>\$ -</u>	<u>\$ (10,956,274)</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, 2018

	Employees' Retirement Trust	Investment Trust	Successor Agency Private-Purpose Trust
	<u>Trust</u>	<u>Trust</u>	<u>Trust</u>
Additions			
Contributions:			
Employer contributions	\$ 76,966,471	\$ -	\$ -
Member contributions	26,746,289	-	-
Contributions on pooled investments	-	4,050,931,809	-
Redevelopment agency property tax trust	-	-	1,127,412
Total contributions	<u>103,712,760</u>	<u>4,050,931,809</u>	<u>1,127,412</u>
Investment income:			
Net appreciation in fair value of investments	124,664,847	-	-
Interest	40,576,311	6,797,866	17,764
Miscellaneous income/(expense)	867,811	-	19,401
Less investment expense	(11,120,770)	-	-
Net investment income	<u>154,988,199</u>	<u>6,797,866</u>	<u>37,165</u>
Total additions	<u>258,700,959</u>	<u>4,057,729,675</u>	<u>1,164,577</u>
Deductions			
Benefit payments	120,978,337	-	-
Refunds of prior contributions	2,193,779	-	-
Distributions from pooled investments	-	4,010,548,555	-
Interest	-	-	705,603
Administrative expense	2,791,409	-	266,338
Total deductions	<u>125,963,525</u>	<u>4,010,548,555</u>	<u>971,941</u>
Change in net position	<u>132,737,434</u>	<u>47,181,120</u>	<u>192,636</u>
Net position held in trust - beginning	1,994,223,311	805,018,028	(11,148,910)
Net position held in trust - ending	<u>\$ 2,126,960,745</u>	<u>\$ 852,199,148</u>	<u>\$ (10,956,274)</u>

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

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, 2018

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 members of the 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 10). 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, 2018

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 (IHSS): The IHSS 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 County is the administrator of the IHSS and serves as the fiscal agent of the Public Authority. IHSS 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 Commission is treated as an agency of the County having independent authority over the strategic plan. The administrative functions such as the fiscal, legal and human resources are performed by the County through a professional services agreement. The County serves as the fiscal agent for the Commission. 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, 2018

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, 2018

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 Services 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.
- *In Home Supportive Services* 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 County is the administrator of the IHSS and serves as the fiscal agent of the Public Authority. IHSS is reported as a special revenue fund.

The County reports the following major enterprise funds:

- The *Fink Road Landfill Fund* was established to account for the operation of Fink Road 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, 2018

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, 2018

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, 2018

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:

	General Fund	Special Revenue Funds		
		Behavioral Health and Recovery Services	Community Services Agency	In-Home Supportive Services
Total expenditures (budgetary basis)	\$ 248,153,746	\$ 110,631,626	\$ 245,450,624	\$ 100,140,080
Basis difference - net encumbrances (prior year less current year encumbrances)	(226,283)	(16,297)	(37,402)	-
Total expenditures (GAAP)	<u>\$ 247,927,463</u>	<u>\$ 110,615,329</u>	<u>\$ 245,413,222</u>	<u>\$ 100,140,080</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 1: Summary of Significant Accounting Policies (continued)

D. Budgetary Basis of Accounting (continued)

	Non Major Special Revenue Funds			
	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge
Total expenditures (budgetary basis)	\$ 11,126,686	\$ 6,380,994	\$ 7,948,728	\$ 32,849,223
Basis difference - net encumbrances (prior year less current year encumbrances)	261,599	48,044	9,904	1,787,805
Total expenditures (GAAP)	<u>\$ 11,388,285</u>	<u>\$ 6,429,038</u>	<u>\$ 7,958,632</u>	<u>\$ 34,637,028</u>
	Employment and Training	Child Support Services	Health Services Agency	Indigent Health Care
Total expenditures (budgetary basis)	\$ 13,716,495	\$ 15,430,820	\$ 30,213,821	\$ 675,298
Basis difference - net encumbrances (prior year less current year encumbrances)	-	(132,610)	132,521	116,686
Total expenditures (GAAP)	<u>\$ 13,716,495</u>	<u>\$ 15,298,210</u>	<u>\$ 30,346,342</u>	<u>\$ 791,984</u>
	Library	Lighting Districts	All Other Special Revenue Funds	
Total expenditures (budgetary basis)	\$ 12,153,944	\$ 296,163	\$ 47,087,446	
Basis difference - net encumbrances (prior year less current year encumbrances)	201,978	(4,880)	2,036,017	
Total expenditures (GAAP)	<u>\$ 12,355,922</u>	<u>\$ 291,283</u>	<u>\$ 49,123,463</u>	

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

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 3) 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, 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 unless the investment has a remaining maturity of one year or less at time of purchase. In that case, the investment would be 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 June 26, 2018. 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, 2018

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 of Resources, Deferred Inflows of Resources, and Net Position*", and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*", the County recognizes deferred outflows and inflows of resources.

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 16 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 and deferred other post-employment benefits in this category (See Note 16 and 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 12).

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

County of Stanislaus

Notes to the Basic Financial Statements

June 30, 2018

Note 1: Summary of Significant Accounting Policies (continued)

J. **Capital Assets** (continued)

individual assets, the library's books are capitalized together as one collection.

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

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment (including vehicles and books)	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 systems, storm drains, signs, signals and beacons.

K. **Intangible Assets**

On July 13, 2010, the Board of Supervisors approved a \$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.

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,

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

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

J. Intangible Assets (continued)

in the threshold amounts being implemented. Given the County's relative size and exposure, a \$50,000 threshold is considered to be a reasonable amount.

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

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

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

Effective July 1, 2015, extra help employees shall accrue one (1) hour of sick leave for every thirty (30) hours worked and may accumulate a total of not more than forty-eight (48) hours. Extra help employee will not receive compensation for unused accrued paid sick leave upon termination, resignation, retirement or other separation from employment from the County.

Certain extra help employees can accrue vacation hours based on their bargaining unit's Memorandum of Understanding (MOU).

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, and 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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

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

M. Interfund Transactions (continued)

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

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

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

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

N. Estimates

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

O. Fund Balance

The 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 they are 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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

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

O. **Fund Balance (continued)**

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. By majority vote, Board of Supervisors 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.

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, 2018.

GASB Statement No. 75: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures for Other Post-Employment Benefit (OPEB) plans and the methods and assumptions that are required to be used to project benefit payments.

GASB Statement No. 81: Irrevocable Split-Interest Agreements. This statement requires that a government that receives resources from an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the creation of the agreement. A split-interest agreement is an agreement in which a donor contributes assets directly to an entity or places them in a trust for the benefit of an entity, but the entity is not the sole beneficiary. The County is not a beneficiary of a split-interest agreement and therefore this statement does not impact the County's financial statements.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

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

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

GASB Statement No. 85: Omnibus 2017. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits.

GASB Statement No. 86: Certain Debt Extinguishment Issues. This statement establishes standards for when resources, other than the proceeds from new debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt and changes the accounting and reporting for prepaid insurance on debt that is extinguished.

Q. Pensions

In governmentwide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Stanislaus County Employees' Retirement Association (StanCERA). The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions and pension expense, information about the fiduciary net position of the County's pension plan with StanCERA and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by StanCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits' terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

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

Q. **Pensions (continued)**

over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

R. **Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deduction from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by StanCERA. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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

GASB Statement No. 83: Certain Asset Retirement Obligations. This statement establishes criteria for determining recognition of a liability and deferred outflow of resources for asset retirement obligations. Asset retirement obligations are costs associated with the retirement or disposal of tangible capital assets. The requirements of this statement are effective for periods after June 30, 2018.

GASB Statement No. 84: Fiduciary Activities. This statement changes and expands the reporting of fiduciary activities of all state and local governments. The requirements of this statement are effective for periods beginning after June 30, 2019. (Fiscal Year 2019/20)

GASB Statement No. 87: Leases. This statement requires the recognition of assets and liabilities for operating leases, leases that allow for the use of an asset, but do not grant rights of ownership. The requirements of this statement are effective for periods beginning after June 30, 2020. (Fiscal Year 2020/21)

GASB Statement No. 88: Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. This statement requires that additional information for debt be disclosed in notes to financial statements. The requirements of this statement are effective for periods beginning after June 30, 2018. (Fiscal Year 2018/19)

GASB Statement No. 89: Accounting for Interest Cost Incurred before the End of a Construction Period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for proprietary funds. The requirements of this

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 1: Summary of Significant Accounting Policies (continued)

S. Future Governmental Accounting Standards Board (GASB) Statements
(continued)

statement are effective for periods beginning after June 30, 2020. (Fiscal Year 2020/21)

GASB Statement No. 90: Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61. This statement requires that separate legal entities for which a majority equity interest is held be reported as an investment using the equity method. Also, the statement requires the County to account for the assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value for component units in which the County has 100 percent equity. The requirements of this statement are effective for periods beginning after December 15, 2018. (Fiscal Year 2018/19)

Note 2: Individual Fund Deficits

For the year ended June 30, 2018, the Individual Fund Deficits are as follows:

Proprietary Funds:

ISF - Central Services	\$ 283,936
ISF - Unemployment Insurance	\$ 28,115

The Central Services deficit is due to GASB Statement No. 68 “*Accounting and Financial Reporting for Pension*” adjustments recorded in prior years. Deficit amount has

decreased from FY 16/17 due to an increase in net position (excluding GASB Statement No. 68 adjusting entries). Unemployment Insurance deficit is due to higher than expected claims and expenses.

Note 3: 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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: **Cash and Investments** (continued)

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.

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

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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Total County cash and investments are as follows:

Cash and Investments	
Imprest cash	\$ 142,000
Cash in banks-department administered	3,504,194
In custody of Treasurer:	
Cash on hand	135,952
Cash in bank	11,563,239
Investments held by Treasurer	1,386,165,031
Less outstanding checks	<u>(49,840,917)</u>
Total in custody of Treasurer	1,348,023,305
Investments held by fiscal agents:	
Tobacco settlement	79,506,354
Tobacco funding corporation	6,028,332
Stock investment	<u>78,295</u>
Subtotal investments held by agents	85,612,981
Private-Purpose Trust investments held by fiscal agents	<u>1,205,351</u>
Total investments held by agents	86,818,332
Employees' retirement trust:	
Cash (outside Treasurer's pool)	184,807,135
Investments	<u>2,012,777,600</u>
Total cash and investments	<u><u>\$ 3,636,072,566</u></u>

Total County cash & investments are reported as follows:

Primary government	
Cash and investments	\$ 481,773,204
Investments with fiscal agent	85,612,981
Restricted cash & investments	25,399,290
Employees' retirement trust	
Cash and investments	195,650,852
Other investments	2,012,777,600
Investment trust - cash and investments	829,534,954
Agency funds - cash and investments	2,168,733
Private-purpose trust	
Cash and investments	1,949,601
Investments with fiscal agent	<u>1,205,351</u>
Total cash and investments	<u><u>\$ 3,636,072,566</u></u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: **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 \$1.4 billion portfolio, over 76% of the investments have a maturity of one year or less. No investment has a maturity greater than two and a half years.
- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 19 years that are sensitive to interest rate changes. Of these bonds, 6% 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 92% of the portfolio. The rest of the portfolio is currently being held in an interest-bearing Stanislaus County trust account.
- *StanCERA's Investment Portfolio.* Under StanCERA policy, the fixed income portfolio must have an average quality rating of A or better in the aggregate as measured by at least one credit rating service. Investment grade quality is defined as a Standard and Poor's rating of BBB or higher at time of purchase. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

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

The following table shows the quality of StanCERA's investments in fixed income securities on June 30, 2018:

Credit Rating	Active Management	Fixed Income Securities Amount
Aaa / AAA	9.99%	\$ 33,538,553
Aa1 / AA+	3.39%	11,392,391
Aa2 / AA	0.44%	1,475,963
Aa3 / AA-	7.33%	24,597,113
A1 / A+	13.22%	44,382,479
A2 / A	5.77%	19,351,750
A3 / A-	9.13%	30,658,890
Baa1 / BBB+	12.26%	41,140,602
Baa2 / BBB	12.43%	41,716,009
Baa3 / BBB-	6.38%	21,431,517
Caa2/CCC	17.29%	58,018,822
N/A*	2.37%	7,950,972
	100.00%	\$ 335,655,061

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

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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: **Cash and Investments** (continued)

- *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 activities. 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, 2018, StanCERA had securities on loan with a carrying value of \$83,100,000 and collateral of \$85,300,000. The types of securities lent were U.S. and Non-U.S. Government and Agencies, U.S. and Corporate Fixed Income and U.S. and Non-U.S. Equities. There are no restrictions on the amount of securities that may be lent.

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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Foreign Currency Risk (continued)

The fair value, in US dollars, of StanCERA's foreign currency at June 30, 2018, was \$432,304,594, distributed as follows:

<u>Currency</u>	<u>Fair Value (in US \$)</u>	<u>Currency</u>	<u>Fair Value (in US \$)</u>
Australian Dollar	\$22,572,293	New Israeli Shekel	\$ 538,455
Brazilian Real	1,129,731	New Taiwan Dollar	8,110,790
British Pound	57,527,396	New Zealand Dollar	1,010,451
Canadian Dollar	27,534,006	Norwegian Krone	4,896,867
Chilean Peso	1,524,385	Singapore Dollar	3,067,923
Danish Krone	4,147,832	South African Rand	2,317,508
Euro Dollars	103,808,118	South Korean Won	9,721,857
Hong Kong Dollar	28,646,018	Swedish Krona	5,372,742
Hungarian Forint	1,004,927	Swiss Franc	20,970,083
Indonesian Rupiah	1,256,863	Thailand Baht	1,208,436
Japanese Yen	72,637,597	Turkish Lira	1,652,052
Malaysian Renggit	1,041,961	US Dollar	50,606,303

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 48% 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>	23%
<i>Federal Home Loan Bank</i>	12%
<i>Federal Farm Credit Bank</i>	13%

Of the 52% 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.

- *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, 2018, for separately managed investment accounts, StanCERA did not have investments in any one issuer representing 5% or more of the total portfolio.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: **Cash and Investments** (continued)

Concentration of Credit Risk (continued)

At June 30, 2018, StanCERA had the following investments:

<u>Fixed Income Securities</u>	
U.S. Treasuries	\$ 163,597,930
Emerging Market / Non-U.S. Bonds	104,365,150
Government Bonds	7,950,972
Government Agencies	59,741,009
	<u>335,655,061</u>
<u>Equities</u>	
Domestic	542,478,657
International	432,304,594
	<u>974,783,251</u>
<u>Real Estate Securities</u>	<u>128,978,153</u>
<u>Private Credit</u>	<u>94,881,719</u>
<u>Private Real Estate</u>	<u>79,771,614</u>
<u>Infrastructure</u>	<u>30,177,146</u>
<u>Securities Lending Collateral</u>	<u>85,288,212</u>
<u>Risk Parity</u>	<u>283,242,444</u>
<u>Total Other Investments</u>	<u>\$ 2,012,777,600</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Concentration of Credit Risk (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2018. The credit ratings listed are for Standard and Poor's (S&P) and Moody's Investors Service (Moody's). Certain investments, such as the State's Local Agency Investment Fund, are un-rated.

Stanislaus County Treasury Pool
 Fair Value Maturity Distribution
 As of June 30, 2018
 (Dollar amounts in thousands)

	S&P Credit Rating	Moody's 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	Aaa	\$ 6,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,782	0.49%
			6,782	-	-	-	-	-	-	6,782	0.49%
Double A											
Federal Agencies	AA+	Aaa	-	8,545	23,349	29,902	140,208	123,330	24,557	349,891	25.25%
US Treasuries	AA+	Aaa	29,990	19,979	-	49,865	94,215	117,874	-	311,923	22.50%
Medium Term Notes	AA-	Aa3	-	-	-	-	19,696	17,678	-	37,374	2.70%
			29,990	28,524	23,349	79,767	254,119	258,882	24,557	699,188	50.45%
Single A											
Negotiable Cert of Deposit	A-1+	P-1	-	-	-	25,000	25,000	-	-	50,000	3.61%
Negotiable Cert of Deposit	A-1	P-1	25,000	25,000	70,000	119,905	50,000	-	-	289,905	20.92%
Negotiable Cert of Deposit	A	A1	-	-	-	-	-	25,007	-	25,007	1.80%
Negotiable Cert of Deposit	A-2	P-1	-	-	-	-	25,000	-	-	25,000	1.80%
Commercial Paper	A-1+	P-1	-	-	24,872	-	-	-	-	24,872	1.79%
Commercial Paper	A-1	P-1	24,957	69,759	39,809	24,704	-	-	-	159,229	11.49%
Medium Term Notes	A+	Aa2	-	-	-	-	9,981	-	-	9,981	0.72%
Medium Term Notes	A+	A1	-	-	-	-	-	9,908	-	9,908	0.71%
Medium Term Notes	A	A3	-	-	-	-	4,977	7,577	-	12,554	0.91%
Medium Term Notes	A-	Aa2	-	-	-	-	33,792	-	-	33,792	2.44%
Medium Term Notes	A-	A3	-	-	-	-	-	9,863	-	9,863	0.71%
			49,957	94,759	134,681	169,609	148,750	52,355	-	650,111	46.90%
Unrated											
Stanislaus Trust Account	N/R	N/R	30,000	-	-	-	-	-	-	30,000	2.16%
			30,000	-	-	-	-	-	-	30,000	2.16%
Total Treasury Pool Investments			\$ 116,729	\$ 123,283	\$ 158,030	\$ 249,376	\$ 402,869	\$ 311,237	\$ 24,557	\$ 1,386,081	100.00%

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Concentration of Credit Risk (continued)

Stanislaus County Tobacco Settlement Investment Portfolio
Fair Value Maturity Distribution
As of June 30, 2018
(Dollar amounts in thousands)

	S&P Credit Rating	Moody's Credit Rating	Maturity					Total	% Total	
			≤ 30 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years			15 - 20 Years
Triple A										
Municipal Bonds	AAA	Aa2	\$ -	\$ -	\$ -	\$ 2,315	\$ -	\$ -	\$ 2,315	2.68%
Municipal Bonds	AAA	Aa1	-	-	-	-	2,599	-	2,599	3.01%
			-	-	-	2,315	2,599	-	4,914	5.69%
Double A										
Municipal Bonds	AA+	Aaa	-	-	-	4,412	2,889	-	7,301	8.45%
Municipal Bonds	AA	Aa1	-	-	-	-	1,173	3,035	4,208	4.87%
Municipal Bonds	AA	Aa2	-	2,172	-	-	2,661	4,730	9,563	11.07%
Municipal Bonds	AA	Aa3	-	4,123	-	7,951	3,154	-	15,228	17.62%
Municipal Bonds	AA-	Aa2	-	-	-	1,450	2,230	-	3,680	4.26%
Municipal Bonds	AA-	Aa3	-	-	2,167	9,759	15,390	3,196	30,512	35.31%
Municipal Bonds	AA	NR	-	-	-	2,324	-	-	2,324	2.69%
			-	6,295	2,167	25,896	27,497	10,961	72,816	84.27%
Single A										
Municipal Bonds	A+	Aa3	-	-	-	755	-	-	755	0.87%
Municipal Bonds	A-	N/A	-	-	1,023	-	-	-	1,023	1.18%
			-	-	1,023	755	-	-	1,778	2.05%
Unrated										
Stanislaus Tobacco Trust Account	N/R	N/R	6,903	-	-	-	-	-	6,903	7.99%
			6,903	-	-	-	-	-	6,903	7.99%
Combined Endowment Totals			\$ 6,903	\$ 6,295	\$ 3,190	\$ 28,966	\$ 30,096	\$ 10,961	\$ 86,411	100.00%

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: **Cash and Investments** (continued)

Concentration of Credit Risk (continued)

Stanislaus County Treasury Pool
 Summary of Investments
 As of June 30, 2018
 (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	\$ 389,912	\$ 390,000	1.75% - 2.63%	07/11/18 - 12/16/19
Commercial Paper	184,101	182,974	2.16% - 2.42%	07/30/18 - 12/24/18
Managed Funds - LAIF	30,000	30,000	1.92% - 1.92%	07/01/18 - 07/01/18
Federal Agencies - Coupons	349,891	352,487	0.88% - 2.53%	08/28/18 - 11/27/20
US Treasuries - Coupons	311,923	314,248	0.75% - 1.38%	07/15/18 - 02/15/20
Medium Term Notes	113,472	114,264	1.55% - 2.25%	02/19/19 - 04/21/20
Money Market	6,782	6,782	1.75% - 1.75%	07/01/18 - 07/01/18
Total Investments	<u>\$ 1,386,081</u>	<u>\$ 1,390,755</u>		

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

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
- Money Market Funds

The Stanislaus County Treasurer's Pool normally maintains a reserve balance 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, 2018, was \$22.5 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, 2018, was \$88.8 billion. No amount was invested in any derivative financial products.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Concentration of Credit Risk (continued)

P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 193 days as of June 30, 2018.

