

**COUNTY OF SAN JOAQUIN**

**AUDIT REPORT**

**JUNE 30, 2013**

**COUNTY OF SAN JOAQUIN  
AUDIT REPORT  
JUNE 30, 2013**

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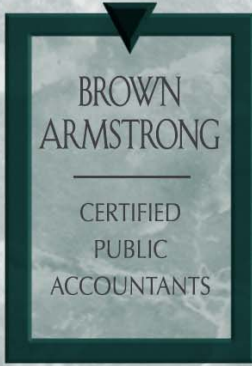
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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

Honorable Grand Jury and  
Board of Supervisors  
County of San Joaquin, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of San Joaquin, California (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City'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. We did not audit the financial statements of Head Start Child Development Council, Inc., San Joaquin County Economic Development Association, Local Agency Formation Commission, or Health Plan of San Joaquin, which collectively comprise 100 percent of the assets and revenues of the discretely presented component units. Those financial statements are audited by other auditors whose reports thereon have been furnished to us. Our opinion, insofar as it related to the amounts included for the discretely component units, is based on the reports of other auditors.

### Auditor's Responsibility

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

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

#### MAIN OFFICE

##### 4200 TRUXTON AVENUE

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

##### 560 CENTRAL AVENUE

SHAFTER, CALIFORNIA 93263  
TEL 661.746.2145  
FAX 661.746.1218

##### 7673 N. INGRAM AVENUE

SUITE 101  
FRESNO, CALIFORNIA 93711  
TEL 559.476.3592  
FAX 559.476.3593

##### 206 S. LOS ROBLES AVENUE

SUITE 326  
PASADENA, CALIFORNIA 91101  
TEL 626.204.6542  
FAX 626.204.6547

##### 5250 CLAREMONT AVENUE

SUITE 237  
STOCKTON, CA 95207  
TEL 209.451.4833



REGISTERED with the Public Company  
Accounting Oversight Board and  
MEMBER of the American Institute of  
Certified Public Accountants

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

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As disclosed in the Note 1 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statements No. 60, 61, 62, 63, and 64 during the fiscal year 2013. Among these new GASB Statements, GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; have significant impact over the County's financial statements. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, schedule of funding progress on pages 80 through 81, and budgetary comparison information on pages 82 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

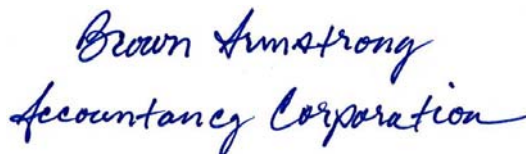
The combining and individual nonmajor fund financial statements and statistical section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2014, 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 County's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

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

Bakersfield, California  
February 5, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

This section of the County of San Joaquin's (County) annual financial report represents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2013. Please read it in conjunction with the County's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities at the close of the 2012-13 fiscal year by \$1,064.7 million, which is referred to as net position. Of this amount, \$199.0 million is considered unrestricted, which may be used to meet ongoing obligations to citizens and creditors, \$362.9 million is restricted and limited to specific purposes, and \$502.7 million is invested in capital assets, net of related debt.
- The County's total net position increased by \$90.4 million during the year. Governmental activities increased the County's net position by \$82.5 million, of which \$26.2 million was due to a prior period adjustment, and business-type activities increased the County's net position by \$7.9 million.
- As of June 30, 2013, the County governmental funds reported combined fund balances of \$416.0 million, which is an increase of \$67.7 million from last year's fund balance. Of the combined fund balances, \$248.4 million is nonspendable or restricted funds, while \$167.6 million is unrestricted funds that may be used to meet the County's current and future needs (*committed, assigned, and unassigned fund balances*).
- As of June 30, 2013, the unrestricted fund balance for the General Fund was \$114.0 million, or approximately 18.7% of the total General Fund operating expenditures.
- The County's total long-term debt that is due beyond one year at June 30, 2013 was \$311.9 million, \$13.1 million lower than the prior year, primarily due to regularly scheduled debt payments and offset by an increase of \$5.4 million in the County's Other Post Employment Benefits (OPEB) liability.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) **Government-wide** financial statements; 2) **Fund** financial statements; and 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. Therefore, the statements are reported using the accrual basis of accounting. Please refer to Note 1, section (c) for further information on the accrual basis of accounting.

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 may result in cash flows in future fiscal periods.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

Both of these government-wide financial statements distinguish functions of the County that are principally supported by intergovernmental revenues and property and sales taxes (*governmental activities*) from other functions that are intended to recover all or in part a 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 culture. The business-type activities of the County are the San Joaquin County General Hospital (Hospital), the San Joaquin County Airport (Airport), and the San Joaquin County Solid Waste Enterprise (Solid Waste).

Component units that are discretely presented in the County's basic financial statements consist of legally separate entities for which the County is financially accountable or whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Examples are the Head Start Child Development Council, Health Plan of San Joaquin, Local Agency Formation Commission, and San Joaquin County Economic Development Association. Separate financial statements of these component units are available at the County Auditor-Controller's Office.

**The government-wide financial statements can be found on pages 14-16 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.

The County reports four major individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the nonmajor governmental funds, including the debt service funds, are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopted an annual appropriated budget for all of its major governmental funds. Budgetary comparison schedules have been provided for the General Fund and the major special revenue funds to demonstrate compliance with this budget and are included in the required supplementary section of this report.

**The governmental funds financial statements can be found on pages 17-22 of this report.**

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Proprietary funds** are reported in two ways: enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Hospital, the Airport, and Solid Waste whose revenues are primarily from external user fees. *Internal services funds* are used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its insurance programs, fleet maintenance, telephone and radio communication programs, office automation equipment replacement program, and general office supply and services programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental 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 with the inclusion of cash flow statements. The County considers all of its enterprise funds as major funds to the County. The 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 23-27 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 own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for the agency funds. Agency funds are accounted for on the modified accrual basis of accounting.

**The fiduciary funds financial statements can be found on pages 28-29 of this report.**

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 29-78 of this report.

**Required Supplementary Information** provides the comparison of the budgetary information with the actual budget results for the General Fund, the Mental Health and Substance Abuse Fund, and the First Five Program Fund. The Board of Supervisors revises the budget throughout the year as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was actually adopted at year-end, which is not prohibited by State law.

**Supplementary Information** provides the combining and individual fund statements and schedules referred to earlier for nonmajor governmental funds, internal service funds, and fiduciary funds immediately following the required supplementary information. It also contains certain financial statistics for the past ten years and the combined financial statements for the County Service Area No. 31 (Flag City).

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,064.7 million at the close of the fiscal year 2012-13.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Condensed Statement of Net Position (in 000's)**

	Governmental Activities		Business-Type Activities		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Assets:</b>						
Current and other assets	\$ 715,502	\$ 646,070	\$ 100,940	\$ 100,058	\$ 816,442	\$ 746,128
Capital assets	576,527	574,168	106,491	109,668	683,018	683,836
Total assets	<u>\$ 1,292,029</u>	<u>\$ 1,220,238</u>	<u>\$ 207,431</u>	<u>\$ 209,726</u>	<u>\$ 1,499,460</u>	<u>\$ 1,429,964</u>
<b>Liabilities:</b>						
Current and other liabilities	\$ 82,212	\$ 66,060	\$ 38,672	\$ 21,948	\$ 120,884	\$ 88,008
Long-term liabilities	238,857	267,727	73,016	99,970	311,873	367,697
Total liabilities	<u>321,069</u>	<u>333,787</u>	<u>111,688</u>	<u>121,918</u>	<u>432,757</u>	<u>455,705</u>
<b>Deferred Inflows of Resources</b>	<u>2,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,033</u>	<u>-</u>
<b>Net Position:</b>						
Invested in capital assets, net of related debt	451,195	450,741	51,508	39,837	502,703	490,578
Restricted	360,682	348,192	2,255	9,676	362,937	357,868
Unrestricted	157,049	87,518	41,981	38,295	199,030	125,813
Total net position	<u>968,926</u>	<u>886,451</u>	<u>95,744</u>	<u>87,808</u>	<u>1,064,670</u>	<u>974,259</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,292,028</u>	<u>\$ 1,220,238</u>	<u>\$ 207,432</u>	<u>\$ 209,726</u>	<u>\$ 1,499,460</u>	<u>\$ 1,429,964</u>

The largest portion of the County's net position in the amount of \$502.7 million, approximately 47.4% of the total, represents its investment in capital assets (e.g., land, land improvements, buildings, equipment, infrastructure, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens and to internal County departments. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A significant portion of the County's net position, \$362.9 million or 34.2%, represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the County's net position is unrestricted in the amount of \$199.0 million, or 18.4%, which may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net position for the County as a whole.

As shown below, the County's net position increased by \$90.4 million during the current fiscal year. That increase is comprised of a combination of a \$26.2 million prior period adjustment to governmental activities, a \$90.0 million increase in revenues and a \$11.9 million increase in expenditures from the prior year.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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

**Changes in Net Position (in \$000's)**

	Governmental Activities		Business-Type Activities		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 118,837	\$ 108,433	\$ 232,313	\$ 219,250	\$ 351,150	\$ 327,683
Operating grants and contributions	553,220	504,564	279	1,455	553,499	506,019
Capital grants and contributions	5,918	6,030	277	-	6,195	6,030
General Revenues:						
Property taxes	194,308	181,692	404	440	194,712	182,132
Property transfer taxes	2,643	2,060	-	-	2,643	2,060
Sales taxes	25,582	25,234	-	-	25,582	25,234
Motor vehicle and other in-lieu taxes	3,316	3,086	-	-	3,316	3,086
Transient occupancy tax	320	323	-	-	320	323
Franchise and others	2,498	2,539	-	-	2,498	2,539
Tobacco settlement proceeds	9,179	6,091	-	-	9,179	6,091
Investment earnings	3,330	3,404	209	543	3,539	3,947
Miscellaneous	2,749	179	-	-	2,749	179
Total Revenues	<u>921,900</u>	<u>843,635</u>	<u>233,482</u>	<u>221,688</u>	<u>1,155,382</u>	<u>1,065,323</u>
Expenses:						
General government	49,097	45,089	-	-	49,097	45,089
Public protection	278,757	272,924	-	-	278,757	272,924
Public ways and facilities	40,185	41,278	-	-	40,185	41,278
Community infrastructure program	5,142	4,027	-	-	5,142	4,027
Health and sanitation	119,925	114,270	-	-	119,925	114,270
Children and families act program	10,363	8,285	-	-	10,363	8,285
Public assistance	326,798	329,056	-	-	326,798	329,056
Education	5,298	5,692	-	-	5,298	5,692
Recreation and culture	6,279	6,962	-	-	6,279	6,962
Interest on long-term debt	7,262	7,076	-	-	7,262	7,076
Solid waste	-	-	19,262	20,149	19,262	20,149
Hospital	-	-	218,810	220,561	218,810	220,561
Airport	-	-	3,958	3,828	3,958	3,828
Total Expenses	<u>849,106</u>	<u>834,659</u>	<u>242,030</u>	<u>244,538</u>	<u>1,091,136</u>	<u>1,079,197</u>
Excess (deficiency) before transfers	72,794	8,976	(8,548)	(22,850)	64,246	(13,874)
Transfers	(16,484)	(21,220)	16,484	21,220	-	-
Change in net position	<u>56,310</u>	<u>(12,244)</u>	<u>7,936</u>	<u>(1,630)</u>	<u>64,246</u>	<u>(13,874)</u>
Net position, beginning of year, restated	912,616	898,695	87,808	89,438	1,000,424	988,133
Net position, end of the year	<u>\$ 968,926</u>	<u>\$ 886,451</u>	<u>\$ 95,744</u>	<u>\$ 87,808</u>	<u>\$ 1,064,670</u>	<u>\$ 974,259</u>

**Governmental activities.** Governmental activities increased the County's net position by \$82.5 million, accounting for 91.2% of the total increase in net position of the County.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

Revenues

Total revenues for the County's governmental activities increased by \$78.3 million, or 9.3%, over the previous year.

Expenses

Expenses for most functional categories funded by the County's general revenues reflected increases over the prior year. Thus, total expenses for governmental activities increased by \$14.4 million, or 1.7%, over the previous year. Of the total increase, \$8.4 million comes from general government, \$2.4 million in public protection, and \$7.4 million in health and sanitation offset by decreases of \$2.4 million in public assistance, \$0.6 million in education, and \$1.1 million in culture and recreation.