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

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

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool at June 30, 2018:

<u>Statement of Net Position</u>	
Net position held for pool participants	\$ 1,348,023,305
Equity of external pool participants	844,497,005
Equity of internal pool participants	503,526,300
Total Equity	\$ 1,348,023,305
<u>Statement of Changes in Net Position</u>	
Net position at July 1, 2017	\$ 1,281,918,126
Net investment income	19,148,448
Net contributions and withdrawals	46,956,731
Net position at June 30, 2018	\$ 1,348,023,305

GASB 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 GASB Statement No. 79.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 3: Cash and Investments (continued)

Fair Value Measurements

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

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

The pool has the following recurring fair value measurements as of June 30, 2018:

Investments by fair value level	(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)
Debt Securities			
Negotiable Certs of Deposit	\$ 389,912	\$ -	\$ 389,912
Commercial Paper	184,101	-	184,101
Federal Agencies	349,891	-	349,891
US Treasuries	311,923	311,923	-
Medium Term Notes	113,472	-	113,472
Total Investments measured at fair value	\$ 1,349,299	\$ 311,923	\$ 1,037,376
Investments measured at amortized cost			
L.A.I.F.	\$ 30,000		
Money Market	6,782		
Total Investments	\$ 1,386,081		
Reconciliation to Statement of Net Position			
Outstanding Items	\$ (49,840)		
Cash/Bank Balances	11,699		
Stan Co Tobacco Funding Corp	83		
Net assets held for pool participants	\$ 1,348,023		

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 4: Interfund Transactions

Interfund Receivables/Payables

The compositions of interfund balances as of June 30, 2018, are as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
General Fund	Other governmental funds	\$ 370,231	Library Measure S
General Fund	In-Home Supportive Services	<u>1,249,286</u>	To cover deficit cash balance
	Sub total	<u>1,619,517</u>	
General Fund	Internal Service Fund	<u>24,526</u>	To cover deficit cash balance
	Sub total	<u>24,526</u>	
Behavioral Health and Recovery Services	General Fund	1,406,030	State realignment
Behavioral Health and Recovery Services	Community Services Agency	<u>139,363</u>	Reimbursement for service
	Sub total	<u>1,545,393</u>	
Other governmental funds - Health Services Agency admin	Health Clinics and Ancillary Services	166,193	Reimbursement for service
Other governmental funds - Health Services Agency admin	Public Health	110,795	Reimbursement for service
Other governmental funds - Public health	Community Services Agency	37,559	Reimbursement for service
Other governmental funds - Indigent health care	Indigent health care hospitals/physicians	1,871	Reimbursement for service
Other governmental funds - Workforce Development	Department of Child Support	9,016	Reimbursement for service
Other governmental funds - Workforce Development	Community Services Agency	<u>8,105</u>	Reimbursement for service
	Sub total	<u>333,539</u>	
	Total	<u>\$3,522,975</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, 2018

Note 4: Interfund Transactions (continued)

Transfer from	Transfer to	Amount	Purpose
General Fund	Behavioral Health and Recovery Services	\$ 3,708,292	County program contributions
	Community Services Agency	27,438,773	County program contributions
	Health Clinics and Ancillary Services	3,620,263	County program contributions
	In-Home Supportive Services	5,112,979	County program contributions
	Other governmental funds	22,879,006	County program contributions
	Tobacco settlement	<u>5,927</u>	Contributions to debt service
		<u>62,765,240</u>	
Tobacco Settlement	General Fund	<u>6,177,632</u>	Interest distribution and debt service
Capital projects	General Fund	3,277,730	Debt service payments
	General Fund	33,550	County program contributions
	Internal service funds	238,694	Public facility fees to public works
	Other governmental funds	1,870,354	Public facility fees to roads and bridges
	Other governmental funds	1,500,000	HVAC financing
	Other governmental funds	<u>306,309</u>	Public facility fees to public works
		<u>7,226,637</u>	
Other governmental funds	General Fund	1,854,856	County program contributions
	Internal service funds	1,000,000	Contributions to public works
	Other governmental funds	<u>874,524</u>	Contributions to capital projects
		<u>3,729,380</u>	
Fink Road Landfill	Other enterprise funds	1,409,075	Geer Road Landfill closure/postclosure
	Other enterprise funds	<u>2,750,000</u>	Geer Road ground water extraction
		<u>4,159,075</u>	
Other enterprise funds	Other governmental funds	<u>250,000</u>	Contributions to public works
		<u>\$ 84,307,964</u>	

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Additions	Retirements	Adjustments & Transfers	Balance June 30, 2018
Governmental Activities					
Capital assets, not being depreciated:					
Land and right of ways	\$ 44,589,970	\$ 1,156,280	\$ -	\$ -	\$ 45,746,250
Construction in progress	161,330,148	18,152,426	(653,021)	(6,799,460)	172,030,093
Total capital assets, not being depreciated	<u>205,920,118</u>	<u>19,308,706</u>	<u>(653,021)</u>	<u>(6,799,460)</u>	<u>217,776,343</u>
Capital assets, being depreciated:					
Infrastructure	827,796,244	621,249	(4,039)	-	828,413,454
Structures and improvements	246,963,351	7,352,957	(111,340)	214	254,205,182
Equipment	105,970,428	7,070,868	(3,896,126)	194,320	109,339,490
Intangible assets	3,351,336	-	-	-	3,351,336
Total capital assets, being depreciated	<u>1,184,081,359</u>	<u>15,045,074</u>	<u>(4,011,505)</u>	<u>194,534</u>	<u>1,195,309,462</u>
Total capital assets	<u>1,390,001,477</u>	<u>34,353,780</u>	<u>(4,664,526)</u>	<u>(6,604,926)</u>	<u>1,413,085,805</u>
Less accumulated depreciation for:					
Infrastructure	(699,437,952)	(7,604,004)	4,039	-	(707,037,917)
Structures and improvements	(106,747,185)	(7,297,926)	30,353	105,516	(113,909,242)
Equipment	(72,473,722)	(6,949,333)	3,875,111	-	(75,547,944)
Intangible assets	(2,324,750)	(335,134)	-	-	(2,659,884)
Total accumulated depreciation	<u>(880,983,609)</u>	<u>(22,186,397)</u>	<u>3,909,503</u>	<u>105,516</u>	<u>(899,154,987)</u>
Total capital assets, being depreciated, net	<u>303,097,750</u>	<u>(7,141,323)</u>	<u>(102,002)</u>	<u>300,050</u>	<u>296,154,475</u>
Governmental activities capital assets, net	<u>\$ 509,017,868</u>	<u>\$ 12,167,383</u>	<u>\$ (755,023)</u>	<u>\$ (6,499,410)</u>	<u>\$ 513,930,818</u>
Business-type Activities					
Capital assets, not being depreciated:					
Land and right of ways	\$ 15,462,882	\$ -	\$ -	\$ -	\$ 15,462,882
Construction in progress	553,833	98,686	-	(395,071)	257,448
Total capital assets, not being depreciated	<u>16,016,715</u>	<u>98,686</u>	<u>-</u>	<u>(395,071)</u>	<u>15,720,330</u>
Capital assets, being depreciated:					
Structures and improvements	18,102,652	519,930	(63,671)	-	18,558,911
Equipment	23,516,479	1,284,436	(182,219)	7,154	24,625,850
Total capital assets, being depreciated	<u>41,619,131</u>	<u>1,804,366</u>	<u>(245,890)</u>	<u>7,154</u>	<u>43,184,761</u>
Total capital assets	<u>57,635,846</u>	<u>1,903,052</u>	<u>(245,890)</u>	<u>(387,917)</u>	<u>58,905,091</u>
Less accumulated depreciation for:					
Structures and improvements	(14,559,847)	(1,078,054)	25,734	-	(15,612,167)
Equipment	(13,282,138)	(1,663,907)	178,095	(3,486)	(14,771,436)
Total accumulated depreciation	<u>(27,841,985)</u>	<u>(2,741,961)</u>	<u>203,829</u>	<u>(3,486)</u>	<u>(30,383,603)</u>
Total capital assets, being depreciated, net	<u>13,777,146</u>	<u>(937,595)</u>	<u>(42,061)</u>	<u>3,668</u>	<u>12,801,158</u>
Business-type activities capital assets, net	<u>\$ 29,793,861</u>	<u>\$ (838,909)</u>	<u>\$ (42,061)</u>	<u>\$ (391,403)</u>	<u>\$ 28,521,488</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 5: 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	\$ 44,862	\$ 2,180,107	\$ -	\$ -	\$ 2,224,969
Public protection	2,784,281	3,063,450	64,674	-	5,912,405
Public ways	15,317	51,528	-	7,604,004	7,670,849
Health and sanitation	668,423	380,821	-	-	1,049,244
Public assistance	452,899	954,035	-	-	1,406,934
Education	1,601,937	212,102	-	-	1,814,039
Recreation and Cultural Services	281,429	430,527	-	-	711,956
Internal service funds	1,100,185	25,356	270,460	-	1,396,001
Total	<u>\$ 6,949,333</u>	<u>\$ 7,297,926</u>	<u>\$ 335,134</u>	<u>\$ 7,604,004</u>	<u>\$ 22,186,397</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	\$ 126,423	\$ 974,312	\$ 1,100,735
Health Clinics and Ancillary Services	251,572	84,793	336,365
Inmate Welfare/Commissary	656	5,794	6,450
Transit	1,285,256	13,155	1,298,411
Total	<u>\$ 1,663,907</u>	<u>\$ 1,078,054</u>	<u>\$ 2,741,961</u>

Note 6: Receivables

The governmental activities accounts receivable amount of \$101,141,374 includes receivables from federal, state, and local governments in the amount of \$60,573,931.

The accounts receivable balance, net allowance, in the business-type activities is \$14,964,834. This balance includes \$12,767,902 for Health Clinics and Ancillary Services.

Note 7: Notes Receivable

As of June 30, 2018, a total of \$211,861 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, 2018, the amount of \$98,201 has been loaned and recognized as notes receivable. The remaining \$113,660 is a reimbursement for an overpayment.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 8: 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 2017-2018 is \$46,810,514,983.

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 to 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 \$18,933,667 in the General Fund is comprised of Teeter property tax receivable of \$18,864,429 and \$69,238 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 do not meet the "available" criteria are recorded as deferred inflow of resources.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 9: 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 \$6,018,075 for all fund types for the year ended June 30, 2018. 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, 2018.

Fiscal Year Ending June 30, 2018	
2019	\$ 5,423,214
2020	3,127,732
2021	2,918,296
2022	2,539,947
2023	1,650,485
2024-2028	<u>6,265,841</u>
Total Minimum Lease Payments	<u>\$ 21,925,514</u>

Revenue Leases

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

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

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 terminated on February 28, 2018. The second of the four (4) one-year renewable terms commenced on March 1, 2018, and terminates on February 28, 2019.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 9: Leases (continued)

Revenue Leases (continued)

The total maximum term of this lease is limited to five years, terminating on February 28, 2021.

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 consist 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 agreement extended to November 30, 2017. Per the amendment executed on October 31, 2017, the lease agreement term will terminate on October 31, 2018. Thereafter, the lease agreement will become month-to-month tenancy 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 17, 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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 9: **Leases** (continued)

Revenue Leases (continued)

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.

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2018.

Fiscal Year Ending June 30, 2018	Amount
2019	\$ 198,001
2020	198,001
2021	198,001
2022	198,001
2023	198,001
2024-2047	594,024
Total Minimum Lease Revenue	\$ 1,584,029

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, 2018
Governmental activities:		
Equipment	0.00-7.7%	\$ 350,459
Total capital lease obligations		\$ 350,459

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 9: Leases (continued)

Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

Fiscal Year Ending June 30, 2018	Governmental Activities
2019	\$ 132,620
2020	122,159
2021	70,296
2022	39,509
2023	1,231
Total minimum lease payments	365,815
Less: Amounts representing interest	(15,356)
Present value of minimum lease payments	350,459
Less: Current portion of capital leases	(124,976)
Long-term capital lease obligation	\$ 225,483

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

	Governmental Activities
Equipment	\$ 1,341,178
Less: accumulated depreciation	(904,624)
Net value	\$ 436,554

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 10: 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, 2018:

	Balance June 30, 2017	Additions	Deletions	Adjustments	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities:						
2012 Lease Refunding	\$ 1,562,703	\$ -	\$ (1,562,703)	\$ -	\$ -	\$ -
2013 Lease Refunding	4,990,000	-	(4,990,000)	-	-	-
2016 Lease HVAC Financing	7,390,000	-	(1,955,000)	-	5,435,000	465,000
Tobacco securitization note	83,003,611	-	(3,425,000)	-	79,578,611	6,095,000
2006 tobacco accreted interest	41,385,756	5,293,037	-	-	46,678,793	-
	<u>138,332,070</u>	<u>5,293,037</u>	<u>(11,932,703)</u>	<u>-</u>	<u>131,692,404</u>	<u>6,560,000</u>
Capital lease payable	553,410	22,199	(225,150)	-	350,459	124,976
Compensated absences	31,331,685	27,926,912	(26,717,107)	-	32,541,490	9,884,437
Net Pension Liability	611,888,363	131,560,639	(187,534,169)	-	555,914,833	-
Other post-employment benefits (OPEB)	11,119,666	2,251,812	(2,842,219)	20,450,934	30,980,193	-
Risk management liability	34,505,953	10,710,769	(7,993,054)	-	37,223,668	15,601,597
	<u>689,399,077</u>	<u>172,472,331</u>	<u>(225,311,699)</u>	<u>20,450,934</u>	<u>657,010,643</u>	<u>25,611,010</u>
Total governmental activities	<u>\$ 827,731,147</u>	<u>\$ 177,765,368</u>	<u>\$ (237,244,402)</u>	<u>\$ 20,450,934</u>	<u>\$ 788,703,047</u>	<u>\$ 32,171,010</u>
Business-type activities:						
Compensated absences	\$ 1,165,593	\$ 1,088,101	\$ (1,244,514)	\$ -	\$ 1,009,180	\$ 458,994
Net Pension Liability	25,399,387	7,930,846	(11,178,344)	-	22,151,889	-
Other post-employment benefits (OPEB)	684,000	90,044	(113,651)	578,402	1,238,795	-
Estimated cost of landfill closure/postclosure	9,046,269	819,560	(288,809)	-	9,577,020	-
Risk management liability	47,778	185,283	(14,138)	-	218,923	142,343
Total business-type activities	<u>\$ 36,343,027</u>	<u>\$ 10,113,834</u>	<u>\$ (12,839,456)</u>	<u>\$ 578,402</u>	<u>\$ 34,195,807</u>	<u>\$ 601,337</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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 10: **Long-Term Debt** (continued)

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

As of June 30, 2018, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30	Governmental Activities	
	2016 Lease (HVAC)	
	Principal	Interest
2019	\$ 465,000	\$ 121,744
2020	475,000	111,328
2021	485,000	100,688
2022	500,000	89,824
2023	510,000	78,624
2024-2028	2,720,000	216,944
2029	280,000	6,272
Totals	<u>\$ 5,435,000</u>	<u>\$ 725,424</u>

Year Ending June 30	Tobacco Securitization Note		2006 Tobacco Accreted Interest	
	Principal	Interest	Principal	Interest
	2019	\$ 6,095,000	\$ 1,317,836	\$ -
2020	6,560,000	959,314	-	-
2021	7,055,000	573,474	-	2,935,222
2022	17,715,000	228,317	-	7,781,534
2023	-	41,566	-	7,878,350
2024-2028	-	-	-	40,918,013
2029-2033	-	-	23,793,381	44,577,799
2034-2038	-	-	9,446,325	48,849,499
2039-2043	-	-	-	53,053,381
2044-2048	-	-	8,913,905	20,137,298
Totals	<u>\$ 37,425,000</u>	<u>\$ 3,120,507</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 2045.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 10: Long-Term Debt (continued)

B. Long-Term Obligations

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

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Principal Outstanding as of June 30, 2018
Governmental activities:					
2016 Lease HVAC Financing	2.24	8/31/2016	6/1/2031	\$ 7,775,000	\$ 5,435,000
Total governmental activities				<u>\$ 7,775,000</u>	<u>\$ 5,435,000</u>

A summary of notes payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2018
Tobacco Securitization Note	5.50-7.50	3/21/2002	6/1/2043	\$ 67,305,000	\$ 79,578,611
2006 Tobacco accreted interest	5.75-7.25	3/29/2006	6/1/2055	42,153,611	46,678,793 *
Total				<u>\$ 109,458,611</u>	<u>\$ 126,257,404</u>

* Includes accreted interest of \$46,678,793

Purpose for County Borrowings

2012 Lease Refunding	Refunded 1998 Series A Certificates of Participation (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 and Emergency Generator at Community Services Agency building
Tobacco Securitization Note	To purchase future tobacco settlement revenue
2006 Tobacco Accreted Interest	To purchase future tobacco settlement revenue

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 10: **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 2007 Certificates of Participation were the only County debt subject to Arbitrage regulations and were defeased in the fiscal year ended June 30, 2018. A final arbitrage calculation on this debt was conducted. The County did not have any outstanding liability for arbitrage as of June 30, 2018.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 11: Solid Waste Landfill Closure and Postclosure Care Costs

There are two solid waste landfill sites in the County. The Fink Road Landfill is owned by the County and is currently operating. The Geer Road Landfill is on land jointly owned by the City of Modesto and the County of Stanislaus. This landfill has reached capacity and closed to the public in July 1990. The County of Stanislaus, by and through its Board of Supervisors, administered the closure operations of the Geer Road 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, 2018	\$ 22,677,448	\$ 28,241,709	\$ 50,919,157
Liability recognized as of June 30, 2018	\$ 9,577,020	\$ -	\$ 9,577,020
Landfill capacity used to date	42.23%	100%	
Estimated remaining useful life	8 years		

Restricted Cash and Investments Held for Closure/Postclosure

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, postclosure care, and corrective action costs. Of the restricted cash and investments in the proprietary funds, the following amounts are held for this purpose:

Fink Road Sanitary Landfill	\$ 19,979,882
Geer Road Sanitary Landfill	\$ 485,223

Note 12: Net Position/Fund Balances

Net Position

The government-wide and proprietary funds 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, 2018

Note 12: **Net Position/Fund Balances** (continued)

Net Position (continued)

- *Restricted Net Position* – This category presents net position with external restrictions on its use 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, 2018, the County had the following restrictions to net position:

	Governmental Activities	Business-type Activities
Restricted for:		
Capital projects	\$ 58,096,747	\$ -
Debt service	6,118,867	-
Other purposes:		
Landfill closure/postclosure	-	20,517,119
Tobacco settlement	91,077,135	-
Probation grants	26,184,628	-
Behavioral Health & Recovery Services	21,080,048	-
Health services	13,590,212	-
Road and bridge	13,474,908	-
Library	10,608,705	-
Planning	10,194,308	-
Environmental resources	8,458,430	-
Children and Families Commission	6,573,156	-
Tax loss reserve fund	4,934,185	-
Lighting/storm drain & service area districts	4,177,335	-
Alliance Worknet	4,139,492	-
Chief Executive Office	3,995,742	-
Probation	3,802,571	-
Sheriff's Office	2,472,206	-
Clerk-Recorder - capital assets	2,445,342	-
Indigent health care	1,755,320	-
Other	1,501,592	-
Department of Child Support	1,469,544	-
Area Agency on Aging	998,749	-
Parks	506,594	-
Court security	282,950	-
Subtotal other purposes	233,723,152	20,517,119
Total restricted net position	\$ 297,938,766	\$ 20,517,119
Amount of total restricted by enabling legislation	\$ 38,919	

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 12: Net Position/Fund Balances (continued)

Fund Balances

Fund balances are presented in the following categories: non-spendable, restricted, committed, assigned and unassigned (see Note 1 for a description of these categories). A detail schedule of fund balances at June 30, 2018, is as follows:

	General Fund	Tobacco Settlement	Behavioral Health and Recovery Services	Community Services Agency	Other Governmental Funds	Total Governmental Funds
Non-spendable						
Teeter receivable	\$ 11,241,313	\$ -	\$ -	\$ -	\$ -	\$ 11,241,313
Advances to government and other funds	1,447,093	-	-	-	-	1,447,093
Inventory	-	-	-	-	688,597	688,597
Prepaid Items	175,301	-	-	-	72,550	247,851
Imprest cash	85,655	-	8,550	25,650	13,933	133,788
Total non-spendable	<u>12,949,362</u>	<u>-</u>	<u>8,550</u>	<u>25,650</u>	<u>775,080</u>	<u>13,758,642</u>
Restricted						
Tobacco	-	91,170,330	-	-	6,035,793	97,206,123
Public facility fees	-	-	-	-	49,063,430	49,063,430
Program funds	-	-	18,016,970	256,506	95,667,957	113,941,433
Children and Families Commission	-	-	-	-	6,462,697	6,462,697
AC tax loss	4,934,185	-	-	-	-	4,934,185
Special districts	-	-	-	-	3,770,766	3,770,766
Chief Executive Office County fire services	-	-	-	-	2,399,516	2,399,516
Court security	-	-	-	-	282,950	282,950
Chief Executive Office Prop 69 DNA identification	-	-	-	-	72,196	72,196
Total restricted	<u>4,934,185</u>	<u>91,170,330</u>	<u>18,016,970</u>	<u>256,506</u>	<u>163,755,305</u>	<u>278,133,296</u>
Committed						
Capital acquisitions	13,260,295	-	3,054,527	-	565,161	16,879,983
Parks and litigation	1,435,526	-	-	-	-	1,435,526
General plan maintenance	-	-	-	-	33,212	33,212
Total committed	<u>14,695,821</u>	<u>-</u>	<u>3,054,527</u>	<u>-</u>	<u>598,373</u>	<u>18,348,721</u>
Assigned						
Encumbrances	5,862,098	-	-	45,404	4,660,412	10,567,914
Revenue stabilization	23,000,000	-	-	-	-	23,000,000
Teeter plan	21,961,559	-	-	-	-	21,961,559
Contingencies	15,588,440	-	-	-	-	15,588,440
Budget balance	13,379,322	-	-	-	-	13,379,322
Debt service	11,848,927	-	-	-	-	11,848,927
Strategic projects pending	10,000,000	-	-	-	-	10,000,000
Capital projects	-	-	-	-	9,829,709	9,829,709
2019-2020 Year 2 budget balancing	9,000,000	-	-	-	-	9,000,000
Retirement obligation	8,800,000	-	-	-	-	8,800,000
Criminal justice system efficiencies	6,200,000	-	-	-	-	6,200,000
2013 Refinancing debt payoff	5,027,425	-	-	-	-	5,027,425

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 12: Net Position/Fund Balances (continued)

Fund Balances (continued)

	General Fund	Tobacco Settlement	Behavioral Health and Recovery Services	Community Services Agency	Other Governmental Funds	Total Governmental Funds
Assigned (continued)						
Community investment	5,000,000	-	-	-	-	5,000,000
Cash out obligation	4,000,000	-	-	-	-	4,000,000
Deferred maintenance	2,000,000	-	-	-	785,151	2,785,151
Carryover appropriations	3,849,180	-	-	-	-	3,849,180
Public safety facility infrastructure	3,000,000	-	-	-	-	3,000,000
Housing and community development	2,500,000	-	-	-	-	2,500,000
ADA transition plan	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
Program funds	-	-	-	-	1,489,550	1,489,550
Reserve CSA savings for UDW MOU	1,000,000	-	-	-	-	1,000,000
Training and workforce development	1,000,000	-	-	-	-	1,000,000
Enterprise-wide financial management/HR system	500,000	-	-	-	-	500,000
Security improvements	500,000	-	-	-	-	500,000
Salida park	450,000	-	-	-	-	450,000
Public safety needs	405,029	-	-	-	-	405,029
Public facilities projects	-	-	-	-	367,412	367,412
H S A flood insurance proceeds	348,415	-	-	-	-	348,415
Invest fair value adjustment	(936,658)	-	-	-	(223,407)	(1,160,065)
Total assigned	<u>162,118,737</u>	<u>-</u>	<u>-</u>	<u>45,404</u>	<u>16,908,827</u>	<u>179,072,968</u>
Unassigned:						
General Fund	9,397,129	-	-	-	-	9,397,129
Special revenue funds	-	-	-	-	(919,236)	(919,236)
Capital projects funds	-	-	-	-	(1,517,745)	(1,517,745)
Total unassigned	<u>9,397,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,436,981)</u>	<u>6,960,148</u>
Total fund balance	<u>\$ 204,095,234</u>	<u>\$ 91,170,330</u>	<u>\$ 21,080,047</u>	<u>\$ 327,560</u>	<u>\$ 179,600,604</u>	<u>\$ 496,273,775</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 13: 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 \$275,000 incurred in calendar year 2017 and 2018.

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 6/30/18	Fiscal Year Ending 6/30/17
Unpaid claims as of July 1	\$ 34,553,731	\$ 34,632,167
Incurred claims (including IBNRs)	10,896,052	7,910,085
Claim payments	<u>(8,007,192)</u>	<u>(7,988,521)</u>
Unpaid claims as of June 30	<u>\$ 37,442,591</u>	<u>\$ 34,553,731</u>

Note 14: 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, 2018, 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, 2018

Note 14: 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 15: 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 SWEFA 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, 2018, 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, 2018, the County’s equity interest was \$543,711. For the fiscal year ending June 30, 2018, 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 by writing to City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 15: Joint Ventures (continued)

Stanislaus Drug Enforcement Agency

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

The governing body consists of the Sheriff, the District Attorney and Chief Probation Officer of Stanislaus County and the Chief of Police for each participating city. All participants contributed to the funding of the SDEA budgeted expenditures, based on population. The County's cash contribution to the SDEA for fiscal year ending June 30, 2018 was \$26,439.

The total cash plus in-kind contribution as of June 30, 2018, was \$516,841. 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 CCCIFA 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, 2018, the County's equity interest in the CCCIFA was \$7,691,523 and is reported as Investments-joint ventures in the government-wide Statement of Net Position. The County's cash contribution to the CCCIFA for fiscal year ending June 30, 2018 was \$992,853.

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, 2018

Note 15: 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.

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.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 15: Joint Ventures (continued)

Consolidated Emergency Dispatch Agency

The Modesto/Stanislaus 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/Stanislaus 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, 2018, the County paid \$50,153 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

California Statewide Automated Welfare System Consortium IV

The California Statewide Automated Welfare System Consortium IV (C-IV) 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 ongoing 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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 15: Joint Ventures (continued)

California Statewide Automated Welfare System Consortium IV (continued)

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 had 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 C-IV and the Members regarding matters related to the administration and fulfillment of the C-IV'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 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 meetings are open to the public and information updates are provided on the new CalACES Website <http://www.calaces.org>.

The Community Services Agency total C-IV County costs for Fiscal Year 2017/2018 were \$275,430. A copy of the C-IV Financial Statements 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 or by going to their website <http://www.sbcounty.gov/ATC/Services/Documents> and open the folder for Financial Reports.

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 NCCTEA is to prepare, identify, and adopt a precise alignment, and prepare and certify environmental documents for a route to improve east/west traffic circulation in the County.

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

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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 15: Joint Ventures (continued)

North County Corridor Transportation Expressway Authority (continued)

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 SASA 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 Agency Board. Each partner agency will contribute sufficient funds to pay for all costs approved in the budget to provide animal services. As of June 30, 2018, the County's equity interest was \$4,889,283. The County's cash contribution to the SASA for fiscal year ending June 30, 2018, was \$1,502,443. The financial statements may be obtained by writing to Stanislaus Animal Services Agency, Executive Director, 3647 Cornucopia Way, Modesto, CA 95358.

Note 16: 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 it is administered independently of StanCERA. The pension plan is administered by StanCERA. An actuarial valuation is performed for the system annually as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres and six special districts located in the County not governed by the County's Board of Supervisors. StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to:

Stanislaus County Employees Retirement Association
P.O. Box 3150
Modesto, CA 95353-3150
or by calling (209) 525-6393.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 16: **Pensions** (continued)

Plan Description (continued)

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

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

Summary of Plans and Eligible Participants

General Tiers 1, 2, 4, 5 (not open to new members)	Vests after five years of credited service and may retire at age 50 or older with ten 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 and may retire at age 55 with ten or more years of credited service.
General Tier 6 (open to new members)	Vests after five years of credited service and may retire at age 52 with five 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 and may retire at age 50 or older with ten 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 and may retire at age 50 with five years or service credit or age 70 regardless of service credit.

Benefits Provided

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

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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 16: **Pensions** (continued)

Benefits Provided (continued)

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%

The County's contributions to StanCERA for the past three fiscal years were equal to the required contributions for each year and are 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, 2016	\$ 51,455,859
June 30, 2017	\$ 55,715,221
June 30, 2018	\$ 68,758,500

* Contributions made by all entities processed through County payroll including non County entities

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 16: **Pensions** (continued)

Benefits Provided (continued)

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

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

Ad-hoc benefits are non-vested benefits determined by the Board of Retirement. Approved changes to the excess earnings policy by the Board of Retirement on June 30, 2014 placed restrictions on offering ad-hoc benefits, specifically that the system must be 100% actuarially funded prior to the Board of Retirement offering any ad-hoc benefits. StanCERA is 74.3% actuarially funded as of June 30, 2017.

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

At June 30, 2018, the County reported a liability of \$578,066,722 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the liability used to calculate the net pension liability was determined by an actuarial valuation date June 30, 2016, updated to June 30, 2017. 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, 2017, the County's proportion was 88.75%, compared to 88.26% at June 30, 2016, an increase of 0.49%.

For the year ended June 30, 2018, the County recognized pension expense of \$118,529,117. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method and plan benefits. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 16: **Pensions** (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred outflows of resources - change in proportion, change in contributions	\$ 168,971,596	\$ -
County contributions subsequent to the measurement date	67,095,495	-
Deferred inflows of resources - change in actual vs. proportionate contributions	-	9,478,439
	\$ 236,067,091	\$ 9,478,439

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 \$67,095,495 made subsequent to the measurement date are reported as deferred outflows of resources for fiscal year ending June 30, 2018 and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019.

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

Fiscal Year Ended	Amount
2019	\$ 42,857,807
2020	69,836,206
2021	57,488,518
2022	(10,689,375)
Thereafter	-
	\$ 159,493,157

Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 16: **Pensions** (continued)

Actuarial Assumptions (continued)

Inflation	3.00%
Salary increases	3.25% plus merit component
Cost of living adjustment (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, 2017, 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>2018 Long-Term Expected Real Rate of Return</u>	<u>2018 Target Allocation</u>
Domestic Equities		
U.S. Large Cap	4.50%	18.50%
U.S. Small Cap	4.40%	5.50%
International Equities		
International Development	8.60%	19.00%
Emerging Market Equity	7.30%	5.00%
U.S. Fixed Income		
Core fixed income	0.00%	0.00%
U.S. Treasury	2.40%	3.00%
Short-term Gov/Credit	2.50%	19.00%
Real Estate		
Core	6.00%	7.70%
Value-add	8.00%	1.70%
Risk Parity	7.20%	14.00%
Private Equity	6.40%	0.00%
Private Credit	6.90%	5.00%
Infrastructure	7.10%	0.60%
Cash	2.20%	1.00%

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 16: Pensions (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 pension liability	\$ 907,228,771	\$ 578,066,722	\$ 310,004,316

Pension Plan Fiduciary Net Position

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

Note 17: Deferred Compensation Plans

County of Stanislaus Employee Contribution Deferred Compensation Plan (PARS Plan)

The County offers to its part-time, seasonal, and temporary employees an alternate retirement plan through Public Agency Retirement Services (PARS), who otherwise are not eligible for participation in other retirement systems. All eligible employees are immediately vested in the plan. PARS plan members contribute 5.5% and the County as an employer, contributes 2.0% of the wages. The deferred compensation is not available to participants until termination, retirement, death, permanent and total disability, or changed employment status to a position covered by another retirement system.

This plan is administered through a third-party administrator. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County's financial statements.

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 17: **Deferred Compensation Plans** (continued)

County of Stanislaus Employee Contribution Deferred Compensation Plan (Mass Mutual)

The County offers to its employees an optional deferred compensation plan created in accordance with Section 457 of the Internal Revenue Code. This plan is available to all eligible employees and allows participants to defer a portion of their current income until future years, up to a maximum of \$18,000 during 2017 (calendar year), and \$18,500 during 2018 (calendar year) so as to shelter such funds and earnings from state and federal taxation until withdrawal. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

This plan is administered through a third-party administrator. The County does not perform the investing function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the County's financial statements.

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 is a public employees' retirement system operating under the California State Government Code, County Employees Retirement Law of 1937, Section 31450 et seq. StanCERA administers the retirement benefits for employees of Stanislaus County. Stanislaus County offers post-employment health and welfare benefits to its retirees. While the County does not directly contribute towards the cost of premiums for retirees, the ability to obtain coverage at an active employee rate constitutes a significant economic benefit, called an "implicit subsidy" under GASB Statement No. 75.

StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to:

Stanislaus County Employees Retirement Association
P.O. Box 3150
Modesto, CA 95353-3150
or by calling (209) 525-6393.

Stanislaus County offers medical insurance plans to retirees that mirror those that are offered to active County employees. Retirees pay 100% of the premium costs for themselves and their dependents plus a two-percent (2%) administration fee. County employees who attain age 50 and complete five years of service with the

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 18: Other Post-Employment Benefits (continued)

Plan Description (continued)

County and have 10 years of StanCERA membership, are eligible to retire and participate in the County's medical insurance program. Eligibility for coverage under the County's medical plans ends when the retiree or surviving spouse reaches age 65.

The inclusion of the retirees increases the County's overall health insurance rates. The amount of this subsidy is calculated in the actuarial valuation report.

Inactive plan members or beneficiaries currently receiving benefit payments	189
Vested deferred plan members	614
Active plan members	<u>3,664</u>
Total	<u><u>4,467</u></u>

Contributions

The County does not make direct contributions to the plan. All contributions are a result of the implicit subsidy.

Net OPEB Liability

At June 30, 2018, the County reported a net OPEB liability of \$32,218,988. The County's net OPEB liability was measured as of June 30, 2018 and the Total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2016, updated to June 30, 2017.

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a)- (b)</u>
Balances at 6/30/17	\$ 32,833,003	\$ -	\$ 32,833,003
Changes for the year:			
Service cost	1,339,770	-	1,339,770
Interest cost	1,002,085	-	1,002,085
Changes in assumptions	(1,308,166)	-	(1,308,166)
Benefit payments (implicit subsidy)	(1,647,704)	-	(1,647,704)
Balances at 6/30/18	<u>\$ 32,218,988</u>	<u>\$ -</u>	<u>\$ 32,218,988</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

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

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increase Rate	3.00%
Investment rate of return	4.00%
Health cost trends rates	6.00% for 2016; 5.00% for 2017 and later years
Mortality rates	Pre-retirement mortality rates were based upon the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Discount Rate

GASB Statement No. 75 requires a discount rate that reflects the following:

- a). The long-term expected rate of return on OPEB plan investments - to the extent that OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b). A yield or index rate for 20-year, Tax-exempt general obligation municipal bonds with an average rating of AA/aa or higher – to the extent that the conditions in (a) are not met.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following represents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.6 percent) or 1-percentage point higher (4.62 percent) than the current discount rate:

	1% Decrease 2.62%	Discount Rate 3.62%	1% Increase 4.62%
County's proportionate share of the net OPEB liability	<u>\$ 34,942,472</u>	<u>\$ 32,218,988</u>	<u>\$ 29,711,460</u>

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

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

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
County's proportionate share of the net retirement plan liability	\$ 28,419,864	\$ 32,218,988	\$ 36,667,818

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$526,440. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method. At June 30, 2018, the County reported deferred inflow of resources related to changes of assumptions of \$1,140,454

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB as follows:

Fiscal Year Ended	Amount
2019	\$ (167,711)
2020	(167,711)
2021	(167,711)
2022	(167,209)
Thereafter	(470,114)
	\$ (1,140,454)

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

County of Stanislaus
Notes to the Basic Financial Statements
June 30, 2018

Note 19: Tax Abatements (continued)

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, 2018, the County's portion of the tax abatements related to the Williamson Act was \$500,294.

Note 20: Prior Period Adjustments

As a result of GASB Statement No. 75, the beginning net positions have been restated resulting in a prior period adjustment of \$21,029,336.

The note between the Tobacco Settlement Fund and Stanislaus Animal Services Agency (SASA) was finalized in Fiscal Year 2017-2018 resulting in a prior period adjustment of \$93,195.

The County's total prior period adjustment balance is \$20,936,141.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position at July 1, 2017, as previously stated	\$ 541,132,694	\$ 83,618,646	\$ 624,751,340
Net OPEB liability adjustment	(20,450,934)	(578,402)	(21,029,336)
Tobacco Settlement Fund adjustment	93,195	-	93,195
Net position at July 1, 2017, as restated	<u>\$ 520,774,955</u>	<u>\$ 83,040,244</u>	<u>\$ 603,815,199</u>

Note 21: Subsequent Events

Subsequent events have been evaluated through December 21, 2018, 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, 2018

Stanislaus County OPEB Schedule of the County's Proportionate Share of the Liability

	FYE 6/30/2018
County's proportion of the OPEB liability (asset)	97.90%
County's proportionate share of the OPEB liability (asset)	\$ 32,218,988
County's covered payroll	\$ 235,201,080
County's proportionate share of the OPEB liability (asset) as a percentage of its covered payroll	13.70%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	0.00%

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

Stanislaus County OPEB Schedule of the County's Contributions

	FYE 6/30/18
Actuarially determined contribution	\$ 2,438,662
Actual contributions	1,683,014
Contribution deficiency (excess)	\$ 755,648
County's covered payroll	\$ 235,201,080
Actual contributions as a percentage of County's covered payroll	0.72%

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

County of Stanislaus
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2018

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

	<u>FYE 6/30/2018</u>	<u>FYE 6/30/2017</u>	<u>FYE 6/30/2016</u>	<u>FYE 6/30/2015</u>	<u>FYE 6/30/2014</u>
County's proportion of the net pension liability (asset)	88.75%	88.26%	88.73%	88.6947%	88.4162%
County's proportionate share of the net pension liability (asset)	\$ 578,066,722	\$ 637,287,750	\$ 256,442,634	\$ 202,065,617	\$ 329,072,460
County's covered payroll	\$ 222,133,345	\$ 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 payroll	260.23%	301.28%	124.66%	102.69%	171.13%
Plan fiduciary net position as a percentage of the total pension liability (asset)	74.98%	70.63%	86.13%	88.49%	80.23%

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

Schedule of County's Contributions

	<u>FYE 6/30/18</u>	<u>FYE 6/30/17</u>	<u>FYE 6/30/16</u>	<u>FYE 6/30/15</u>
Actuarially determined contribution	\$ 55,931,524	\$ 51,365,402	\$ 47,779,167	\$ 41,477,186
Actual contributions	\$ 55,715,221	\$ 51,455,859	\$ 47,521,000	\$ 41,313,088
Contribution deficiency (excess)	\$ 216,303	\$ (90,457)	\$ 258,167	\$ 164,098
County's covered payroll	\$ 222,133,345	\$ 211,526,725	\$ 205,719,027	\$ 196,780,722
Actual contributions as a percentage of County's covered payroll	25.08%	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. Public Facility Fees (PFF) is also included in this category.