**Business-type activities.** Business-type activities increased the County's net position by \$7.9 million. By excluding the operating and capital grants and the statutory-required contribution transfers of \$16.5 million from the governmental-activities funds, the business-type activities would have decreased the County net position by \$9.1 million.

Key factors that contributed to this increase from the operating activities were the gains of \$8.9 million by the Hospital, and the losses of \$0.1 million by Solid Waste and \$0.9 million by the Airport.

**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 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 financial requirements. In particular, unrestricted 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, 2013, the County's governmental funds reported total fund balances of \$416.0 million, an increase of \$67.7 million, or 19.4%, in comparison with the prior year. Approximately \$167.6 million, or 40.3%, of the total fund balance constitutes unrestricted fund balance, which is available to meet the County's current and future needs. The remainder of the fund balance, \$248.4 million or 59.7%, is restricted or nonspendable to indicate that it is not available for new spending because it: 1) reflects inventories, interfund advances, and loans receivable that are long-term in nature and thus do not represent available spendable resources, \$9.3 million and 2) reflects constraints placed on the use of resources by external creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation, \$239.1 million.

The General Fund is the main operational fund of the County. At June 30, 2013, it had an unrestricted fund balance of \$114.0 million while its total fund balance was \$159.4 million, an increase of \$53.1 million from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures less transfers. Unrestricted fund balance represents 18.7% of total fund expenditures, while total fund balance represents 26.1% of the same amount.

The Mental Health and Substance Abuse Fund, a major fund, was established to account for the mental health and substance abuse prevention and treatment services' activities. Therefore, the fund balance is restricted for these designated services. At June 30, 2013, of its \$60.3 million fund balance, \$0.2 million is nonspendable and the remaining balance of \$60.1 million is available for the next fiscal year's appropriation.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

The First Five Program Fund, a major fund, was created following voter approval of the Children and Families Act of 1998 (Proposition 10) for the purposes of promoting and improving the early development of children from the prenatal stage to five years of age. The fund balance is, therefore, restricted for this program. At June 30, 2013, of its \$5.7 million fund balance, \$5.7 million is available for the next fiscal year's appropriation.

The County Capital Outlay Fund was created to account for the expenditures related to the new acquisition, construction, major maintenance, and/or additions and renovations of the County's facilities. Completion time for a capital project is often longer than a single fiscal year, depending on complexity and magnitude. Funds for projects still in progress at the end of a fiscal year are encumbered and carried forward in order to complete the work. At June 30, 2013, it had a fund balance of \$39.6 million.

Revenues for governmental functions totaled \$912.8 million in fiscal year 2012-13, which represents a \$71.6 million or 8.5% increase from fiscal year 2011-12. The largest increases in revenues were aid from other governmental agencies \$48.9 million, attributable to an increase in Federal and State grant monies; tax revenues \$8.6 million, which is attributable to an increase in the assessed value of real estate; charges for services \$7.7 million, due to an increase in chargeable services provided, fines, forfeitures, and penalties \$2.7 million, due to an increase in collections; and miscellaneous revenue \$2.3 million.

Expenditures for government functions totaled \$854.5 million in fiscal year 2012-13, which represents an increase of \$20.6 million, or 2.5%, from the prior year. The largest increases occurred in health and sanitation \$8.6 million, general government \$7.9 million, public safety \$3.7 million, and capital outlay \$3.0 million; while the largest decreases occurred in public assistance \$1.9 million.

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

The Solid Waste Enterprise Fund had \$1.7 million in net position at June 30, 2013, the Airport Enterprise Fund had \$14.0 million, and the Hospital Enterprise Fund had \$80.0 million. The unrestricted net position amounted to \$5.0 million, \$0.5 million, and \$42.8 million, respectively, of the total proprietary funds' net position.

The internal service funds had \$104.1 million in net position at June 30 2013, with \$77.1 million as unrestricted. Of the unrestricted net position, \$52.4 million is designated for future claims under the County's self-insurance programs.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the 2012-13 fiscal year's original budget and the final amended budget resulted in a \$25.5 million net increase to appropriations. The major increases in the final amended budget can be briefly summarized as follows:

- The general government budget increased by \$5.0 million, primarily due to an increase in Tobacco Settlement funds and Cost Allocation Plan adjustments.
- The public protection budget increased by \$1.0 million due to an increase in capital outlay projects during the current year.
- The reserve for contingency budget increased by \$3.5 million as a result of first quarter budget adjustments and excess prior year General Fund balance.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

- The health and sanitation budget increased by \$0.2 million to reflect an increase in funding provided by various Federal and State government programs.
- The public assistance budget decreased by \$2.4 million to reflect a reduction to funding provided by various Federal and State government programs.
- The transfers-out budget increased by \$18.0 million as a result of mid-year budget adjustments for prior year fund balances and to provide an increased subsidy to governmental departments.

During the year, actual revenues were less than budgetary estimates by \$37.0 million. The net under-budget revenues reflect the combination of over-budget and under-budget of various revenue sources. The major under-budget revenues are \$37.2 million in Aid from Other Governmental Agencies, \$0.7 million in Charges for Services, and \$28.1 million in transfers-in; while the major over-budget revenue was \$15.7 million in net property and sales tax.

Actual expenditures were less than final amended budgetary estimates by \$111.0 million. A majority of the difference is attributable to below budget expenditures in public protection (\$12.4 million), health and sanitation (\$6.6 million), public assistance (\$43.7 million), and general government (\$19.0 million). The County also appropriated \$18.4 million for contingencies as part of the County reserve policy. The net effect of under-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$74.0 million, thus eliminating the need to draw upon existing fund balance.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The County's investment in capital assets, net of related debt, for its governmental and business-type activities as of June 30, 2013, amounted to \$502.7 million. This investment in capital assets includes infrastructure, infrastructure in progress, land, buildings and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current period was 2.5%.