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, 2018

	Special Revenue Funds	Capital Projects	Debt Service Funds		Totals
			Capital Improvement Finance Authority	Stan County Tobacco Funding Corp	
Assets					
Cash and investments	\$ 100,610,839	\$ 55,303,353	\$ -	\$ 93,000	\$ 156,007,192
Investments with fiscal agent	-	-	-	6,028,332	6,028,332
Accounts receivable	27,293,264	2,970,253	-	3,276,824	33,540,341
Interest and other receivables	1,239,942	129,038	-	26	1,369,006
Inventory	688,597	-	-	-	688,597
Due from other funds	333,539	-	-	-	333,539
Prepaid items	75,072	-	-	-	75,072
Total assets	<u>\$ 130,241,253</u>	<u>\$ 58,402,644</u>	<u>\$ -</u>	<u>\$ 9,398,182</u>	<u>\$ 198,042,079</u>
Liabilities					
Accounts payable	\$ 9,237,438	\$ 294,503	\$ -	\$ 3,279,315	\$ 12,811,256
Salaries and benefits payable	4,051,467	11,395	-	-	4,062,862
Due to other funds	491,913	-	-	-	491,913
Advances from grantors & third parties	975,444	-	-	-	975,444
Advances from other funds	100,000	-	-	-	100,000
Total liabilities	<u>14,856,262</u>	<u>305,898</u>	<u>-</u>	<u>3,279,315</u>	<u>18,441,475</u>
Fund balances					
Non-spendable	775,080	-	-	-	775,080
Restricted	108,656,082	49,063,430	-	6,035,793	163,755,305
Committed	598,373	-	-	-	598,373
Assigned	6,274,692	10,551,061	-	83,074	16,908,827
Unassigned	(919,236)	(1,517,745)	-	-	(2,436,981)
Total fund balances	<u>115,384,991</u>	<u>58,096,746</u>	<u>-</u>	<u>6,118,867</u>	<u>179,600,604</u>
Total liabilities and fund balances	<u>\$ 130,241,253</u>	<u>\$ 58,402,644</u>	<u>\$ -</u>	<u>\$ 9,398,182</u>	<u>\$ 198,042,079</u>

County of Stanislaus
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds	Capital Projects	Debt Service Funds		Totals
			Capital Improvement Finance Authority	Stan County Tobacco Funding Corp	
Revenues					
Taxes	\$ 20,220,775	\$ -	\$ -	\$ -	\$ 20,220,775
Licenses, permits and franchises	2,097,254	-	-	-	2,097,254
Fines, forfeitures and penalties	1,136,155	824,303	-	-	1,960,458
Revenue from use of money and property	502,233	461,741	-	321,213	1,285,187
Intergovernmental revenue	113,240,939	9,642,624	-	-	122,883,563
Charges for services	36,690,173	7,232,562	-	-	43,922,735
Miscellaneous revenue	2,350,368	29,133	-	5,482,266	7,861,767
Total revenues	<u>176,237,897</u>	<u>18,190,363</u>	<u>-</u>	<u>5,803,479</u>	<u>200,231,739</u>
Expenditures					
General government	1,039,664	-	-	-	1,039,664
Public protection	68,950,059	-	-	-	68,950,059
Public ways and facilities	44,498,306	-	-	-	44,498,306
Health and sanitation	37,123,197	-	-	-	37,123,197
Public assistance	17,417,461	-	-	-	17,417,461
Education	12,355,922	-	-	-	12,355,922
Recreation and Cultural Services	877,242	-	-	-	877,242
Capital outlay	-	16,089,642	-	-	16,089,642
Debt service:					
Interest and fiscal charges	24,756	-	208,325	2,430,466	2,663,547
Principal	50,075	-	8,507,703	3,425,000	11,982,778
Total expenditures	<u>182,336,682</u>	<u>16,089,642</u>	<u>8,716,028</u>	<u>5,855,466</u>	<u>212,997,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,098,785)</u>	<u>2,100,721</u>	<u>(8,716,028)</u>	<u>(51,987)</u>	<u>(12,766,079)</u>
Other financing sources (uses)					
Transfers in	12,791,275	6,170,955	8,717,963	-	27,680,193
Transfers out	(3,727,445)	(7,226,637)	(1,935)	-	(10,956,017)
Sale of capital assets	12,957	-	-	-	12,957
Total other financing sources (uses)	<u>9,076,787</u>	<u>(1,055,682)</u>	<u>8,716,028</u>	<u>-</u>	<u>16,737,133</u>
Net change in fund balances	<u>2,978,002</u>	<u>1,045,039</u>	<u>-</u>	<u>(51,987)</u>	<u>3,971,054</u>
Fund balances -- beginning	<u>112,406,989</u>	<u>57,051,707</u>	<u>-</u>	<u>6,170,854</u>	<u>175,629,550</u>
Fund balances -- ending	<u>\$ 115,384,991</u>	<u>\$ 58,096,746</u>	<u>\$ -</u>	<u>\$ 6,118,867</u>	<u>\$ 179,600,604</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

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, 2018**

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals
Assets												
Cash and investments	\$ 9,037,780	\$ 6,150,716	\$ 3,702,182	\$ 8,650,017	\$ 3,620,675	\$ 2,059,678	\$ 10,833,491	\$ 1,044,075	\$ 9,109,547	\$ 1,034,679	\$ 45,367,999	\$ 100,610,839
Accounts receivable	675,978	881,357	180,135	7,849,335	1,083,900	25,498	4,818,545	774,772	2,432,857	-	8,570,887	27,293,264
Interest and other receivables	7,064	18,738	-	28,891	-	9,412	1,093,562	44,424	-	2,587	35,264	1,239,942
Inventory	-	-	-	466,236	6,226	-	216,135	-	-	-	-	688,597
Due from other funds	-	-	-	-	17,121	-	314,547	1,871	-	-	-	333,539
Prepaid items	-	-	-	-	2,522	-	72,550	-	-	-	-	75,072
Total assets	<u>\$ 9,720,822</u>	<u>\$ 7,050,811</u>	<u>\$ 3,882,317</u>	<u>\$ 16,994,479</u>	<u>\$ 4,730,444</u>	<u>\$ 2,094,588</u>	<u>\$ 17,348,830</u>	<u>\$ 1,865,142</u>	<u>\$ 11,542,404</u>	<u>\$ 1,037,266</u>	<u>\$ 53,974,150</u>	<u>\$ 130,241,253</u>
Liabilities												
Accounts payable	\$ 427,740	\$ 450,215	\$ 102,489	\$ 3,741,146	\$ 284,805	\$ 29,662	\$ 2,185,337	\$ 107,901	\$ 184,110	\$ 16,124	\$ 1,707,909	\$ 9,237,438
Salaries and benefits payable	419,104	27,440	303,118	225,684	306,148	586,366	1,097,728	50	379,357	-	706,472	4,051,467
Due to other funds	-	-	-	-	-	9,016	110,795	1,871	370,231	-	-	491,913
Advances from grantors & third parties	420,719	-	3,503	-	-	-	531,894	-	-	-	19,328	975,444
Advances from other funds	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Total liabilities	<u>1,267,563</u>	<u>477,655</u>	<u>409,110</u>	<u>3,966,830</u>	<u>590,953</u>	<u>625,044</u>	<u>3,925,754</u>	<u>109,822</u>	<u>933,698</u>	<u>16,124</u>	<u>2,533,709</u>	<u>14,856,262</u>
Fund Balances												
Non-spendable	900	-	300	466,236	6,226	100	292,985	-	3,133	-	5,200	775,080
Restricted	8,299,181	6,462,697	3,661,849	11,728,832	4,133,265	1,345,169	12,801,599	1,751,294	10,269,582	1,021,749	47,180,865	108,656,082
Committed	-	-	-	-	-	-	-	-	-	-	598,373	598,373
Assigned	158,350	110,459	121,375	1,109,438	-	124,275	495,628	4,026	335,991	1,286	3,813,864	6,274,692
Unassigned	(5,172)	-	(310,317)	(276,857)	-	-	(167,136)	-	-	(1,893)	(157,861)	(919,236)
Total fund balances	<u>8,453,259</u>	<u>6,573,156</u>	<u>3,473,207</u>	<u>13,027,649</u>	<u>4,139,491</u>	<u>1,469,544</u>	<u>13,423,076</u>	<u>1,755,320</u>	<u>10,608,706</u>	<u>1,021,142</u>	<u>51,440,441</u>	<u>115,384,991</u>
Total liabilities and fund balances	<u>\$ 9,720,822</u>	<u>\$ 7,050,811</u>	<u>\$ 3,882,317</u>	<u>\$ 16,994,479</u>	<u>\$ 4,730,444</u>	<u>\$ 2,094,588</u>	<u>\$ 17,348,830</u>	<u>\$ 1,865,142</u>	<u>\$ 11,542,404</u>	<u>\$ 1,037,266</u>	<u>\$ 53,974,150</u>	<u>\$ 130,241,253</u>

County of Stanislaus
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ 7,860,298	\$ -	\$ -	\$ -	\$ -	\$ 10,677,064	\$ 94,275	\$ 1,589,138	\$ 20,220,775
Licenses, permits and franchises	-	-	1,991,260	23,663	-	-	15,855	-	-	-	66,476	2,097,254
Fines, forfeitures and penalties	48,820	-	-	-	-	-	114,036	680,332	-	-	292,967	1,136,155
Revenue from use of money and property	26,519	73,889	416	81,710	-	30,708	2,448	4,672	558	8,331	272,982	502,233
Intergovernmental revenue	621,189	4,482,154	41,844	25,436,468	6,806,303	15,303,982	14,228,913	221	227,751	592	46,091,522	113,240,939
Charges for services	7,064,259	-	5,540,529	664,710	8,379,432	-	10,290,966	286,824	542,021	343,515	3,577,917	36,690,173
Miscellaneous revenue	42,376	75,083	7,658	-	1,720	-	74,903	-	200,577	-	1,948,051	2,350,368
Total revenues	<u>7,803,163</u>	<u>4,631,126</u>	<u>7,581,707</u>	<u>34,066,849</u>	<u>15,187,455</u>	<u>15,334,690</u>	<u>24,727,121</u>	<u>972,049</u>	<u>11,647,971</u>	<u>446,713</u>	<u>53,839,053</u>	<u>176,237,897</u>
Expenditures												
General government	-	379,536	-	-	-	-	-	-	-	-	660,128	1,039,664
Public protection	11,388,285	-	2,485,853	-	-	15,298,210	-	-	-	291,283	39,486,428	68,950,059
Public ways and facilities	-	-	5,472,779	34,637,028	-	-	-	-	-	-	4,388,499	44,498,306
Health and sanitation	-	6,049,502	-	-	-	-	30,281,711	791,984	-	-	-	37,123,197
Public assistance	-	-	-	-	13,716,495	-	-	-	-	-	3,700,966	17,417,461
Education	-	-	-	-	-	-	-	-	12,355,922	-	-	12,355,922
Recreation and Cultural Services	-	-	-	-	-	-	-	-	-	-	877,242	877,242
Debt Service:												
Interest and fiscal charges	-	-	-	-	-	-	24,454	-	-	-	302	24,756
Principal	-	-	-	-	-	-	40,177	-	-	-	9,898	50,075
Total expenditures	<u>11,388,285</u>	<u>6,429,038</u>	<u>7,958,632</u>	<u>34,637,028</u>	<u>13,716,495</u>	<u>15,298,210</u>	<u>30,346,342</u>	<u>791,984</u>	<u>12,355,922</u>	<u>291,283</u>	<u>49,123,463</u>	<u>182,336,682</u>
(Deficiency) revenues over (under) expenditures	<u>(3,585,122)</u>	<u>(1,797,912)</u>	<u>(376,925)</u>	<u>(570,179)</u>	<u>1,470,960</u>	<u>36,480</u>	<u>(5,619,221)</u>	<u>180,065</u>	<u>(707,951)</u>	<u>155,430</u>	<u>4,715,590</u>	<u>(6,098,785)</u>
Other financing sources (uses)												
Transfers in	1,919,798	-	351,309	3,188,903	40,000	-	5,648,606	300,000	491,810	0	850,849	12,791,275
Transfers out	-	-	-	(1,000,000)	-	-	(0)	-	(710,590)	(0)	(2,016,855)	(3,727,445)
Sale of capital assets	2,480	-	1,479	-	-	8,215	-	-	-	-	783	12,957
Total other financing sources (uses)	<u>1,922,278</u>	<u>-</u>	<u>352,788</u>	<u>2,188,903</u>	<u>40,000</u>	<u>8,215</u>	<u>5,648,606</u>	<u>300,000</u>	<u>(218,780)</u>	<u>-</u>	<u>(1,165,223)</u>	<u>9,076,787</u>
Net change in fund balances	<u>(1,662,844)</u>	<u>(1,797,912)</u>	<u>(24,137)</u>	<u>1,618,724</u>	<u>1,510,960</u>	<u>44,695</u>	<u>29,385</u>	<u>480,065</u>	<u>(926,731)</u>	<u>155,430</u>	<u>3,550,367</u>	<u>2,978,002</u>
Fund balances -- beginning	<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>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>
Fund balances -- ending	<u>\$ 8,453,259</u>	<u>\$ 6,573,156</u>	<u>\$ 3,473,207</u>	<u>\$ 13,027,649</u>	<u>\$ 4,139,491</u>	<u>\$ 1,469,544</u>	<u>\$ 13,423,076</u>	<u>\$ 1,755,320</u>	<u>\$ 10,608,706</u>	<u>\$ 1,021,142</u>	<u>\$ 51,440,441</u>	<u>\$ 115,384,991</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Fines, forfeitures and penalties	\$ 46,000	\$ 46,000	\$ 48,820	\$ 2,820
Revenue from use of money and property	11,500	11,500	26,519	15,019
Intergovernmental revenue	987,343	987,343	621,189	(366,154)
Charges for services	6,854,440	6,854,440	7,064,259	209,819
Miscellaneous revenue	37,350	37,350	42,376	5,026
Total revenues - Environmental Resources	<u>7,936,633</u>	<u>7,936,633</u>	<u>7,803,163</u>	<u>(133,470)</u>
Expenditures: Public Protection				
Environmental Resources				
Salaries and employee benefits	9,073,645	9,073,645	8,405,462	668,183
Services and supplies	1,938,727	1,963,715	903,495	1,060,220
Other charges	790,099	890,099	858,561	31,538
Intrafund transfer	(1,839,078)	(1,839,078)	(1,717,432)	(121,646)
Capital assets	372,805	372,805	303,947	68,858
Total expenditures	<u>10,336,198</u>	<u>10,461,186</u>	<u>8,754,033</u>	<u>1,707,153</u>
Beverage Container Recycling				
Services and supplies	23,000	23,000	21,014	1,986
Intrafund transfer	13,000	13,000	13,000	-
Total expenditures	<u>36,000</u>	<u>36,000</u>	<u>34,014</u>	<u>1,986</u>
Household Hazardous Waste				
Services and supplies	382,711	292,711	228,619	64,092
Other charges	6,910	6,910	4,425	2,485
Intrafund transfer	533,000	623,000	621,958	1,042
Total expenditures	<u>922,621</u>	<u>922,621</u>	<u>855,002</u>	<u>67,619</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	369,608	333,609	35,999
Intrafund transfer	753,440	789,832	538,629	251,203
Total expenditures	<u>1,159,440</u>	<u>1,159,440</u>	<u>872,238</u>	<u>287,202</u>
Disclosure Program				
Services and supplies	23,047	23,047	1,054	21,993
Intrafund transfer	360,008	360,008	360,008	-
Total expenditures	<u>383,055</u>	<u>383,055</u>	<u>361,062</u>	<u>21,993</u>
Code Enforcement Abatement				
Services and supplies	9,217	9,217	-	9,217
Other charges	10,783	10,783	-	10,783
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Environmental Resources (continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Used Oil Recycling				
Services and supplies	59,500	54,917	54,179	738
Intrafund transfer	25,500	30,083	30,083	-
Total expenditures	<u>85,000</u>	<u>85,000</u>	<u>84,262</u>	<u>738</u>
Environmental Enforcement				
Services and supplies	5,300	5,300	5,234	66
Other charges	35,874	35,874	-	35,874
Total expenditures	<u>41,174</u>	<u>41,174</u>	<u>5,234</u>	<u>35,940</u>
Waste Tire Enforcement Grant				
Services and supplies	17,068	25	25	-
Intrafund transfer	101,881	118,924	101,365	17,559
Total expenditures	<u>118,949</u>	<u>118,949</u>	<u>101,390</u>	<u>17,559</u>
Abandoned Vehicle Abatement				
Services and supplies	6,980	6,830	5,265	1,565
Other charges	2,664	2,664	1,798	866
Intrafund transfer	52,249	52,399	52,388	11
Total expenditures	<u>61,893</u>	<u>61,893</u>	<u>59,451</u>	<u>2,442</u>
Total expenditures - Environmental Resources	<u>13,232,063</u>	<u>13,357,051</u>	<u>11,126,686</u>	<u>2,230,365</u>
(Deficiency) of revenues (under) expenditures	<u>(5,295,430)</u>	<u>(5,420,418)</u>	<u>(3,323,523)</u>	<u>2,096,895</u>
Other financing sources (uses)				
Transfers in	1,881,231	2,006,219	1,919,798	(86,421)
Sale of capital assets	-	-	2,480	2,480
Total other financing sources (uses)	<u>1,881,231</u>	<u>2,006,219</u>	<u>1,922,278</u>	<u>(83,941)</u>
Net change in fund balance	<u>(3,414,199)</u>	<u>(3,414,199)</u>	<u>(1,401,245)</u>	<u>2,012,954</u>
Fund balance -- beginning	<u>8,356,429</u>	<u>8,089,677</u>	<u>9,740,835</u>	<u>-</u>
Fund balance -- ending	<u>\$ 4,942,230</u>	<u>\$ 4,675,478</u>	<u>\$ 8,339,590</u>	<u>\$ 2,012,954</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Revenue from use of money and property	\$ 98,048	\$ 98,048	\$ 73,889	\$ (24,159)
Intergovernmental revenue	4,204,821	4,204,821	4,482,154	277,333
Miscellaneous revenue	-	75,000	75,083	83
Total revenues - Children and Families Commission	<u>4,302,869</u>	<u>4,377,869</u>	<u>4,631,126</u>	<u>253,257</u>
Expenditures: General Government				
Salaries and employee benefits	318,746	318,746	288,261	30,485
Services and supplies	101,162	175,682	132,101	43,581
Other charges	18,996	18,996	18,848	148
Total expenditures	<u>438,904</u>	<u>513,424</u>	<u>439,210</u>	<u>74,214</u>
Expenditures: Health and Sanitation				
Salaries and employee benefits	199,365	199,365	168,062	31,303
Services and supplies	3,674,736	3,600,216	2,960,087	640,129
Other charges	2,918,501	2,918,501	2,813,635	104,866
Total expenditures	<u>6,792,602</u>	<u>6,718,082</u>	<u>5,941,784</u>	<u>776,298</u>
Total expenditures - Children and Families Commission	<u>7,231,506</u>	<u>7,231,506</u>	<u>6,380,994</u>	<u>850,512</u>
(Deficiency) of revenues (under) expenditures	<u>(2,928,637)</u>	<u>(2,853,637)</u>	<u>(1,749,868)</u>	<u>1,103,769</u>
Net change in fund balance	<u>(2,928,637)</u>	<u>(2,853,637)</u>	<u>(1,749,868)</u>	<u>1,103,769</u>
Fund balance -- beginning	<u>7,392,131</u>	<u>7,392,131</u>	<u>8,246,296</u>	<u>-</u>
Fund balance -- ending	<u>\$ 4,463,494</u>	<u>\$ 4,538,494</u>	<u>\$ 6,496,428</u>	<u>\$ 1,103,769</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Licenses, permits and franchises	\$ 1,941,701	\$ 1,941,701	\$ 1,991,260	\$ 49,559
Revenue from use of money and property	300	300	416	116
Intergovernmental revenue	61,000	61,000	41,844	(19,156)
Charges for services	6,120,072	6,180,202	5,540,529	(639,673)
Miscellaneous revenue	1,300	1,300	7,658	6,358
Total revenues - Public Works Engineering	<u>8,124,373</u>	<u>8,184,503</u>	<u>7,581,707</u>	<u>(602,796)</u>
Expenditures: Public Protection				
Salaries and employee benefits	1,926,686	1,801,686	1,766,265	35,421
Services and supplies	279,579	404,579	334,763	69,816
Other charges	384,509	384,509	384,120	389
Total expenditures	<u>2,590,774</u>	<u>2,590,774</u>	<u>2,485,148</u>	<u>105,626</u>
Expenditures: Public Ways				
Salaries and employee benefits	5,084,088	5,084,088	4,584,431	499,657
Services and supplies	602,511	602,511	324,246	278,265
Other charges	600,648	660,778	554,903	105,875
Total expenditures	<u>6,287,247</u>	<u>6,347,377</u>	<u>5,463,580</u>	<u>883,797</u>
Total expenditures - Public Works Engineering	<u>8,878,021</u>	<u>8,938,151</u>	<u>7,948,728</u>	<u>989,423</u>
(Deficiency) of revenues (under) expenditures	<u>(753,648)</u>	<u>(753,648)</u>	<u>(367,021)</u>	<u>386,627</u>
Other financing sources (uses)				
Transfers in	577,620	577,620	351,309	(226,311)
Sale of capital assets	-	-	1,479	1,479
Total other financing sources (uses)	<u>577,620</u>	<u>577,620</u>	<u>352,788</u>	<u>(224,832)</u>
Net change in fund balance	<u>(176,028)</u>	<u>(176,028)</u>	<u>(14,233)</u>	<u>161,795</u>
Fund balance -- beginning	<u>3,139,701</u>	<u>3,730,344</u>	<u>3,630,390</u>	<u>-</u>
Fund balance -- ending	<u>\$ 2,963,673</u>	<u>\$ 3,554,316</u>	<u>\$ 3,616,157</u>	<u>\$ 161,795</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 6,630,000	\$ 6,719,731	\$ 7,860,298	\$ 1,140,567
Licenses, permits and franchises	22,000	22,000	23,663	1,663
Revenue from use of money and property	122,700	122,700	81,710	(40,990)
Intergovernmental revenue	58,117,447	58,117,447	25,102,171	(33,015,276)
Charges for services	1,051,500	1,051,500	999,007	(52,493)
Total revenues - Road & Bridge	<u>65,943,647</u>	<u>66,033,378</u>	<u>34,066,849</u>	<u>(31,966,529)</u>
Expenditures: Public Ways and Facilities				
Salaries and employee benefits	5,327,631	5,227,631	5,005,932	221,699
Services and supplies	67,046,808	66,406,839	19,978,180	46,428,659
Other charges	8,217,669	9,053,669	7,781,469	1,272,200
Fixed assets	3,353,331	3,353,331	83,642	3,269,689
Total expenditures - Road & Bridge	<u>83,945,439</u>	<u>84,041,470</u>	<u>32,849,223</u>	<u>51,192,247</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,001,792)</u>	<u>(18,008,092)</u>	<u>1,217,626</u>	<u>19,225,718</u>
Other financing sources (uses)				
Transfers in	11,072,525	11,578,825	3,188,903	(8,389,922)
Transfers out	-	-	(1,000,000)	(1,000,000)
Total other financing sources (uses)	<u>11,072,525</u>	<u>11,578,825</u>	<u>2,188,903</u>	<u>(9,389,922)</u>
Net change in fund balance	<u>(6,929,267)</u>	<u>(6,429,267)</u>	<u>3,406,529</u>	<u>9,835,796</u>
Fund balance -- beginning	<u>4,081,437</u>	<u>2,781,437</u>	<u>15,823,920</u>	<u>-</u>
Fund balance -- ending	<u>\$(2,847,830)</u>	<u>\$ (3,647,830)</u>	<u>\$ 19,230,449</u>	<u>\$ 9,835,796</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Intergovernmental revenue	\$ 8,534,501	\$ 8,534,501	\$ 6,806,303	\$ (1,728,198)
Charges for services	8,601,779	8,601,779	8,379,432	(222,347)
Miscellaneous revenue	-	-	1,720	1,720
Total revenues - Employment and Training	<u>17,136,280</u>	<u>17,136,280</u>	<u>15,187,455</u>	<u>(1,948,825)</u>
Expenditures: Public Assistance				
Workforce Development				
Salaries and employee benefits	4,382,250	4,337,250	3,702,567	634,683
Services and supplies	4,559,087	4,559,087	2,934,068	1,625,019
Other charges	261,970	306,970	276,879	30,091
Fixed assets	11,300	11,300	-	11,300
Total expenditures	<u>9,214,607</u>	<u>9,214,607</u>	<u>6,913,514</u>	<u>2,301,093</u>
Workforce Development - Stanworks				
Salaries and employee benefits	5,581,007	5,491,007	4,198,281	1,292,726
Services and supplies	2,347,246	2,437,246	2,330,758	106,488
Other charges	355,020	355,020	273,942	81,078
Fixed assets	19,200	19,200	-	19,200
Total expenditures	<u>8,302,473</u>	<u>8,302,473</u>	<u>6,802,981</u>	<u>1,499,492</u>
Total expenditures - Employment and Training	<u>17,517,080</u>	<u>17,517,080</u>	<u>13,716,495</u>	<u>3,800,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(380,800)</u>	<u>(380,800)</u>	<u>1,470,960</u>	<u>1,851,760</u>
Other financing sources (uses)				
Transfers in	40,000	40,000	40,000	-
Transfers out	(19,200)	(19,200)	-	19,200
Total other financing sources (uses)	<u>20,800</u>	<u>20,800</u>	<u>40,000</u>	<u>19,200</u>
Net change in fund balance	<u>(360,000)</u>	<u>(360,000)</u>	<u>1,510,960</u>	<u>1,870,960</u>
Fund balance -- beginning	<u>639,299</u>	<u>639,937</u>	<u>2,629,239</u>	<u>-</u>
Fund balance -- ending	<u>\$ 279,299</u>	<u>\$ 279,937</u>	<u>\$ 4,140,199</u>	<u>\$ 1,870,960</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, 2018

	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	\$ 30,708	\$ 5,708
Intergovernmental revenue	15,686,656	16,686,656	15,303,982	(1,382,674)
Total revenues - Child Support Services	<u>15,711,656</u>	<u>16,711,656</u>	<u>15,334,690</u>	<u>(1,376,966)</u>
Expenditures: Public Protection				
Salaries and employee benefits	13,242,428	13,002,719	12,244,231	758,488
Services and supplies	1,100,175	1,100,175	1,019,994	80,181
Other charges	1,369,053	1,369,053	1,210,786	158,267
Fixed assets	-	1,239,709	955,809	283,900
Total expenditures - Child Support Services	<u>15,711,656</u>	<u>16,711,656</u>	<u>15,430,820</u>	<u>1,280,836</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(96,130)	(96,130)
Other financing sources (uses)				
Sale of capital assets	-	-	8,215	8,215
Total other financing sources (uses)	-	-	<u>8,215</u>	<u>8,215</u>
Net change in fund balance	-	-	(87,915)	(87,915)
Fund balance -- beginning	<u>1,346,098</u>	<u>1,346,098</u>	<u>1,521,812</u>	<u>-</u>
Fund balance -- ending	<u>\$ 1,346,098</u>	<u>\$ 1,346,098</u>	<u>\$ 1,433,897</u>	<u>\$ (87,915)</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Licenses, permits and franchises	\$ 13,500	\$ 13,500	\$ 15,855	\$ 2,355
Fines, forfeitures and penalties	95,000	95,000	114,036	19,036
Revenue from use of money and property	1,550	1,550	2,448	898
Intergovernmental revenue	16,578,024	16,578,024	14,228,913	(2,349,111)
Charges for services	11,627,045	11,627,045	10,290,966	(1,336,079)
Miscellaneous revenue	21,360	21,360	74,903	53,543
Total revenues - Health Services Agency	<u>28,336,479</u>	<u>28,336,479</u>	<u>24,727,121</u>	<u>(3,609,358)</u>
Expenditures: Health and Sanitation				
EMS - Discretionary Fund				
Salaries and employee benefits	16,416,757	16,166,757	14,752,024	1,414,733
Services and supplies	4,727,099	4,727,099	3,432,440	1,294,659
Other charges	760,553	910,553	826,165	84,388
Intrafund transfer	4,187,872	4,287,872	4,306,368	(18,496)
Fixed assets	195,400	195,400	-	195,400
Total expenditures	<u>26,287,681</u>	<u>26,287,681</u>	<u>23,316,997</u>	<u>2,970,684</u>
Administration				
Salaries and employee benefits	8,325,995	8,325,995	7,635,146	690,849
Services and supplies	2,406,719	2,084,919	1,528,803	556,116
Other charges	1,671,750	1,671,750	1,582,952	88,798
Intrafund transfer	(4,187,801)	(4,187,801)	(4,306,368)	118,567
Fixed assets	245,000	566,800	456,291	110,509
Total expenditures	<u>8,461,663</u>	<u>8,461,663</u>	<u>6,896,824</u>	<u>1,564,839</u>
Total expenditures - Health Services Agency	<u>34,749,344</u>	<u>34,749,344</u>	<u>30,213,821</u>	<u>4,535,523</u>
(Deficiency) of revenues (under) expenditures	<u>(6,412,865)</u>	<u>(6,412,865)</u>	<u>(5,486,700)</u>	<u>926,165</u>
Other financing sources (uses)				
Transfers in	6,207,502	6,207,502	5,648,606	(558,896)
Transfers out	(20,000)	(20,000)	-	20,000
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>6,187,502</u>	<u>6,187,502</u>	<u>5,648,606</u>	<u>(538,896)</u>
Net change in fund balance	<u>(225,363)</u>	<u>(225,363)</u>	<u>161,906</u>	<u>387,269</u>
Fund balance -- beginning	<u>9,902,325</u>	<u>10,105,292</u>	<u>13,161,059</u>	<u>-</u>
Fund balance -- ending	<u>\$ 9,676,962</u>	<u>\$ 9,879,929</u>	<u>\$ 13,322,965</u>	<u>\$ 387,269</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Fines, forfeitures and penalties	\$ 555,700	\$ 627,700	\$ 680,332	\$ 52,632
Revenue from use of money and property	3,100	3,100	4,672	1,572
Intergovernmental revenue	-	-	221	221
Charges for services	267,000	267,000	286,824	19,824
Total revenues - Indigent Health Care	<u>825,800</u>	<u>897,800</u>	<u>972,049</u>	<u>74,249</u>
Expenditures: Health and Sanitation				
EMS Hospital				
Services and supplies	200,700	200,700	199,148	1,552
Total expenditures	<u>200,700</u>	<u>200,700</u>	<u>199,148</u>	<u>1,552</u>
Indigent Health Care Program				
Services and supplies	361,017	533,337	308,880	224,457
Total expenditures	<u>361,017</u>	<u>533,337</u>	<u>308,880</u>	<u>224,457</u>
Administration				
Salaries and employee benefits	66,511	66,511	20,939	45,572
Services and supplies	33,950	33,950	27,546	6,404
Other charges	128,102	128,102	118,785	9,317
Total expenditures	<u>228,563</u>	<u>228,563</u>	<u>167,270</u>	<u>61,293</u>
Total expenditures - Indigent Health Care	<u>790,280</u>	<u>962,600</u>	<u>675,298</u>	<u>287,302</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,520</u>	<u>(64,800)</u>	<u>296,751</u>	<u>361,551</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>335,520</u>	<u>235,200</u>	<u>596,751</u>	<u>361,551</u>
Fund balance -- beginning	<u>562,551</u>	<u>562,551</u>	<u>1,276,843</u>	<u>-</u>
Fund balance -- ending	<u>\$ 898,071</u>	<u>\$ 797,751</u>	<u>\$ 1,873,594</u>	<u>\$ 361,551</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 10,323,005	\$ 10,323,005	\$ 10,677,064	\$ 354,059
Revenue from use of money and property	2,900	2,900	558	(2,342)
Intergovernmental revenue	235,126	235,126	227,751	(7,375)
Charges for services	474,438	474,438	542,021	67,583
Miscellaneous revenue	83,320	143,385	200,577	57,192
Total revenues - Library	<u>11,118,789</u>	<u>11,178,854</u>	<u>11,647,971</u>	<u>469,117</u>
Expenditures: Public Ways and Facilities				
Salaries and employee benefits	8,044,417	8,044,417	7,670,867	373,550
Services and supplies	3,362,767	3,479,532	2,828,719	650,813
Other charges	992,336	1,629,336	1,527,747	101,589
Capital assets	1,755,404	1,630,504	126,611	1,503,893
Total expenditures - Library	<u>14,154,924</u>	<u>14,783,789</u>	<u>12,153,944</u>	<u>2,629,845</u>
 (Deficiency) of revenues (under) expenditures	 <u>(3,036,135)</u>	 <u>(3,604,935)</u>	 <u>(505,973)</u>	 <u>3,098,962</u>
Other financing sources (uses)				
Transfers in	491,810	491,810	491,810	-
Transfers out	-	(710,590)	(710,590)	-
Total other financing sources (uses)	<u>491,810</u>	<u>(218,780)</u>	<u>(218,780)</u>	<u>-</u>
Net change in fund balance	<u>(2,544,325)</u>	<u>(3,823,715)</u>	<u>(724,753)</u>	<u>3,098,962</u>
Fund balance -- beginning	<u>9,966,879</u>	<u>9,783,893</u>	<u>11,714,178</u>	<u>-</u>
Fund balance -- ending	<u>\$ 7,422,554</u>	<u>\$ 5,960,178</u>	<u>\$ 10,989,425</u>	<u>\$ 3,098,962</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, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 54,692	\$ 54,692	\$ 94,275	\$ 39,583
Revenue from use of money and property	-	-	8,331	8,331
Intergovernmental revenue	-	-	592	592
Charges for services	284,493	284,493	343,515	59,022
Total revenues - Lighting Districts	<u>339,185</u>	<u>339,185</u>	<u>446,713</u>	<u>107,528</u>
Expenditures: Public Ways and Facilities				
Services and supplies	387,273	387,273	296,163	91,110
Total expenditures - Lighting Districts	<u>387,273</u>	<u>387,273</u>	<u>296,163</u>	<u>91,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(48,088)</u>	<u>(48,088)</u>	<u>150,550</u>	<u>198,638</u>
Net change in fund balance	<u>(48,088)</u>	<u>(48,088)</u>	<u>150,550</u>	<u>198,638</u>
Fund balance -- beginning	<u>664,225</u>	<u>664,225</u>	<u>865,712</u>	<u>-</u>
Fund balance -- ending	<u>\$ 616,137</u>	<u>\$ 616,137</u>	<u>\$ 1,016,262</u>	<u>\$ 198,638</u>

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Balance All Other Special Revenue Funds
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,360,993	\$ 1,360,993	\$ 1,589,138	\$ 228,145
Licenses, permits and franchises	5,000	5,000	66,476	61,476
Fines, forfeitures and penalties	190,600	275,373	292,967	17,594
Revenue from use of money and property	224,231	224,231	272,982	48,751
Intergovernmental revenue	43,803,397	44,817,380	46,091,522	1,274,142
Charges for services	4,078,812	4,079,659	3,577,917	(501,742)
Miscellaneous revenue	254,150	1,832,900	1,948,051	115,151
Total revenues - other	<u>49,917,183</u>	<u>52,595,536</u>	<u>53,839,053</u>	<u>1,243,517</u>
Expenditures: General				
12th Street Office Building				
Services and supplies	14,808	14,808	7,562	7,246
Other charges	26,192	26,192	24,429	1,763
Total expenditures	<u>41,000</u>	<u>41,000</u>	<u>31,991</u>	<u>9,009</u>
Stanislaus Veterans Center				
Services and supplies	876,880	712,975	402,042	310,933
Other charges	-	163,905	94,164	69,741
Total expenditures	<u>876,880</u>	<u>876,880</u>	<u>496,206</u>	<u>380,674</u>
Expenditures: Public Protection				
Stanislaus Family Justice Center				
Salaries and employee benefits	107,179	107,179	54,235	52,944
Services and supplies	500,132	500,132	160,691	339,441
Other charges	11,055	11,055	3,888	7,167
Total expenditures	<u>618,366</u>	<u>618,366</u>	<u>218,814</u>	<u>399,552</u>
County Fire Service Fund				
Salaries and employee benefits	878,031	878,031	841,093	36,938
Services and supplies	774,072	744,972	469,233	275,739
Other charges	110,023	171,023	176,582	(5,559)
Fixed assets	45,000	45,000	27,894	17,106
Total expenditures	<u>1,807,126</u>	<u>1,839,026</u>	<u>1,514,802</u>	<u>324,224</u>
Department of Justice Drug and Alcohol				
Services and supplies	100,177	100,177	76,761	23,416
Total expenditures	<u>100,177</u>	<u>100,177</u>	<u>76,761</u>	<u>23,416</u>
Homeland Security Grant				
Salaries and employee benefits	146,479	260,418	65,396	195,022
Services and supplies	285,436	415,106	100,543	314,563
Fixed assets	187,845	566,866	438,478	128,388
Total expenditures	<u>619,760</u>	<u>1,242,390</u>	<u>604,417</u>	<u>637,973</u>
Office of Emergency Services Water Resources				
Salaries and employee benefits	203,378	203,378	-	203,378
Total expenditures	<u>203,378</u>	<u>203,378</u>	<u>-</u>	<u>203,378</u>