Major capital asset events during the current fiscal year included the following:

- Infrastructure increased by \$23.8 million due to completion of various bridge and road projects.
- All depreciable assets, except infrastructure, were depreciated from the mid-month of the acquisition month to the end of the current fiscal year. Infrastructures acquired since 1985 were depreciated, using the composite method, over the life of 25 years.

Capital assets, net of accumulated depreciation, for the governmental and business-type activities are presented below to illustrate changes from the prior year (in \$000's):

	Governmental Activities		Business-Type Activities		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Infrastructure	\$ 236,593	\$ 226,288	\$ -	\$ -	\$ 236,593	\$ 226,288
Land	14,551	14,551	4,663	4,663	19,214	19,214
Structure and improvements	283,214	290,120	75,403	80,490	358,617	370,610
Furniture and equipment	29,275	28,180	23,969	22,731	53,244	50,911
Construction in progress	5,646	9,520	735	79	6,381	9,599
Capital leases	7,248	5,509	1,721	1,705	8,969	7,214
<b>Total</b>	<b>\$ 576,527</b>	<b>\$ 574,168</b>	<b>\$ 106,491</b>	<b>\$ 109,668</b>	<b>\$ 683,018</b>	<b>\$ 683,836</b>

For additional information related to capital assets, see Note 5 on pages 58-59.



**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Long-term debt**

At June 30, 2013, the County had total long-term outstanding debt of \$311.9 million, excluding the amount due within one year (\$44.2 million). This amount was comprised of \$171.8 million of certificates of participation, \$11.5 million in landfill closure/postclosure, \$5.0 million in capital lease obligations, \$1.9 million in notes payable, \$5.7 million in earned compensated absences, \$52.4 million for estimated self-insurance claims liability and \$67.8 million for the County's unfunded portion of OPEB.

For additional information related to long-term debt, see Notes 6, 7 and 8 on pages 59-66.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- Property and sales taxes are the two major local discretionary revenues for the County. Combined, they represent approximately 90% of the County's ongoing discretionary revenues. Economic recovery, albeit modestly, has finally reached San Joaquin County. Local property tax revenues are expected to increase for the first time since the beginning of the Great Recession in 2007. A 4% growth in assessed valuation reflects a gradual rebound of the housing market and increased development activities in the County. Revenues derived from sales tax at both the local and State levels continue to improve. The County's 2013-14 budget includes ongoing savings in labor costs as a result of concessions reached with 94% of the County's workforce. These concessions include employee cost share for health insurance premiums and pension. In addition, over 70% of County employees have agreed to pay an additional pension contribution bringing their total contribution to 50% of the normal cost as allowed by the Public Employees Pension Reform Act of 2013.

The overall 2013-14 County budget increases by \$60.5 million, or 4.8%, from fiscal year 2012-13. The increase is primarily attributable to the State-funded 2011 Public Safety Realignment Program (AB 109) where the State shifts its prisoners and parolees to counties for incarceration and rehabilitation. Also, the Human Services Agency and San Joaquin General Hospital continue to experience caseload growth and program expansion reflecting the implementation of the Affordable Care Act (ACA) effective January 2014 as well as the opening of the newly designated Trauma Center which became operational in August 2013. Costs of these programs are largely supported by Federal/State funds and service charges. The adopted budget continues to restrict acquisition of capital assets and capital expenses; limits employee job-related travel/training to mandated requirement or critical to the department's operation; and maximizes/leverages non-County resources to preserve vital public services/programs.

- Approximately 50% of the County's budget is funded by State and Federal resources. As such, the State's economic condition and financial situation have a significant impact on the County's budget and programs. The constitutional amendment (Proposition 1A) approved by California voters in November 2004 protects, to some extent, local government revenues from reductions by the State. However, State funding for programs and services administered by the County on behalf of the State continues to be at risk. Programs that are most susceptible to State budget reductions include public safety grants, and health and human services programs. The Federal "fiscal cliff" and subsequent sequestration, if not addressed, will also negatively impact Federal grants for technology, health, and transportation projects.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

- In June of 2013, the Governor signed the 2013-14 State budget, which includes a State General Fund budget totaling over \$96 billion. The centerpiece of the State budget that has major impacts on the County is the continued implementation of ACA. The State plans to implement ACA through the following programs and approaches: 1) a mandatory expansion to expand and retain coverage for those who are currently eligible for Medi-Cal by simplifying eligibility determination, streamlining the enrollment processes, and enhancing outreach activities; 2) an optional expansion to expand Medi-Cal coverage to uninsured adults with income under 138% Federal Poverty Level (FPL) whose health care costs are largely funded by counties; and 3) a Medicaid Bridge Program to allow individuals with income between 138% to 200% FPL to obtain no-cost or low-cost coverage through Covered California. The State budget also includes the 2013 Health Realignment Program (AB 85) shifting a portion of the County revenues that are used to fund the local indigent health care costs which will be assumed by the State with the implementation of ACA.

All of these factors were considered in preparing the County's budget for fiscal 2013-14, approximately \$1.326 billion (including the business-like activities).

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or to request additional financial information should be addressed to the Auditor-Controller's Office, 44 N. San Joaquin Street, Suite 550, Stockton, California 95202.