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Balance All Other Special Revenue Funds (continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Clerk Recorder Modernization Trust Fund				
Salaries and employee benefits	1,150,373	1,150,373	735,073	415,300
Services and supplies	2,100,246	2,100,246	(182,558)	2,282,804
Fixed assets	180,558	180,558	(558)	181,116
Total expenditures	<u>3,431,177</u>	<u>3,431,177</u>	<u>551,957</u>	<u>2,879,220</u>
Clerk Recorder Vital and Health Statistics				
Services and supplies	145,561	145,561	(82,743)	228,304
Total expenditures	<u>145,561</u>	<u>145,561</u>	<u>(82,743)</u>	<u>228,304</u>
Arson Task Force				
Services and supplies	62,802	67,768	65,616	2,152
Total expenditures	<u>62,802</u>	<u>67,768</u>	<u>65,616</u>	<u>2,152</u>
Elder Abuse Advocacy and Outreach				
Salaries and employee benefits	78,841	78,841	77,543	1,298
Services and supplies	124,966	124,966	(56,635)	181,601
Total expenditures	<u>203,807</u>	<u>203,807</u>	<u>20,908</u>	<u>182,899</u>
Federal Asset Forfeiture				
Services and supplies	12,647	12,647	9,950	2,697
Total expenditures	<u>12,647</u>	<u>12,647</u>	<u>9,950</u>	<u>2,697</u>
Unserved/Underserved Victim Advocacy and Outreach Program				
Salaries and employee benefits	121,243	161,091	160,633	458
Services and supplies	8,062	10,662	10,649	13
Total expenditures	<u>129,305</u>	<u>171,753</u>	<u>171,282</u>	<u>471</u>
Impaired Driver Vertical Prosecution Program				
Salaries and employee benefits	48,620	48,620	24,236	24,384
Services and supplies	-	-	(446)	446
Total expenditures	<u>48,620</u>	<u>48,620</u>	<u>23,790</u>	<u>24,830</u>
Auto Insurance Fraud Program				
Salaries and employee benefits	188,195	163,204	161,241	1,963
Services and supplies	13,670	9,720	6,872	2,848
Total expenditures	<u>201,865</u>	<u>172,924</u>	<u>168,113</u>	<u>4,811</u>
Victim Services Program				
Salaries and employee benefits	651,807	668,090	634,694	33,396
Services and supplies	476,123	342,494	230,157	112,337
Other charges	-	-	595	(595)
Capital assets	-	83,500	75,086	8,414
Total expenditures	<u>1,127,930</u>	<u>1,094,084</u>	<u>940,532</u>	<u>153,552</u>
Victim Compensation and Government Claims				
Salaries and employee benefits	87,150	87,150	87,150	-
Total expenditures	<u>87,150</u>	<u>87,150</u>	<u>87,150</u>	<u>-</u>

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Balance All Other Special Revenue Funds (continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Real Estate Fraud Prosecution				
Salaries and employee benefits	414,237	414,237	377,733	36,504
Services and supplies	6,500	6,500	60	6,440
Total expenditures	<u>420,737</u>	<u>420,737</u>	<u>377,793</u>	<u>42,944</u>
Planning Special Revenue Grants				
Services and supplies	9,174,109	10,247,604	4,270,081	5,977,523
Other charges	519,418	1,024,673	451,975	572,698
Total expenditures	<u>9,693,527</u>	<u>11,272,277</u>	<u>4,722,056</u>	<u>6,550,221</u>
Planning General Plan Maintenance				
Services and supplies	89,100	89,100	10,795	78,305
Other charges	201,279	201,279	189,218	12,061
Total expenditures	<u>290,379</u>	<u>290,379</u>	<u>200,013</u>	<u>90,366</u>
Juvenile Justice Crime Prevention Grant				
Salaries and employee benefits	1,761,695	1,761,695	1,687,094	74,601
Services and supplies	55,200	52,764	47,290	5,474
Other charges	49,352	51,788	51,788	-
Fixed assets	391,000	391,000	169,066	221,934
Total expenditures	<u>2,257,247</u>	<u>2,257,247</u>	<u>1,955,238</u>	<u>302,009</u>
Juvenile Accountability Block Grant				
Services and supplies	200,000	288,798	276,514	12,284
Total expenditures	<u>200,000</u>	<u>288,798</u>	<u>276,514</u>	<u>12,284</u>
Youthful Offender Block Grant				
Salaries and employee benefits	1,414,513	1,414,513	1,176,898	237,615
Services and supplies	52,800	29,006	11,343	17,663
Other charges	19,881	33,426	33,426	-
Fixed assets	100,000	100,000	76,552	23,448
Total expenditures	<u>1,587,194</u>	<u>1,576,945</u>	<u>1,298,219</u>	<u>278,726</u>
Ward Welfare Fund				
Services and supplies	30,000	30,000	18,974	11,026
Fixed assets	10,000	10,000	-	10,000
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>18,974</u>	<u>21,026</u>
Corrections Performance Incentive Act				
Salaries and employee benefits	553,616	553,616	473,701	79,915
Services and supplies	309,713	159,713	98,246	61,467
Other charges	11,671	11,671	11,069	602
Capital assets	-	150,000	148,483	1,517
Total expenditures	<u>875,000</u>	<u>875,000</u>	<u>731,499</u>	<u>143,501</u>
Local Community Corrections				
Services and supplies	1,216,984	1,276,984	840,855	436,129
Other charges	24,266,994	24,206,994	18,349,137	5,857,857
Total expenditures	<u>25,483,978</u>	<u>25,483,978</u>	<u>19,189,992</u>	<u>6,293,986</u>

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Balance All Other Special Revenue Funds (continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Court Security				
Salaries and employee benefits	5,403,462	5,108,589	4,966,362	142,227
Services and supplies	20,700	23,200	19,119	4,081
Other charges	217,978	217,978	200,731	17,247
Total expenditures	<u>5,642,140</u>	<u>5,349,767</u>	<u>5,186,212</u>	<u>163,555</u>
California Identification Program				
Salaries and employee benefits	112,737	112,737	45,358	67,379
Services and supplies	329,756	329,756	180,865	148,891
Other charges	26,311	26,311	3,226	23,085
Fixed assets	261,524	296,524	34,822	261,702
Total expenditures	<u>730,328</u>	<u>765,328</u>	<u>264,271</u>	<u>501,057</u>
Juvenile Accountability Grant				
Services and supplies	356,465	405,119	262,677	142,442
Other charges	98,288	114,008	89,512	24,496
Total expenditures	<u>454,753</u>	<u>519,127</u>	<u>352,189</u>	<u>166,938</u>
Vehicle Theft Unit				
Salaries and employee benefits	155,820	202,820	202,036	784
Services and supplies	155,398	118,398	115,086	3,312
Other charges	206,378	231,378	231,000	378
Fixed assets	30,109	27,109	(7,723)	34,832
Total expenditures	<u>547,705</u>	<u>579,705</u>	<u>540,399</u>	<u>39,306</u>
Civil Process Fee				
Services and supplies	130,582	130,582	54,727	75,855
Other charges	814	814	457	357
Total expenditures	<u>131,396</u>	<u>131,396</u>	<u>55,184</u>	<u>76,212</u>
Driving Training Program				
Salaries and employee benefits	77,638	118,638	96,054	22,584
Services and supplies	20,470	4,470	3,388	1,082
Other charges	57,635	57,635	55,480	2,155
Total expenditures	<u>155,743</u>	<u>180,743</u>	<u>154,922</u>	<u>25,821</u>
CAL-MMET Program				
Salaries and employee benefits	328,500	328,500	169,686	158,814
Services and supplies	208,576	197,452	181,789	15,663
Other charges	179,852	179,852	169,371	10,481
Fixed assets	29,174	310,298	88,059	222,239
Total expenditures	<u>746,102</u>	<u>1,016,102</u>	<u>608,905</u>	<u>407,197</u>
Special Districts				
Services and supplies	1,756,254	1,861,014	865,934	995,080
Total expenditures	<u>1,756,254</u>	<u>1,861,014</u>	<u>865,934</u>	<u>995,080</u>

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Balance All Other Special Revenue Funds (continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Dangerous Building Abatement				
Services and supplies	80,000	80,000	863	79,137
Other charges	40,000	40,000	6,677	33,323
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>7,540</u>	<u>112,460</u>
Expenditures: Public Ways and Facilities				
Airport Sewer Project				
Services and supplies	5,627,498	5,627,498	858,267	4,769,231
Total expenditures	<u>5,627,498</u>	<u>5,627,498</u>	<u>858,267</u>	<u>4,769,231</u>
Expenditures: Public Assistance				
Area Agency on Aging				
Salaries and employee benefits	1,679,263	1,726,399	1,718,325	8,074
Services and supplies	323,913	242,894	176,353	66,541
Other charges	1,693,727	1,709,438	1,658,042	51,396
Fixed assets	-	94,401	94,401	-
Total expenditures	<u>3,696,903</u>	<u>3,773,132</u>	<u>3,647,121</u>	<u>126,011</u>
Expenditures: Education				
Coop-Extension Farm and Home Advisors Research				
Services and supplies	16,200	16,200	-	16,200
Total expenditures	<u>16,200</u>	<u>16,200</u>	<u>-</u>	<u>16,200</u>
Recreation and Cultural Services				
Off Highway Vehicle Parks				
Services and supplies	182,618	177,413	112,628	64,785
Other charges	1,170	442,361	349,194	93,167
Intrafund transfer	441,190	(1)	-	(1)
Fixed assets	105,000	110,204	110,180	24
Total expenditures	<u>729,978</u>	<u>729,977</u>	<u>572,002</u>	<u>157,975</u>
Fish and Game				
Services and supplies	52,300	52,300	532	51,768
Total expenditures	<u>52,300</u>	<u>52,300</u>	<u>532</u>	<u>51,768</u>
Modesto Reservoir Patrol				
Services and supplies	10,000	10,000	277	9,723
Other charges	25,000	25,000	-	25,000
Capital assets	273,979	273,979	243,600	30,379
Total expenditures	<u>308,979</u>	<u>308,979</u>	<u>243,877</u>	<u>65,102</u>
Regional Water Safety Training Center				
Services and supplies	29,025	30,025	29,247	778
Other charges	32,000	31,000	31,000	-
Total expenditures	<u>61,025</u>	<u>61,025</u>	<u>60,247</u>	<u>778</u>
Total expenditures - Other	<u>71,342,917</u>	<u>73,954,362</u>	<u>47,087,446</u>	<u>26,866,916</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,425,734)</u>	<u>(21,358,826)</u>	<u>6,751,607</u>	<u>(25,623,399)</u>

County of Stanislaus
Statement of Revenues, Expenditures and Changes in Fund Balance
Balance All Other Special Revenue Funds (continued)
Budget and Actual on Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount on Budgetary Basis	Variance with Final Budget
	Original Budget	Final Budget		
Other financing sources (uses)				
Transfers in	1,139,146	850,952	850,849	(103)
Transfers out	(1,590,135)	(1,995,058)	(2,016,855)	(21,797)
Sale of capital assets	-	-	783	783
Total other financing sources (uses)	<u>(450,989)</u>	<u>(1,144,106)</u>	<u>(1,165,223)</u>	<u>(21,117)</u>
 Net change in fund balance	 <u>(21,876,723)</u>	 <u>(22,502,932)</u>	 <u>5,586,384</u>	 <u>28,089,316</u>
 Fund balance -- beginning	 <u>32,240,335</u>	 <u>29,956,113</u>	 <u>43,116,795</u>	 <u>-</u>
Fund balance -- ending	<u><u>\$ 10,363,612</u></u>	<u><u>\$ 7,453,181</u></u>	<u><u>\$ 48,703,179</u></u>	<u><u>\$28,089,316</u></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 Landfill

The Geer Road 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, 2018

	County Transit System	Geer Road Landfill	Inmate Welfare/ Commissary	Total
Assets				
Current assets:				
Cash and investments	\$ 12,900,634	\$ 98,826	\$ 2,001,767	\$ 15,001,227
Accounts receivable, net	478,692	-	60,156	538,848
Interest and other receivables	34,534	2,424	4,998	41,956
Inventory	-	-	7,121	7,121
Total current assets	<u>13,413,860</u>	<u>101,250</u>	<u>2,074,042</u>	<u>15,589,152</u>
Noncurrent assets:				
Restricted cash and investments	-	485,223	-	485,223
Capital assets				
Land and right of ways	-	1,906,261	-	1,906,261
Structures and improvements	131,545	-	153,060	284,605
Equipment	15,306,884	-	144,907	15,451,791
Construction in progress	257,448	-	-	257,448
Less: Accumulated depreciation	<u>(7,786,089)</u>	<u>-</u>	<u>(224,731)</u>	<u>(8,010,820)</u>
Net capital assets	<u>7,909,788</u>	<u>1,906,261</u>	<u>73,236</u>	<u>9,889,285</u>
Total noncurrent assets	<u>7,909,788</u>	<u>2,391,484</u>	<u>73,236</u>	<u>10,374,508</u>
Total assets	<u>21,323,648</u>	<u>2,492,734</u>	<u>2,147,278</u>	<u>25,963,660</u>
Deferred outflows of resources				
Deferred pensions	176,386	-	304,866	481,252
Total deferred outflows of resources	<u>176,386</u>	<u>-</u>	<u>304,866</u>	<u>481,252</u>
Liabilities				
Current liabilities:				
Accounts payable	473,491	303,362	54,831	831,684
Salaries and benefits payable	17,374	-	20,182	37,556
Compensated absences - current	12,135	-	295	12,430
Total current liabilities	<u>503,000</u>	<u>303,362</u>	<u>75,308</u>	<u>881,670</u>
Noncurrent liabilities:				
Other post-employment benefits (OPEB)	24,726	-	24,506	49,232
Compensated absences	12,148	-	22,480	34,628
Net pension liability	442,160	-	438,210	880,370
Total noncurrent liabilities	<u>479,034</u>	<u>-</u>	<u>485,196</u>	<u>964,230</u>
Total liabilities	<u>982,034</u>	<u>303,362</u>	<u>560,504</u>	<u>1,845,900</u>
Deferred inflows of resources				
Deferred OPEB	875	-	867	1,742
Deferred pensions	24,599	-	7,161	31,760
Total deferred inflows of resources	<u>25,474</u>	<u>-</u>	<u>8,028</u>	<u>33,502</u>
Net position				
Net investment in capital assets	7,909,788	1,906,261	73,236	9,889,285
Restricted	-	486,712	-	486,712
Unrestricted	12,582,738	<u>(203,601)</u>	<u>1,810,376</u>	<u>14,189,513</u>
Total net position	<u>\$ 20,492,526</u>	<u>\$ 2,189,372</u>	<u>\$ 1,883,612</u>	<u>\$ 24,565,510</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, 2018

	County Transit System	Geer Road Landfill	Inmate Welfare/ Commissary	Total
Operating revenues				
Charges for services	\$ 583,114	\$ -	\$ 1,783,507	\$ 2,366,621
Total operating revenues	<u>583,114</u>	<u>-</u>	<u>1,783,507</u>	<u>2,366,621</u>
Operating expenses				
Salaries and benefits	353,506	-	395,315	748,821
Services and supplies	5,723,282	4,027,044	1,431,155	11,181,481
Depreciation	1,298,411	-	6,450	1,304,861
Total operating expenses	<u>7,375,199</u>	<u>4,027,044</u>	<u>1,832,920</u>	<u>13,235,163</u>
Operating (loss)	<u>(6,792,085)</u>	<u>(4,027,044)</u>	<u>(49,413)</u>	<u>(10,868,542)</u>
Nonoperating revenues (expenses)				
Investment income	113,531	26,281	18,522	158,334
Intergovernmental	7,948,675	-	-	7,948,675
(Loss) on sale of capital assets	-	-	(37,937)	(37,937)
Total nonoperating revenues (expenses)	<u>8,062,206</u>	<u>26,281</u>	<u>(19,415)</u>	<u>8,069,072</u>
Income loss before contributions and transfers	<u>1,270,121</u>	<u>(4,000,763)</u>	<u>(68,828)</u>	<u>(2,799,470)</u>
Transfers in	-	4,159,075	-	4,159,075
Transfers (out)	(250,000)	-	-	(250,000)
Transfers in (out), net	<u>(250,000)</u>	<u>4,159,075</u>	<u>-</u>	<u>3,909,075</u>
Change in net position	<u>1,020,121</u>	<u>158,312</u>	<u>(68,828)</u>	<u>1,109,605</u>
Total net position - beginning	19,486,400	2,031,060	1,957,063	23,474,523
Prior period adjustment	(13,995)	-	(4,623)	(18,618)
Total net position - beginning - restated	<u>19,472,405</u>	<u>2,031,060</u>	<u>1,952,440</u>	<u>23,455,905</u>
Total net position - ending	<u>\$ 20,492,526</u>	<u>\$ 2,189,372</u>	<u>\$ 1,883,612</u>	<u>\$ 24,565,510</u>

County of Stanislaus
Combining Statement of Cash Flows
Non-major Enterprise Funds
June 30, 2018

	County Transit System	Geer Road Landfill	Inmate Welfare/ Commissary	Other Enterprise Funds
Cash flows from operating activities:				
Cash received from customers and users	\$ 762,684	\$ -	\$ 1,791,016	\$ 2,553,700
Cash paid to suppliers	(6,436,525)	(4,205,050)	(1,521,386)	(12,162,961)
Cash paid to employees	(337,545)	-	(383,666)	(721,211)
Net cash (used) by operating activities	<u>(6,011,386)</u>	<u>(4,205,050)</u>	<u>(114,036)</u>	<u>(10,330,472)</u>
Cash flows from noncapital financing activities:				
Transfers in	-	4,159,075	-	4,159,075
Subsidy from state and federal grant	7,948,675	-	-	7,948,675
Transfers out	(250,000)	-	-	(250,000)
Net cash (used) by noncapital financing activities	<u>7,698,675</u>	<u>4,159,075</u>	<u>-</u>	<u>11,857,750</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(105,218)	-	-	(105,218)
Net cash (used) by capital and related financing activities	<u>(105,218)</u>	<u>-</u>	<u>-</u>	<u>(105,218)</u>
Cash flows from investing activities:				
Interest received	113,531	26,281	18,522	158,334
Net cash provided by investing activities	<u>113,531</u>	<u>26,281</u>	<u>18,522</u>	<u>158,334</u>
Net increase (decrease) in cash and cash equivalents	<u>1,695,602</u>	<u>(19,694)</u>	<u>(95,514)</u>	<u>1,580,394</u>
Cash and equivalents - beginning	11,205,032	603,743	2,097,281	13,906,056
Cash and equivalents - ending	<u>\$ 12,900,634</u>	<u>\$ 584,049</u>	<u>\$ 2,001,767</u>	<u>\$ 15,486,450</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments	\$ 12,900,634	\$ 98,826	\$ 2,001,767	\$ 15,001,227
Restricted cash and investments & investment with fiscal agent	-	485,223	-	485,223
Total cash and cash equivalents	<u>\$ 12,900,634</u>	<u>\$ 584,049</u>	<u>\$ 2,001,767</u>	<u>\$ 15,486,450</u>

County of Stanislaus
Combining Statement of Cash Flows (continued)
Non-major Enterprise Funds
June 30, 2018

	Transit System	Geer Road Landfill	Welfare/ Commissary	Enterprise Funds
Reconciliation of operating loss to net cash (used) by operating activities				
Operating (loss)	\$ (6,792,085)	\$ (4,027,044)	\$ (49,413)	\$ (10,868,542)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:				
Depreciation	1,298,411	-	6,450	1,304,861
(Increase) decrease in accounts receivable	179,570	-	7,509	187,079
(Increase) decrease in other receivables	(7,711)	(640)	(35)	(8,386)
(Increase) decrease in inventory	-	-	1,491	1,491
(Increase) decrease in deferred outflows of resources	170,967	-	(151,613)	19,354
Increase (decrease) in accounts payable and accrued liabilities	(705,532)	111,443	(91,687)	(685,776)
Increase (decrease) in salaries and benefits payable	6,303	-	6,807	13,110
Increase (decrease) in liability for compensated absences	11,810	-	6,976	18,786
Increase (decrease) in other post-employment benefits (OPEB)	(471)	-	(467)	(938)
Increase (decrease) in deferred inflows of resources	19,631	-	1,027	20,658
Increase (decrease) in pension liability	(192,279)	-	148,919	(43,360)
Increase (decrease) in estimated cost of closure/postclosure	-	(288,809)	-	(288,809)
Net cash (used) by operating activities	<u>\$ (6,011,386)</u>	<u>\$ (4,205,050)</u>	<u>\$ (114,036)</u>	<u>\$ (10,330,472)</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, 2018

	Self Insurance Funds							Self Insurance Funds			Technology and Communications	Morgan Shop Garage	Facility Maintenance	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				
Assets														
Current assets:														
Cash and investments	\$ 5,337,770	\$ 379,794	\$ 23,284,955	\$ 13,421,846	\$ 272,826	\$ 1,168,082	\$ 176,823	\$ 541,647	\$ 422,635	\$ 760,130	\$ 2,755,486	\$ -	\$ 2,488,746	\$ 51,010,740
Accounts receivable, net	10,123	-	-	8,807	-	-	-	-	228	-	11,374	52,885	10,264	93,681
Interest and other receivables	13,726	888	60,662	42,873	773	3,466	487	1,324	-	-	-	-	-	124,199
Inventory	-	-	-	-	-	-	-	-	76,392	71,872	-	224,070	697	373,031
Total current assets	5,361,619	380,682	23,345,617	13,473,526	273,599	1,171,548	177,310	542,971	499,255	832,002	2,766,860	276,955	2,499,707	51,601,651
Capital assets:														
Intangible assets	-	-	-	-	-	-	-	-	-	-	2,704,597	-	-	2,704,597
Structures and improvements	-	-	-	-	-	-	-	-	11,735	990,773	-	-	-	1,002,508
Construction in progress	-	-	-	-	-	-	-	-	-	-	-	8,965,476	-	8,965,476
Equipment	-	-	-	-	-	-	-	-	69,895	3,075,549	2,485,998	15,365,962	197,457	21,194,861
Less: Accumulated depreciation	-	-	-	-	-	-	-	-	(75,909)	(3,495,678)	(3,697,589)	(10,192,936)	(128,433)	(17,590,545)
Net capital assets	-	-	-	-	-	-	-	-	5,721	570,644	1,493,006	14,138,502	69,024	16,276,897
Total assets	5,361,619	380,682	23,345,617	13,473,526	273,599	1,171,548	177,310	542,971	504,976	1,402,646	4,259,866	14,415,457	2,568,731	67,878,548
Deferred outflows of resources														
Deferred pensions	-	-	-	-	-	-	-	-	713,722	771,486	2,852,295	747,379	2,074,870	7,159,752
Total deferred outflows of resources	-	-	-	-	-	-	-	-	713,722	771,486	2,852,295	747,379	2,074,870	7,159,752
Liabilities														
Current liabilities:														
Accounts payable	607,272	267,797	24,869	1,130,977	44,054	95,364	46,468	-	8,440	118,135	112,712	53,149	298,211	2,807,448
Salaries and benefits payable	-	-	-	-	12,354	-	-	-	43,626	45,276	167,741	47,049	125,264	441,310
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	24,526	-	24,526
Risk management liability-current	1,230,377	141,000	4,132,253	9,800,000	-	232,952	65,015	142,343	-	-	-	-	-	15,743,940
Capital Leases-current	-	-	-	-	-	-	-	-	16,210	21,142	95,401	19,939	65,513	218,205
Total current liabilities	1,837,649	408,797	4,157,122	10,930,977	56,408	328,316	111,483	142,343	68,276	184,553	375,854	144,663	488,988	19,235,429
Noncurrent liabilities:														
Risk management liability	2,560,650	-	19,061,421	-	-	-	-	76,580	-	-	-	-	-	21,698,651
Other post-employment benefits (OPEB)	-	-	-	-	-	-	-	-	70,516	71,793	271,974	70,559	195,134	679,976
Compensated absences	-	-	-	-	-	-	-	-	79,779	119,823	339,913	97,698	165,780	802,993
Net pension liability	-	-	-	-	-	-	-	-	1,260,962	1,283,791	4,863,391	1,261,727	3,489,345	12,159,216
Total noncurrent liabilities	2,560,650	-	19,061,421	-	-	-	-	76,580	1,411,257	1,475,407	5,475,278	1,429,984	3,850,259	35,340,836
Total liabilities	4,398,299	408,797	23,218,543	10,930,977	56,408	328,316	111,483	218,923	1,479,533	1,659,960	5,851,132	1,574,647	4,339,247	54,576,265
Deferred inflows of resources														
Deferred OPEB	-	-	-	-	-	-	-	-	2,496	2,541	9,628	2,498	6,907	24,070
Deferred pensions	-	-	-	-	-	-	-	-	20,605	20,978	94,649	20,617	57,018	213,867
Total deferred inflows of resources	-	-	-	-	-	-	-	-	23,101	23,519	104,277	23,115	63,925	237,937
Net Position														
Net investment in capital assets	-	-	-	-	-	-	-	-	5,721	570,644	1,493,006	14,138,502	69,024	16,276,897
Unrestricted	963,320	(28,115)	127,074	2,542,549	217,191	843,232	65,827	324,048	(289,657)	(79,991)	(336,254)	(573,428)	171,405	3,947,201
Total net position	\$ 963,320	\$ (28,115)	\$ 127,074	\$ 2,542,549	\$ 217,191	\$ 843,232	\$ 65,827	\$ 324,048	\$ (283,936)	\$ 490,653	\$ 1,156,752	\$ 13,565,074	\$ 240,429	\$ 20,224,098

County of Stanislaus
Combining Statement of Revenues, Expenses and Changed in Fund Net Position
Internal Service Funds
June 30, 2018

	Self Insurance Funds							Self Insurance Funds			Technology and Communications	Morgan Shop Garage	Facility Maintenance	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				
Operating revenues														
Charges for services	\$ 3,556,898	\$ 438,500	\$ 5,366,184	\$ 60,876,393	\$ 503,752	\$ 4,337,512	\$ 730,834	\$ 358,258	\$ 1,394,734	\$ 3,071,952	\$ 6,596,131	\$ 3,531,419	\$ 11,072,874	\$ 101,835,441
Total operating revenues	3,556,898	438,500	5,366,184	60,876,393	503,752	4,337,512	730,834	358,258	1,394,734	3,071,952	6,596,131	3,531,419	11,072,874	101,835,441
Operating expenses														
Salaries and benefits	-	-	-	-	-	-	-	-	962,299	982,640	3,454,250	928,044	2,782,488	9,109,721
Services and supplies	5,421,160	537,296	7,000,574	62,982,394	530,259	4,170,125	744,089	565,148	396,537	2,103,146	5,276,435	1,609,133	7,869,524	99,205,820
Depreciation	-	-	-	-	-	-	-	-	587	25,244	453,223	915,681	1,266	1,396,001
Total operating expenses	5,421,160	537,296	7,000,574	62,982,394	530,259	4,170,125	744,089	565,148	1,359,423	3,111,030	9,183,908	3,452,858	10,653,278	109,711,542
Operating income (loss)	(1,864,262)	(98,796)	(1,634,390)	(2,106,001)	(26,507)	167,387	(13,255)	(206,890)	35,311	(39,078)	(2,587,777)	78,561	419,596	(7,876,101)
Nonoperating revenues (expenses)														
Investment income	41,638	2,974	214,984	162,735	2,951	12,693	1,782	4,481	-	-	-	-	10,562	454,800
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	864,676	-	864,676
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	16,913	-	55,677	-	72,590
Total nonoperating revenues (expenses)	41,638	2,974	214,984	162,735	2,951	12,693	1,782	4,481	-	16,913	-	920,353	10,562	1,392,066
Income (loss) before contributions and transfers	(1,822,624)	(95,822)	(1,419,406)	(1,943,266)	(23,556)	180,080	(11,473)	(202,409)	35,311	(22,165)	(2,587,777)	998,914	430,158	(6,484,035)
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,238,694	-	1,238,694
Transfers in (out), net	-	-	-	-	-	-	-	-	-	-	-	1,238,694	-	1,238,694
Change in net position	(1,822,624)	(95,822)	(1,419,406)	(1,943,266)	(23,556)	180,080	(11,473)	(202,409)	35,311	(22,165)	(2,587,777)	2,237,608	430,158	(5,245,341)
Total net position - beginning	2,785,944	67,707	1,546,480	4,485,815	240,747	663,152	77,300	526,457	(304,024)	551,764	3,935,308	11,363,534	(98,107)	25,842,077
Prior period adjustment	-	-	-	-	-	-	-	-	(15,223)	(38,946)	(190,779)	(36,068)	(91,622)	(372,638)
Total net position - beginning - restated	2,785,944	67,707	1,546,480	4,485,815	240,747	663,152	77,300	526,457	(319,247)	512,818	3,744,529	11,327,466	(189,729)	25,469,439
Total net position (deficit) - ending	\$ 963,320	\$ (28,115)	\$ 127,074	\$ 2,542,549	\$ 217,191	\$ 843,232	\$ 65,827	\$ 324,048	\$ (283,936)	\$ 490,653	\$ 1,156,752	\$ 13,565,074	\$ 240,429	\$ 20,224,098

County of Stanislaus
Combining Statement of Cash Flows
Internal Service Funds
June 30, 2018

	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
Cash flows from operating activities:														
Cash received from customers and users	\$ 3,762,100	\$ 438,775	\$ 5,371,369	\$60,999,491	\$503,814	\$4,336,885	\$730,746	\$ 358,331	\$1,401,992	\$ 3,071,952	\$ 6,590,653	\$ 4,062,240	\$11,072,440	\$102,700,788
Cash paid to interfund services	(4,962,240)	(434,499)	(6,986,704)	(63,380,404)	(525,024)	(4,074,761)	(737,066)	(568,682)	(413,915)	(2,098,621)	(5,393,529)	(2,440,841)	(7,894,865)	(99,911,151)
Cash paid to employees	295,239	(3,000)	1,953,574	440,000	2,085	5,887	26,015	171,145	(950,198)	(985,808)	(3,439,621)	(1,641,095)	(2,820,925)	(6,946,702)
Net cash provided (used) by operating activities	(904,901)	1,276	338,239	(1,940,913)	(19,125)	268,011	19,695	(39,206)	37,879	(12,477)	(2,242,497)	(19,696)	356,650	(4,157,065)
Cash flows from noncapital financing activities:														
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,238,694	-	1,238,694
Subsidy from state & federal grant	-	-	-	-	-	-	-	-	-	-	-	864,676	-	864,676
Net cash provided (used) by noncapital financing activities	-	-	-	-	-	-	-	-	-	-	-	2,103,370	-	2,103,370
Cash flows from capital and related financing activities:														
Sale of capital assets	-	-	-	-	-	-	-	-	-	16,913	-	55,677	-	72,590
Purchase of capital assets	-	-	-	-	-	-	-	-	-	-	-	(2,139,400)	(70,194)	(2,209,594)
Net cash provided (used) by capital and related financing activities	-	-	-	-	-	-	-	-	-	16,913	-	(2,083,723)	(70,194)	(2,137,004)
Cash flows from investing activities:														
Interest received	41,638	2,974	214,984	162,735	2,951	12,693	1,782	4,481	-	-	-	-	10,562	454,800
Net cash provided (used) by investing activities	41,638	2,974	214,984	162,735	2,951	12,693	1,782	4,481	-	-	-	-	10,562	454,800
Net increase (decrease) in cash and cash equivalents	(863,263)	4,250	553,223	(1,778,178)	(16,174)	280,704	21,477	(34,725)	37,879	4,436	(2,242,497)	(49)	297,018	(3,735,899)
Beginning Cash and Cash Equivalents 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
Ending Cash and Cash Equivalents Balance	\$ 5,337,770	\$ 379,794	\$ 23,284,955	\$ 13,421,846	\$ 272,826	\$ 1,168,082	\$ 176,823	\$ 541,647	\$ 422,635	\$ 760,130	\$ 2,755,486	\$ -	\$ 2,488,746	\$ 51,010,740
Reconciliation of operating income (loss) to net cash provided by operating activities:														
Operating income (loss)	\$ (1,864,262)	\$ (98,796)	\$ (1,634,390)	\$ (2,106,001)	\$ (26,507)	\$ 167,387	\$ (13,255)	\$ (206,890)	\$ 35,311	\$ (39,078)	\$ (2,587,777)	\$ 78,561	\$ 419,596	\$ (7,876,101)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:														
Depreciation	-	-	-	-	-	-	-	-	587	25,244	453,223	915,681	1,266	1,396,001
(Increase) decrease in accounts receivable	203,317	-	6,679	127,728	-	-	-	-	7,258	-	(5,478)	530,821	(434)	869,891
(Increase) decrease in other receivables	1,885	275	(1,494)	(4,630)	62	(627)	(88)	73	-	-	-	-	-	(4,544)
(Increase) decrease in inventory	-	-	-	-	-	-	-	-	58,563	-	-	(44,486)	-	14,077
(Increase) decrease in deferred outflows of resources	-	-	-	-	-	-	-	-	155,684	143,404	334,897	100,303	177,939	912,227
Increase (decrease) in accounts payable and accrued liabilities	458,920	102,797	13,870	(398,010)	5,235	95,364	7,023	(3,534)	(75,941)	4,525	(117,094)	(731,545)	(25,341)	(663,731)
Increase (decrease) in salaries and benefits payable	-	-	-	-	2,085	-	-	-	518	2,775	25,632	6,468	5,150	42,628
Increase (decrease) in unearned revenue	-	-	-	-	-	-	-	-	-	-	-	(55,677)	-	(55,677)
Increase (decrease) in risk mgmt current liability	25,544	(3,000)	446,894	440,000	-	5,887	26,015	118,446	-	-	-	-	-	1,059,786
Increase (decrease) in current liability comp abs	-	-	-	-	-	-	-	-	4,692	4,483	21,388	3,567	12,832	46,962
Increase (decrease) in risk mgmt long-term liability	269,695	-	1,506,680	-	-	-	-	52,699	-	-	-	-	-	1,829,074
Increase (decrease) in advances from other funds	-	-	-	-	-	-	-	-	-	-	-	(730,482)	-	(730,482)
Increase (decrease) in other post-employment benefits (OPEB)	-	-	-	-	-	-	-	-	(1,345)	(1,368)	(5,183)	(1,345)	(3,719)	(12,960)
Increase (decrease) in LT liability comp abs	-	-	-	-	-	-	-	-	13,029	(4,178)	(8,721)	13,536	(39,436)	(25,770)
Increase (decrease) in pension liability	-	-	-	-	-	-	-	-	(170,395)	(158,519)	(398,012)	(115,528)	(220,956)	(1,063,410)
Increase (decrease) in deferred inflows of resources	-	-	-	-	-	-	-	-	9,918	10,235	44,628	10,430	29,753	104,964
Net cash provided (used) by operating activities	\$ (904,901)	\$ 1,276	\$ 338,239	\$ (1,940,913)	\$ (19,125)	\$ 268,011	\$ 19,695	\$ (39,206)	\$ 37,879	\$ (12,477)	\$ (2,242,497)	\$ (19,696)	\$ 356,650	\$ (4,157,065)

Agency Funds

County of Stanislaus
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

Assets	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Cash and investments	\$ 720,739	\$ 799,281,603	\$ (797,833,609)	\$ 2,168,733
Receivables (net of allowance for uncollectables):	740,589	1,459,201	(743,815)	1,455,975
Total assets	<u>1,461,328</u>	<u>800,740,804</u>	<u>(798,577,424)</u>	<u>3,624,708</u>
Liabilities				
Accounts payable	103,012	98,623,107	(98,623,129)	102,990
Trust obligations	1,358,316	800,828,168	(798,664,766)	3,521,718
Total liabilities	<u>\$ 1,461,328</u>	<u>\$ 899,451,275</u>	<u>\$ (897,287,895)</u>	<u>\$ 3,624,708</u>



*Successor
Agency*

County of Stanislaus
Successor Agency to the Stanislaus County Redevelopment Agency
For the Fiscal Year Ended June 30, 2018

The Agency had the following long-term debt liabilities as of June 30, 2018:

	<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	\$ 3,690,000	\$ 85,000	\$ 3,605,000	\$ 90,000
<u>Bonds Payable</u>				
2005 tax allocation bonds	10,630,000	450,000	10,180,000	460,000
Total long-term liabilities	<u>\$ 14,320,000</u>	<u>\$ 535,000</u>	<u>\$ 13,785,000</u>	<u>\$ 550,000</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>
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	596,633	1,181,633
2023	595,000	566,682	1,161,682
2024-2028	3,185,000	2,355,389	5,540,389
2029-2033	3,550,000	1,489,738	5,039,738
2034-2038	3,310,000	547,154	3,857,154
2039-2042	880,000	76,825	956,825
	<u>\$ 13,785,000</u>	<u>\$ 7,593,458</u>	<u>\$ 21,378,458</u>

County of Stanislaus
Successor Agency to the Stanislaus County Redevelopment Agency
For the Fiscal Year Ended June 30, 2018

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
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	105,000	134,813	239,813
2024-2028	600,000	601,621	1,201,621
2029-2033	735,000	460,560	1,195,560
2034-2038	905,000	286,333	1,191,333
2039-2042	880,000	76,825	956,825
	<u>\$3,605,000</u>	<u>\$2,141,671</u>	<u>\$5,746,671</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
2019	\$ 460,000	\$ 529,869	\$ 989,869
2020	465,000	506,453	971,453
2021	475,000	482,366	957,366
2022	485,000	457,463	942,463
2023	490,000	431,869	921,869
2024-2028	2,585,000	1,753,768	4,338,768
2029-2033	2,815,000	1,029,178	3,844,178
2034-2037	2,405,000	260,821	2,665,821
	<u>\$ 10,180,000</u>	<u>\$5,451,787</u>	<u>\$ 15,631,787</u>

*Statistical
Information*

Statistical Section

INTRODUCTION

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the County's economic condition.

Financial Trends Pages 146-151

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity Pages 152-156

These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity Page 157

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information Pages 158-160

These schedules offer economic and demographic indicators to help the reader understand the socioeconomic environment within which the County's financial activities take place.

Operating Information Page 161

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the county provides and the activities it performs.