**BASIC FINANCIAL STATEMENTS**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**COUNTY OF SAN JOAQUIN  
STATEMENT OF NET POSITION  
JUNE 30, 2013**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 565,573,169	\$ 34,664,453	\$ 600,237,622	\$ 52,896,464
Other banks	-	536,982	536,982	300,000
Imprest cash	322,915	10,530	333,445	-
Accounts receivable, net	7,626,272	25,695,721	33,321,993	-
Taxes receivable	67,380,702	-	67,380,702	34,302
Interest receivable	365,504	8,281	373,785	-
Internal balances	2,409,903	(2,409,903)	-	-
Receivable external party	-	-	-	462,778
Due from other agencies	56,684,892	27,323,689	84,008,581	41,855,823
Loans receivable	20,000	-	20,000	-
Prepaid expenses	386,710	1,093,462	1,480,172	-
Inventory	1,221,866	3,271,451	4,493,317	-
Other assets	26,088	-	26,088	1,487,619
SCA lease receivable	2,033,124	-	2,033,124	-
Unamortized debt issuance cost	-	-	-	-
Restricted assets:				
Cash and investments	10,200,106	10,250,455	20,450,561	-
Interest receivable	23,569	-	23,569	-
Other - unamortized debt insurance cost/refunding	1,226,450	495,300	1,721,750	-
Capital assets:				
Non-depreciable	20,197,034	5,397,823	25,594,857	1,328,264
Depreciable, net	951,424,301	282,764,024	1,234,188,325	32,878,494
Accumulated depreciation	(395,093,595)	(181,670,954)	(576,764,549)	(11,486,840)
Total Assets	<u>\$ 1,292,029,010</u>	<u>\$ 207,431,314</u>	<u>\$ 1,499,460,324</u>	<u>\$ 119,756,904</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 22,301,534	\$ 13,716,773	\$ 36,018,307	\$ 5,140,539
Accrued expenses	17,520,213	5,584,213	23,104,426	-
Unearned revenue	10,368,051	4,541,078	14,909,129	-
Other liabilities	592,079	497,777	1,089,856	17,135,282
Payable from restricted assets: accrued interest	1,026,600	535,352	1,561,952	-
Long-term liabilities:				
Due within one year	30,403,912	13,796,815	44,200,727	-
Due beyond one year	135,847,074	60,109,956	195,957,030	-
Claims liability: due beyond one year	52,387,502	-	52,387,502	40,958,684
Other post employment benefits: due beyond one year	50,622,411	12,905,589	63,528,000	-
Total Liabilities	<u>321,069,376</u>	<u>111,687,553</u>	<u>432,756,929</u>	<u>63,234,505</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	2,033,124	-	2,033,124	-
Total Deferred Inflows of Resources	<u>2,033,124</u>	<u>-</u>	<u>2,033,124</u>	<u>-</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	451,195,289	51,507,576	502,702,865	22,719,918
Restricted for:				
Capital projects	180,836,756	-	180,836,756	-
Debt service	10,271,511	700,948	10,972,459	-
Landfill closure and postclosure	-	-	-	-
Children and families act program	5,552,683	-	5,552,683	-
Substance abuse and crime prevention	(21,905)	-	(21,905)	-
Public works and community infrastructure	72,396,111	-	72,396,111	-
Local law enforcement programs	(46,621)	-	(46,621)	-
Mental health and substance abuse programs	53,917,849	-	53,917,849	-
Other programs	37,775,643	1,554,018	39,329,661	-
Unrestricted	157,049,194	41,981,219	199,030,413	33,802,481
Total Net Position	<u>968,926,510</u>	<u>95,743,761</u>	<u>1,064,670,271</u>	<u>56,522,399</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 1,292,029,010</u>	<u>\$ 207,431,314</u>	<u>\$ 1,499,460,324</u>	<u>\$ 119,756,904</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>					
Governmental Activities:					
General government	\$ 49,096,708	\$ (10,196,334)	\$ 18,713,432	\$ 448,493	\$ 800,650
Public protection	278,756,436	5,928,185	36,530,250	111,167,821	-
Public ways and facilities	40,184,827	718,475	12,355,712	28,448,104	5,117,045
Community infrastructure program	5,142,456	-	2,327,150	-	-
Health and sanitation	119,925,176	1,607,518	44,996,442	88,766,709	-
Children and families act program	10,362,519	-	-	9,198,491	-
Public assistance	326,797,969	1,984,604	1,556,354	315,190,667	-
Education	5,298,278	168,424	125,154	-	-
Recreation and culture	6,279,048	(210,872)	2,232,119	-	-
Interest on long-term debt	7,262,275	-	-	-	-
<b>Total Governmental Activities</b>	<b>849,105,692</b>	<b>-</b>	<b>118,836,613</b>	<b>553,220,285</b>	<b>5,917,695</b>
Business-Type Activities:					
Hospital	218,810,095	-	211,715,269	-	-
Airport	3,958,205	-	1,659,160	-	276,796
Solid Waste	19,261,618	-	18,938,096	278,645	-
<b>Total Business-Type Activities:</b>	<b>242,029,918</b>	<b>-</b>	<b>232,312,525</b>	<b>278,645</b>	<b>276,796</b>
<b>Total Primary Government</b>	<b>\$ 1,091,135,610</b>	<b>\$ -</b>	<b>\$ 351,149,138</b>	<b>\$ 553,498,930</b>	<b>\$ 6,194,491</b>
<b>Component Units:</b>					
Head Start Child Development Council, Inc.	\$ 31,940,820	\$ -	\$ 2,358,327	\$ 29,340,225	\$ -
Health Plan of San Joaquin	300,167,792	-	1,509,295	301,535,895	-
San Joaquin Economic Development Association	1,031,714	-	1,277,087	165,557	-
Local Agency Formation Commission	530,686	-	-	631,291	-
<b>Total Component Units</b>	<b>\$ 333,671,012</b>	<b>\$ -</b>	<b>\$ 5,144,709</b>	<b>\$ 331,672,968</b>	<b>\$ -</b>
General Revenues:					
Taxes:					
Property taxes					
Property transfer taxes					
Sales and use tax					
Transient occupancy taxes					
Franchise and other					
Other in-lieu taxes					
Unrestricted interest and investment earnings					
Tobacco settlement proceeds					
Miscellaneous					
Transfers					
Total General Revenues and Transfers					
Change in Net Position					
Net Position - Beginning					
Adjustments to Beginning Net Position					
Net Position - Ending					

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and  
Changes in Net Position