Miscellaneous Statistics Page 162

These schedules present information regarding the County's location, cities, and special districts.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 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	\$ 508,145,361
Restricted	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	297,938,766
Unrestricted (deficit)	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)	(308,359,785)
Total governmental activities net position	<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>	<u>497,724,342</u>
Business-type activities										
Net investment in capital assets	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	28,521,488
Restricted	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	20,517,119
Restricted by enabling legislation	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(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	32,317,452
Total business-type activities net position	<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>	<u>81,356,059</u>
Net position										
Net investment in capital assets	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	536,666,849
Restricted	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	318,455,885
Unrestricted (deficit)	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)	(276,042,333)
Total net position	<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>	<u>\$ 579,080,401</u>

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 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	\$ 92,712,210
Public protection	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	261,440,749
Public ways and facilities	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	49,081,627
Health and sanitation	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	161,381,957
Public assistance	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	366,132,957
Education	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	13,211,024
Recreation and Cultural Services	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	8,414,732
Interest and fiscal charges on long-term debt	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	8,148,825
Total governmental activities expenses	707,073,388	730,058,914	693,885,766	659,180,439	710,041,725	745,575,800	735,233,250	799,201,465	891,654,534	960,524,081
Business-type activities:										
Landfills	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	14,678,915
Behavioral Health and Recovery Services	(2,472)	-	-	-	-	-	-	-	-	-
Health Clinics and Ancillary Services	44,109,491	47,269,019	42,109,590	39,470,220	34,752,858	37,029,440	38,176,229	38,183,676	41,048,228	42,664,812
Inmate Welfare/Commissary	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	1,832,920
Transit	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	7,375,199
Total business-type activities expenses	54,326,849	61,474,015	52,446,677	48,257,452	44,298,758	49,154,741	52,076,659	53,528,622	55,556,444	66,551,846
Total primary government expenses	761,400,237	791,532,929	746,332,443	707,437,891	754,340,483	794,730,541	787,309,909	852,730,087	947,210,978	1,027,075,927
Program revenues										
Governmental activities:										
Charges for services:										
General government	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	22,920,329
Public protection	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	53,230,063
Public ways and facilities	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	10,356,902
Health and sanitation	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	53,657,829
Public assistance	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	10,376,038
Education	525,221	456,577	365,953	325,092	439,237	486,531	571,470	736,246	804,946	845,868
Recreation and Cultural Services	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	4,740,516
Operating grants and contributions	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	587,851,042
Capital grants and contributions	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	10,105,017
Total governmental activities program revenues	546,547,472	553,527,132	554,147,527	546,271,677	593,601,936	624,563,433	669,177,144	725,062,116	712,789,215	754,083,604
Business-type activities:										
Charges for services:										
Landfills	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	9,182,481
Behavioral Health and Recovery Services	-	-	-	-	-	-	-	-	-	-
Health Clinics and Ancillary Services	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	40,652,270
Inmate Welfare /Commissary	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	1,783,507
Transit	363,804	346,729	502,139	465,005	687,089	506,184	539,266	510,822	559,730	583,114
Operating grants and contributions	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	2,411,096
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	50,094,277	52,238,230	46,986,336	46,157,879	43,708,859	44,533,871	49,559,151	49,200,580	54,177,800	54,612,468
Total primary government program revenues	596,641,749	605,765,362	601,133,863	592,429,556	637,310,795	669,097,304	718,736,295	774,262,696	766,967,015	808,696,072
Net (expense)/revenue										
Governmental activities	(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)	(206,440,477)
Business-type activities	(4,232,568)	(9,235,785)	(5,460,341)	(2,099,573)	(589,899)	(4,620,870)	(2,517,508)	(4,328,042)	(1,378,644)	(11,939,378)
Total primary government net expense	(164,758,484)	(185,767,567)	(145,198,581)	(115,008,335)	(117,029,688)	(125,633,237)	(68,573,614)	(78,467,391)	(180,243,963)	(218,379,855)

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	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	126,399,978
Sales taxes	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	44,802,366
Other taxes	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	3,884,785
Franchise fees	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	1,190,064
Payment in lieu of taxes										
Open space subvention	1,332,316	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	7,448,383	9,327,724	8,173,086	9,608,355	1,975,516	818,300	884,347	718,321	935,445	730,314
Miscellaneous	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	9,752,619
Transfers	(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)	(3,370,262)
Total governmental activities	<u>147,948,267</u>	<u>119,049,871</u>	<u>143,498,600</u>	<u>131,472,763</u>	<u>140,322,299</u>	<u>131,299,183</u>	<u>128,997,818</u>	<u>153,243,836</u>	<u>165,606,491</u>	<u>183,389,864</u>
Business-type activities:										
Sales taxes	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	6,022,663
Unrestricted investment earnings	673,368	95,463	813,164	495,681	374,703	687,854	758,618	1,345,053	726,720	862,268
Sale of fixed assets	-	-	-	-	-	-	12,985	(61,574)	-	-
Transfers	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	3,370,262
Total business-type activities	<u>7,706,879</u>	<u>8,309,048</u>	<u>6,513,419</u>	<u>6,418,618</u>	<u>5,725,578</u>	<u>12,255,259</u>	<u>26,133,908</u>	<u>14,719,006</u>	<u>10,518,655</u>	<u>10,255,193</u>
Total primary government	<u>155,655,146</u>	<u>127,358,919</u>	<u>150,012,019</u>	<u>137,891,381</u>	<u>146,047,877</u>	<u>143,554,442</u>	<u>155,131,726</u>	<u>167,962,842</u>	<u>176,125,146</u>	<u>193,645,057</u>
Change in net position excluding extraordinary items										
Governmental activities	(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)	(23,050,613)
Business-type activities	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	(1,684,185)
Total primary government	<u>(9,103,338)</u>	<u>(58,408,648)</u>	<u>4,813,438</u>	<u>22,883,046</u>	<u>29,018,189</u>	<u>17,921,205</u>	<u>86,558,112</u>	<u>89,495,451</u>	<u>(4,118,817)</u>	<u>(24,734,798)</u>
Extraordinary items										
RDA debt write-off	-	-	-	18,141,513	-	-	-	-	-	-
RDA due to successor agency	-	-	-	(19,421,089)	-	-	-	-	-	-
Net extraordinary loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,279,576)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ (9,103,338)</u>	<u>\$ (58,408,648)</u>	<u>\$ 4,813,438</u>	<u>\$ 21,603,470</u>	<u>\$ 29,018,189</u>	<u>\$ 17,921,205</u>	<u>\$ 86,558,112</u>	<u>\$ 89,495,451</u>	<u>\$ (4,118,817)</u>	<u>\$ (24,734,798)</u>

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

Fiscal Year	Property Tax	Sales Tax	Other Tax	Total
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
2018	\$126,399,978	\$44,802,363	\$3,884,785	\$175,087,126

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 41,020,498	\$ 33,648,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	12,949,362
Restricted	-	-	3,902,067	3,766,553	3,728,477	3,872,119	4,240,486	4,506,356	4,632,178	4,934,185
Committed	-	-	7,360,782	2,835,387	7,460,200	4,510,888	6,933,209	7,772,769	7,322,789	14,695,821
Assigned	-	-	53,427,519	71,991,359	92,656,760	97,448,659	101,215,033	128,572,135	152,285,335	162,118,737
Unassigned	-	-	20,761,362	16,066,425	9,599,149	16,765,674	15,945,066	9,966,047	8,717,151	9,397,129
Total general fund	<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>	<u>204,095,234</u>
All other governmental funds										
Reserved	44,950,684	38,392,864	-	-	-	-	-	-	-	-
Unreserved										
Special Revenue	165,211,615	166,634,879	-	-	-	-	-	-	-	-
Capital Projects	113,352,227	107,615,020	-	-	-	-	-	-	-	-
Debt Service	(53,215)	343,325	-	-	-	-	-	-	-	-
Non-spendable	-	-	604,486	629,283	567,030	567,922	567,757	568,132	770,976	809,280
Restricted	-	-	275,406,521	275,903,217	258,631,067	277,156,074	278,069,806	269,243,780	265,308,919	273,105,916
Committed	-	-	7,673,957	8,006,919	5,958,731	3,700,637	3,657,838	3,657,838	3,652,900	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	16,954,231
Unassigned	-	-	(606,674)	(1,309,161)	(1,166,409)	(1,036,901)	(372,416)	(224,116)	-	(2,343,786)
Total all other governmental funds	<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>	<u>\$ 292,178,541</u>

Notes:

(1) In FY 10/11 the County implemented GASB Statement No. 54 which resulted in a change in categories.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 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	\$ 175,087,126
Licenses, permits and franchises	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	5,098,511
Fines, forfeitures and penalties	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	8,137,049
Revenue from use of money and property	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	10,448,091
Intergovernmental revenue	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	587,787,965
Charges for services	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	144,207,511
Miscellaneous revenue	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	9,696,744
Donation	-	-	188,052	-	-	-	-	-	-	-
Total revenues	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	940,462,997
Expenditures										
General	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	43,550,377
Public protection	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	253,960,821
Public ways and facilities	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	44,868,273
Health and sanitation	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	159,582,579
Public assistance	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	363,313,160
Education	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	12,860,906
Recreation and cultural services	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	8,032,979
Capital outlay	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	16,089,642
Debt Service										
Interest and fiscal charges	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	2,674,756
Principal	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	12,160,419
Total expenditures	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	917,093,912
Excess of revenues over (under) expenditures	(4,135,476)	(23,934,328)	5,266,513	21,309,221	2,857,230	(2,197,462)	23,193,407	23,130,036	9,720,314	23,369,085
Other financing sources (uses)										
Capital lease proceeds	1,005,918	1,224,693	363,711	-	370,612	394,368	-	247,658	303,918	22,199
Transfers in	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	76,514,007
Transfers (out)	(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)	(81,122,964)
Loan proceeds	-	-	-	-	8,687,050	19,540,000	61,662	-	7,775,000	-
Sale of capital assets	-	18,266	73,981	24,200	118,679	20,005	-	1,771,897	47,318	55,876
Total other financing sources (uses)	(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	(4,530,882)
Amount due to Successor Agency	-	-	-	(19,421,089)	-	-	-	-	-	-
Net change in fund balances	\$ (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	\$ 18,838,203
Debt service as a percentage of noncapital expenditures	4.68%	4.65%	4.82%	5.13%	5.79%	7.42%	2.34%	2.10%	2.50%	1.67%

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	Total Direct Tax Rate
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%
2017/2018	\$48,887,628,505	\$2,656,557,435	\$574,602,249	-\$1,982,914,858	\$50,135,873,331	1.0%

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

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

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

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

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		
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%
2017/2018	1.0163	1.2974	12.98%	6.36%	70.00%	10.65%	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	2017/2018			2008/2009		
		Property Taxes Billed	Rank	Percentage of Total Property Taxes Billed	Property Taxes	Rank	Percentage of Total Property Taxes
Gallo Winery	\$ 440,401,780	\$ 5,000,231	1	0.8429%	\$ 1,980,255	3	0.4175%
Pacific Gas and Electric	327,477,112	4,248,809	2	0.7162%	1,838,227	4	0.3876%
World International, LLC	22,040,608	3,237,703	3	0.5458%	3,589,757	1	0.7569%
Gallo Glass Co	291,025,616	3,213,673	4	0.5417%	2,543,430	2	0.5363%
Doctor's Medical Center	228,032,370	2,517,888	5	0.4245%	1,368,817	6	0.2886%
Excel Monte Vista LP	138,921,002	1,877,170	6	0.3164%			0.0000%
WR Griffin Patterson LLC	100,198,114	1,487,418	7	0.2507%			0.0000%
Fresno Farming LLC	102,771,626	1,372,759	8	0.2314%			0.0000%
Bronco Wine Co	118,932,201	1,360,259	9	0.2293%			0.0000%
Hunt Wesson Foods Inc	117,974,509	1,294,471	10	0.2182%	1,141,780	9	0.2407%
Recot Inc (Frito Lay)				0.0000%	1,215,949	7	0.2564%
SBC California				0.0000%	1,378,681	5	0.2907%
Del Monte Corp				0.0000%	1,099,179	10	0.2318%
Foster Dairy Farms				0.0000%	1,167,115	8	0.2461%
Total	<u>\$ 1,887,774,938</u>	<u>\$ 25,610,380</u>		<u>4.3173%</u>	<u>\$ 17,323,190</u>		<u>3.6525%</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
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%	\$ 3,027,254	\$ 551,413,845	98.87%
2017/2018	\$ 593,209,301	\$ 579,232,498	97.64%	\$ -	\$ 579,232,498	97.64%

*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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Certificates of participation	\$ 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	1,269,011	1,124,669	980,326	835,983	691,641	502,193	362,046	221,899	-	-
2016 Lease HVAC financing	-	-	-	-	-	-	-	-	7,390,000	5,435,000
Bonds payable	62,515,000	53,785,000	44,420,000	21,310,000	11,035,000	-	-	-	-	-
RDA loans	5,376,965	5,734,785	5,520,620	-	-	-	-	-	-	-
Interest RDA CalHFA loan	-	65,827	82,702	-	-	-	-	-	-	-
Tobacco securitization note	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	79,578,611
2006 Tobacco accreted interest	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	46,678,793
Total governmental activities	268,852,690	254,717,532	239,172,762	204,354,616	184,743,562	158,881,637	150,637,697	142,296,778	138,332,070	131,692,404
Business-type activities:										
Certificates of participation	553,136	377,416	194,056	-	-	-	-	-	-	-
Capital lease payable	1,276,404	982,022	663,281	340,820	-	-	-	-	-	-
Total business-type activities	1,829,540	1,359,438	857,337	340,820	-	-	-	-	-	-
Total primary government	270,682,230	256,076,970	240,030,099	204,695,436	184,743,562	158,881,637	150,637,697	142,296,778	138,332,070	131,692,404
Percentage of personal income (1)	2.04%	1.97%	1.80%	1.53%	1.35%	1.16%	1.02%	0.99%	0.97%	0.62%
Per capita (2)	\$ 617	\$ 595	\$ 580	\$ 520	\$ 474	\$ 425	\$ 401	\$ 386	\$ 383	\$ 243

Note:

(1) FYE 2016, 2017, & 2018 were calculated based on FYE 2015 personal income. Personal income was not available for FYE 2016, 2017, & 2018 at the time schedule was completed.

Population	526,383	530,584	517,685	522,651	526,546	530,327	538,388	541,560	555,624	N/A
Personal income (in thousands)	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	N/A
Per capita income	\$ 31,248	\$ 31,006	\$ 32,115	\$ 34,138	\$ 35,259	\$ 36,356	39,445	N/A	N/A	N/A

**County of Stanislaus
Legal Debt Margin Information
Last Ten Fiscal Years**

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
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%
2017/2018	\$ 50,135,873,331	1.25%	\$ 626,698,417	\$ -	\$ 626,698,417	0%

Note: The legal debt limit percentage is set by statute. Debt includes only general obligation bonded debts 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)
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%
2017	555,624	not available	not available	109,990	6.2%

Detail of estimated population, as of January 1, 2018:

(2) Incorporated Cities

Ceres	48,326
Hughson	7,738
Modesto	215,692
Newman	11,801
Oakdale	23,324
Patterson	22,679
Riverbank	25,244
Turlock	74,730
Waterford	9,149
Total of incorporated	438,683
Total of unincorporated areas	116,941
Total population	555,624

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	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
E & J Gallo Winery	6,700	1	2.97%	3,250	2	1.58%
Stanislaus County	4,480	2	1.99%	4,458	1	2.16%
Modesto City Schools	3,556	3	1.58%	3,113	3	1.51%
Doctors Medical Center	2,600	4	1.15%	1,984	7	0.96%
Memorial Medical Center	2,400	5	1.06%	3,013	4	1.46%
Foster Farms	2,200	6	0.98%	1,647	9	0.80%
Del Monte Foods	2,010	7	0.89%	1,700	8	0.83%
Stanislaus Food Products	1,875	8	0.83%	-	-	N/A
Ceres Unified School District	1,790	9	0.79%	-	-	N/A
Save Mart Supermarkets	1,650	10	0.73%	-	-	N/A
Turlock Unified School District	-	-	0.00%	2,120	5	1.03%
Seneca (Signature) Foods	-	-	N/A	2,100	6	1.02%
Modesto Junior College	-	-	N/A	1,643	10	0.80%
Total ten largest	29,261		12.97%	21,778		12.15%
Total all other (2)	196,339		87.03%	N/A		N/A
Total companies or organization	<u>225,600</u>		<u>100.00%</u>			

Source:

(1) Opportunity Stanislaus

(2) CA.EDD.Gov civilian employment numbers

County of Stanislaus Full-time Employees by Function Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Paid employees (1)										
Governmental activities										
General government	372	N/A	299	287	284	292	297	304	324	332
Public protection	1,615	N/A	1,405	1,304	1,301	1,345	1,396	1,288	1,482	1,551
Public ways and facilities	118	N/A	105	76	100	99	100	119	94	98
Health and sanitation	781	N/A	717	642	639	653	667	850	732	737
Public assistance	975	N/A	948	983	992	1,025	1,074	1,125	1,133	1,145
Education	170	N/A	137	130	134	139	142	148	158	165
Recreation	49	N/A	48	40	43	44	45	48	52	44
Total governmental activities	4,080	N/A	3,659	3,462	3,493	3,597	3,721	3,882	3,975	4,072
Business-type activities										
Landfill	19	N/A	17	16	16	17	16	6	16	17
Health Clinics & Ancillary Services	288	N/A	262	249	254	259	261	268	266	264
Transit	4	N/A	4	4	4	3	4	4	4	4
Inmate Welfare/Commissary	13	N/A	0	5	6	5	3	2	3	6
Behavioral Health and Recovery Services	0	N/A	0	0	0	0	0	0	0	0
Total business-type activities	324	N/A	283	274	280	284	284	280	289	291
Total Stanislaus County	4,404	N/A	3,942	3,736	3,773	3,881	4,005	4,162	4,264	4,363
Actual full-time equivalent employees (2)										
Governmental activities										
General government	348	337	270	281	268	272	279	288	289	311
Public protection	1,464	1,418	1,224	1,215	1,208	1,235	1,399	1,426	1,317	1,427
Public ways and facilities	110	107	99	73	98	97	99	96	90	94
Health and sanitation	676	664	568	622	576	547	608	645	586	622
Public assistance	951	927	913	962	969	1,003	1,059	1,106	1,016	1,075
Education	88	86	71	70	68	68	102	108	74	79
Recreation	27	23	20	20	20	20	40	44	34	39
Total governmental activities	3,664	3,562	3,165	3,243	3,207	3,242	3,586	3,713	3,406	3,647
Business-type activities										
Landfill	17	17	14	13	14	15	16	17	12	13
Health Clinics & Ancillary Services	229	220	186	185	182	178	226	239	168	174
Transit	3	3	3	3	3	3	4	4	3	4
Inmate Welfare/Commissary	0	0	4	5	4	4	4	4	3	8
Behavioral Health and Recovery Services	0	0	0	0	0	0	0	0	0	0
Total business-type activities	249	240	207	206	203	200	250	264	186	199
Total Stanislaus County	3,913	3,802	3,372	3,449	3,410	3,442	3,836	3,977	3,592	3,846

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety:										
Other:										
Filed felonies-District Attorney	11,055	10,405	8,447	7,363	7,464	8,022	4,399	4,235	3,631	3,544
Filed misdemeanors-District Attorney	6,554	6,368	5,300	5,598	6,097	6,243	9,141	10,069	9,976	8,627
Public Defender's total new caseload	10,837	10,084	8,358	8,343	8,490	10,218	9,178	10,636	14,915	13,276
Fire emergency responses	42,190	38,114	37,897	41,208	42,741	44,404	46,443	51,634	53,966	58,298
Sheriff:										
Total miles patrolled	1,962,891	1,944,926	1,473,670	1,355,504	1,446,670	1,575,282	1,646,848	1,572,574	1,429,668	1,123,064
Processed and booked adult offenders	22,934	21,464	18,391	18,417	20,472	21,997	19,025	18,850	18,926	19,078
Probation										
Juvenile referrals processed	5,727	4,883	4,280	3,554	2,868	2,611	2,307	2,022	2,005	1,631
Juvenile bookings processed	2,017	2,031	1,803	1,453	1,160	1,022	931	909	820	725
Adult and juvenile cases supervised	24,390	24,216	22,627	21,663	21,173	21,166	20,646	20,902	21,668	21,059
Health & public assistance										
ADMHS clients served	3,216	2,017	1,845	1,661	1,857	2,037	2,243	2,315	2,457	2,385
Established orders for child support	3,691	4,596	2,858	2,463	1,787	1,892	1,761	1,527	1,369	1,251
Assistance claims paid to eligible recipients	155,426	164,172	174,764	170,956	217,837	218,617	207,236	209,626	195,435	183,244
Patient encounters at public health clinics	N/A	N/A	16,979	28,009	25,427	23,562	21,555	19,221	16,216	14,069
Community resources & public facilities										
Building inspections	8,621	7,079	7,198	7,633	7,334	9,441	11,472	10,833	11,788	13,638
Building permits (calendar year)	2,032	2,313	2,138	2,134	2,452	2,811	N/A	3,285	3,016	2,927
Cost of building permits (calendar year)	\$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	\$1,911,855
Enchanced or maintained road lanes (miles)	1,527	1,546	1,524	1,521	1,513	1,513	1,511	1,511	1,511	1,511
General government & support services										
Clerk-Recorder-Assessor										
Recorded documents & vital copies issued	138,709	123,366	116,213	113,461	122,290	99,919	101,090	96,437	96,490	135,831
Elections										
Registered voters	216,847	224,513	229,057	232,887	232,887	211,227	175,821	219,255	243,983	475,040
Number voting	58,340	71,405	122,490	156,935	156,935	55,835	39,176	97,511	177,884	141,161
Percent voting	26.90%	31.80%	53.48%	67.39%	67.39%	26.43%	22.28%	44.47%	72.91%	29.72%
Resource recovery										
Waste recycled (tons per month)	453	556	313	261	245	259	270	404	416	560
Landfill waste disposal (tons per month)	238,491	169,779	160,972	159,487	266,086	184,759	185,030	267,159	282,105	296,223

County of Stanislaus
Miscellaneous Statistical Data
June 30, 2018

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 1,521 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	30
Landscape and Lighting	<u>8</u>
Total	<u><u>66</u></u>

Number of other special districts :

Irrigation	5	Cemetery	3
Mosquito Abatement	2	Sanitation	1
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>51</u></u>