Primary Government			Component Units	Functions/Programs
Governmental Activities	Business-Type Activities	Total		
\$ (18,937,799)	\$ -	\$ (18,937,799)	\$ -	<b>Primary Government:</b> Governmental Activities: General government Public protection Public ways and facilities Community infrastructure program Health and sanitation Children and families act program Public assistance Education Recreation and culture Interest on long-term debt  Total Governmental Activities
(136,986,550)	-	(136,986,550)	-	
5,017,559	-	5,017,559	-	
(2,815,306)	-	(2,815,306)	-	
12,230,457	-	12,230,457	-	
(1,164,028)	-	(1,164,028)	-	
(12,035,552)	-	(12,035,552)	-	
(5,341,548)	-	(5,341,548)	-	
(3,836,057)	-	(3,836,057)	-	
(7,262,275)	-	(7,262,275)	-	
<u>(171,131,099)</u>	<u>-</u>	<u>(171,131,099)</u>	<u>-</u>	
-	(7,094,826)	(7,094,826)	-	Business-Type Activities: Hospital Airport Solid Waste  Total Business-Type Activities:
-	(2,022,249)	(2,022,249)	-	
-	<u>(44,877)</u>	<u>(44,877)</u>	-	
<u>-</u>	<u>(9,161,952)</u>	<u>(9,161,952)</u>	<u>-</u>	
<u>(171,131,099)</u>	<u>(9,161,952)</u>	<u>(180,293,051)</u>	<u>-</u>	<b>Total Primary Government</b>
-	-	-	(242,268)	<b>Component Units:</b> Head Start Child Development Council, Inc. Health Plan of San Joaquin San Joaquin Economic Development Association Local Agency Formation Commission  <b>Total Component Units</b>
-	-	-	2,877,398	
-	-	-	410,930	
-	-	-	<u>100,605</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,146,665</u>	
194,307,507	404,271	194,711,778	-	General Revenues: Taxes: Property taxes Property transfer taxes Sales and use tax Transient occupancy taxes Franchise and other Other in-lieu taxes Unrestricted interest and investment earnings Tobacco settlement proceeds Miscellaneous Transfers  Total General Revenues and Transfers
2,643,112	-	2,643,112	-	
25,582,091	-	25,582,091	-	
319,848	-	319,848	-	
2,498,178	-	2,498,178	-	
3,315,816	-	3,315,816	-	
3,330,203	208,841	3,539,044	134,888	
9,179,197	-	9,179,197	-	
2,748,878	-	2,748,878	-	
<u>(16,484,352)</u>	<u>16,484,352</u>	<u>-</u>	<u>-</u>	
<u>227,440,478</u>	<u>17,097,464</u>	<u>244,537,942</u>	<u>134,888</u>	
56,309,379	7,935,512	64,244,891	3,281,553	Change in Net Position
886,451,283	87,808,249	974,259,532	52,770,224	Net Position - Beginning
<u>26,165,848</u>	<u>-</u>	<u>26,165,848</u>	<u>470,622</u>	Adjustments to Beginning Net Position
<u>\$ 968,926,510</u>	<u>\$ 95,743,761</u>	<u>\$ 1,064,670,271</u>	<u>\$ 56,522,399</u>	Net Position - Ending

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS**

**COUNTY OF SAN JOAQUIN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	General Fund	Mental Health and Substance Abuse Fund	First Five Program Fund
<b>ASSETS</b>			
Cash and investments:			
Pooled	\$ 167,171,176	\$ 57,460,166	\$ 5,460,778
Imprest cash	249,775	39,450	-
Accounts receivable	3,790,418	844,952	199
Taxes receivable	65,347,828	-	-
Interest receivable	116,157	36,014	3,625
Due from other agencies	37,849,963	9,279,279	1,978,756
Due from other funds	2,442,500	23,620	-
Advances to other funds	7,653,230	-	-
Loans receivable	20,000	-	-
Inventory	-	159,000	-
SCA lease receivable	2,033,124	-	-
Other assets	25,500	-	-
Restricted assets:			
Restricted cash and investments	-	-	-
Other	-	-	-
<b>Total Assets</b>	<b><u>\$ 286,699,671</u></b>	<b><u>\$ 67,842,481</u></b>	<b><u>\$ 7,443,358</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,103,256	\$ 3,538,884	\$ 1,619,962
Due to other funds	1,651,844	94,810	51,669
Accrued salaries	13,131,615	2,099,280	35,596
Deferred revenues	104,761,289	1,792,532	-
Advances from other funds	-	-	-
Other liabilities	592,078	-	-
<b>Total Liabilities</b>	<b><u>125,240,082</u></b>	<b><u>7,525,506</u></b>	<b><u>1,707,227</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	2,033,124	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>2,033,124</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>			
Nonspendable	7,698,730	159,000	-
Restricted	37,762,674	60,157,975	5,736,131
Committed	10,004,635	-	-
Assigned	18,841,794	-	-
Unassigned	85,118,632	-	-
<b>Total Fund Balances</b>	<b><u>159,426,465</u></b>	<b><u>60,316,975</u></b>	<b><u>5,736,131</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 286,699,671</u></b>	<b><u>\$ 67,842,481</u></b>	<b><u>\$ 7,443,358</u></b>

The accompanying notes are an integral part of these financial statements.



<u>County Capital Outlay Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>	
\$ 39,071,212	\$ 144,361,839	\$ 413,525,171	<b>ASSETS</b>
-	33,650	322,875	Cash and investments:
2,127	866,608	5,504,304	Pooled
-	2,032,875	67,380,703	Imprest cash
31,582	83,147	270,525	Accounts receivable
-	7,405,897	56,513,895	Taxes receivable
649,415	254,212	3,369,747	Interest receivable
230,112	766,404	8,649,746	Due from other agencies
-	-	20,000	Due from other funds
-	451,980	610,980	Advances to other funds
-	-	2,033,124	Loans receivable
-	-	25,500	Inventory
-	-	-	SCA lease receivable
-	-	-	Other assets
-	10,200,106	10,200,106	Restricted assets:
-	23,569	23,569	Restricted cash and investments
			Other
<u>\$ 39,984,448</u>	<u>\$ 166,480,287</u>	<u>\$ 568,450,245</u>	Total Assets
			<b>LIABILITIES</b>
\$ 367,978	\$ 4,086,783	\$ 14,716,863	Accounts payable
2,154	1,729,321	3,529,798	Due to other funds
-	2,090,701	17,357,192	Accrued salaries
-	1,206,974	107,760,795	Deferred revenues
-	6,482,558	6,482,558	Advances from other funds
-	-	592,078	Other liabilities
<u>370,132</u>	<u>15,596,337</u>	<u>150,439,284</u>	Total Liabilities
			<b>DEFERRED INFLOWS OF RESOURCES</b>
-	-	2,033,124	Deferred service concession arrangement receipts
<u>-</u>	<u>-</u>	<u>2,033,124</u>	Total Deferred Inflows of Resources
			<b>FUND BALANCES</b>
197,840	1,218,384	9,273,954	Nonspendable
-	135,443,805	239,100,585	Restricted
-	-	10,004,635	Committed
39,416,476	18,275,243	76,533,513	Assigned
-	(4,053,482)	81,065,150	Unassigned
<u>39,614,316</u>	<u>150,883,950</u>	<u>415,977,837</u>	Total Fund Balances
<u>\$ 39,984,448</u>	<u>\$ 166,480,287</u>	<u>\$ 568,450,245</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF  
NET POSITION – GOVERNMENTAL ACTIVITIES  
JUNE 30, 2013**

<b>Fund Balance - Total Governmental Funds</b>	<b>\$ 415,977,837</b>
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.	559,774,573
Internal service funds are used by management to charge the costs to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	104,029,729
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	97,392,743
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Certificates of participation	(127,469,365)
Capital leases	(460,050)
Notes payable	(337,354)
Other post employment benefits liability	(50,104,141)
Compensated absences	(30,163,839)
Unamortized issuance costs	1,226,450
Accrued interest payable	(940,073)
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 968,926,510</u></u></b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	General Fund	Mental Health and Substance Abuse Fund	First Five Program Fund
Revenues:			
Taxes	\$ 192,170,052	\$ -	\$ -
Licenses and permits	6,850,878	-	-
Fines, forfeitures, and penalties	12,258,947	945,877	-
Use of money and property	2,537,795	99,301	10,892
Aid from other governmental agencies	387,479,901	62,198,774	9,198,491
Charges for services	38,048,211	34,582,868	-
Other revenues	12,777,464	500,402	2,550
Total Revenues	<u>652,123,248</u>	<u>98,327,222</u>	<u>9,211,933</u>
Expenditures:			
Current			
General government	49,475,637	-	-
Public protection	233,524,272	-	-
Public ways and facilities	-	-	-
Community infrastructure program	-	-	-
Health and sanitation	30,492,941	88,893,948	9,137,887
Public assistance	287,284,735	-	-
Education	265,350	-	-
Recreation and culture	5,120,503	-	-
Capital outlay	3,282,156	204,079	-
Debt service			
Principal retirement	23,378	-	-
Interest and debt issuance costs	749	-	-
Total Expenditures	<u>609,469,721</u>	<u>89,098,027</u>	<u>9,137,887</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42,653,527</u>	<u>9,229,195</u>	<u>74,046</u>
Other Financing Sources (Uses)			
Transfers in	32,546,992	3,406,016	-
Transfers out	(48,193,342)	(1,058,502)	(179,461)
Total Other Financing Sources (Uses)	<u>(15,646,350)</u>	<u>2,347,514</u>	<u>(179,461)</u>
Net Change in Fund Balances	27,007,177	11,576,709	(105,415)
Fund Balances - Beginning	106,253,440	48,740,266	5,841,546
Prior Period Adjustment	26,165,848	-	-
Fund Balances - Beginning, Restated	<u>132,419,288</u>	<u>48,740,266</u>	<u>5,841,546</u>
Fund Balances - Ending	<u>\$ 159,426,465</u>	<u>\$ 60,316,975</u>	<u>\$ 5,736,131</u>

The accompanying notes are an integral part of these financial statements.

County Capital Outlay Fund	Other Governmental Funds	Total	
\$ -	\$ 19,886,408	\$ 212,056,460	Revenues:
-	214,700	7,065,578	Taxes
-	881,485	14,086,309	Licenses and permits
390,982	246,965	3,285,935	Fines, forfeitures, and penalties
824,371	106,494,575	566,196,112	Use of money and property
-	22,838,040	95,469,119	Aid from other governmental agencies
674,283	694,073	14,648,772	Charges for services
			Other revenues
<u>1,889,636</u>	<u>151,256,246</u>	<u>912,808,285</u>	Total Revenues
			Expenditures:
378,385	502	49,854,524	Current
38,668	34,613,759	268,176,699	General government
78,053	31,089,498	31,167,551	Public protection
7,705	-	7,705	Public ways and facilities
2,082	-	128,526,858	Community infrastructure program
-	36,733,917	324,018,652	Health and sanitation
59,824	5,000,839	5,326,013	Public assistance
-	224,291	5,344,794	Education
5,598,464	23,203,401	32,288,100	Recreation and culture
			Capital outlay
-	2,860,170	2,883,548	Debt service
-	6,710,497	6,711,246	Principal retirement
			Interest and debt issuance costs
<u>6,163,181</u>	<u>140,436,874</u>	<u>854,305,690</u>	Total Expenditures
<u>(4,273,545)</u>	<u>10,819,372</u>	<u>58,502,595</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
15,046,899	10,360,089	61,359,996	Other Financing Sources (Uses)
(3,548,014)	(25,325,154)	(78,304,473)	Transfers in
			Transfers out
<u>11,498,885</u>	<u>(14,965,065)</u>	<u>(16,944,477)</u>	Total Other Financing Sources (Uses)
7,225,340	(4,145,693)	41,558,118	Net Change in Fund Balances
32,388,976	155,029,643	348,253,871	Fund Balances - Beginning
-	-	26,165,848	Prior Period Adjustment
<u>32,388,976</u>	<u>155,029,643</u>	<u>374,419,719</u>	Fund Balances - Beginning, Restated
<u>\$ 39,614,316</u>	<u>\$ 150,883,950</u>	<u>\$ 415,977,837</u>	Fund Balances - Ending

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF  
ACTIVITIES – GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 41,558,118**

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 32,288,100	
Less current year depreciation	<u>(31,299,467)</u>	988,633

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

Decrease in accrued property tax revenues	7,656,283	
Decrease in accrued grant revenues	<u>51,327</u>	7,707,610

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the statement of net position.

Principal repayments:

Certificates of participation	2,695,500	
Notes payable	23,374	
Capital leases	164,569	
Less amortization of discount on certificates of participation	<u>(328,659)</u>	2,554,784

Long-term debt proceeds are a financial resource in the governmental funds, but they have no impact on the statement of activities since they increases the long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the statement of activities.

Other long-term notes		-
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in accrued interest payable	21,283	
Change in other post employment benefits liability	<u>(3,970,316)</u>	(3,949,033)

Capital assets transferred to external funds are recorded as reduction of net position, but they do not provide any addition to current financial resources and, therefore, are not reported as revenues in the governmental funds.		(436,535)
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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.

	<u>7,885,802</u>	
<b>Change in Net Position of Governmental Activities</b>		<b><u><u>\$ 56,309,379</u></u></b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Internal Service Funds
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ 26,165,802	\$ 790,791	\$ 8,244,842	\$ 35,201,435	\$ 152,047,995
Imprest cash	2,580	250	7,700	10,530	40
Prepaid expenses	1,080,359	-	13,103	1,093,462	386,710
Accounts receivable, net	24,562,824	36,243	1,096,654	25,695,721	333,496
Interest receivable	-	655	7,626	8,281	94,979
Due from other funds	13,715	-	-	13,715	1,349,236
Due from other agencies	27,321,108	3,167	-	27,324,275	1,735,251
Inventories	3,252,580	-	18,871	3,271,451	610,885
Total Current Assets	<u>82,398,968</u>	<u>831,106</u>	<u>9,388,796</u>	<u>92,618,870</u>	<u>156,558,592</u>
Noncurrent Assets:					
Restricted assets:					
Cash and investments	1,559,869	-	8,690,586	10,250,455	-
Interest receivable	-	-	-	-	-
Other	221,478	-	273,822	495,300	-
Total Restricted Assets	<u>1,781,347</u>	<u>-</u>	<u>8,964,408</u>	<u>10,745,755</u>	<u>-</u>
Capital Assets:					
Non-depreciable	662,822	1,352,204	3,382,797	5,397,823	17,481
Depreciable, net	74,134,854	15,507,741	11,450,475	101,093,070	16,735,685
Total Capital Assets	<u>74,797,676</u>	<u>16,859,945</u>	<u>14,833,272</u>	<u>106,490,893</u>	<u>16,753,166</u>
Total Noncurrent Assets	<u>76,579,023</u>	<u>16,859,945</u>	<u>23,797,680</u>	<u>117,236,648</u>	<u>16,753,166</u>
Total Assets	<u>\$ 158,977,991</u>	<u>\$ 17,691,051</u>	<u>\$ 33,186,476</u>	<u>\$ 209,855,518</u>	<u>\$ 173,311,758</u>

Continued

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN**  
**STATEMENT OF FUND NET POSITION (Continued)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**

	Business-Type Activities - Enterprise Funds				Governmental
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Internal Service Funds
<u>Liabilities and Net Position</u>					
Current Liabilities:					
Accounts payable	\$ 12,444,016	\$ 62,309	\$ 1,210,446	\$ 13,716,771	\$ 7,325,708
Accrued payroll	5,292,076	36,345	255,792	5,584,213	165,488
Due to other funds	92,596	385,049	9,485	487,130	715,770
Other current liabilities	-	55,472	442,305	497,777	-
Payable from restricted assets:					
Interest payable	345,665	-	189,687	535,352	86,527
Current portion:					
Certificates of participation (COP)	5,965,000	-	1,410,000	7,375,000	-
Notes payable	-	7,707	-	7,707	64,583
Capital leases	14,737	-	345,019	359,756	1,775,057
Compensated absences	5,466,193	62,521	525,069	6,053,783	283,366
<b>Total Current Liabilities</b>	<b>29,620,283</b>	<b>609,403</b>	<b>4,387,803</b>	<b>34,617,489</b>	<b>10,416,499</b>
Long-Term Liabilities:					
Unearned revenue	3,619,165	921,913	-	4,541,078	-
Advances from other funds	-	1,937,076	-	1,937,076	230,112
Certificates of participation, net	33,237,913	-	13,954,160	47,192,073	-
Notes payable	-	45,036	-	45,036	1,505,930
Capital leases	-	-	579,356	579,356	4,171,040
Compensated absences	651,268	-	107,606	758,874	15,557
Claims liability	-	-	-	-	52,387,503
Liability for closure/ postclosure costs	-	-	11,535,186	11,535,186	-
Other post employment benefits liability	11,891,769	107,891	905,929	12,905,589	518,269
<b>Total Long-Term Liabilities</b>	<b>49,400,115</b>	<b>3,011,916</b>	<b>27,082,237</b>	<b>79,494,268</b>	<b>58,828,411</b>
<b>Total Liabilities</b>	<b>79,020,398</b>	<b>3,621,319</b>	<b>31,470,040</b>	<b>114,111,757</b>	<b>69,244,910</b>
Net Position:					
Invested in capital assets, net of related debt	35,580,026	13,568,212	2,359,338	51,507,576	10,807,069
Restricted for:					
Debt service	-	-	700,948	700,948	-
Landfill site closure and postclosure	-	-	(6,386,178)	(6,386,178)	-
Other	1,554,018	-	-	1,554,018	16,193,889
Unrestricted, net	42,823,549	501,520	5,042,328	48,367,397	77,065,890
<b>Total Net Position</b>	<b>79,957,593</b>	<b>14,069,732</b>	<b>1,716,436</b>	<b>95,743,761</b>	<b>104,066,848</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 158,977,991</b>	<b>\$ 17,691,051</b>	<b>\$ 33,186,476</b>	<b>\$ 209,855,518</b>	<b>\$ 173,311,758</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 198,179,090	\$ 122,968	\$ 7,756,357	\$ 206,058,415	\$ 95,477,665
Concessions and rentals	-	1,490,905	10,470,857	11,961,762	-
Miscellaneous	13,536,179	45,287	708,769	14,290,235	246,282
Property tax	-	404,271	-	404,271	-
Aid from other agencies	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>211,715,269</b>	<b>2,063,431</b>	<b>18,935,983</b>	<b>232,714,683</b>	<b>95,723,947</b>
Operating Expenses:					
Salaries and benefits	118,615,994	862,964	6,657,260	126,136,218	4,270,413
Services and supplies	90,781,307	1,142,500	9,171,140	101,094,947	21,634,910
Liability claims and loss adjustments	-	-	-	-	54,523,170
Insurance	-	192,532	471,378	663,910	4,246,406
Landfill closure and postclosure expense	-	-	-	-	-
Depreciation and amortization	7,653,107	1,606,029	2,114,415	11,373,551	3,870,719
Miscellaneous	-	691	7,121	7,812	20,365
<b>Total Operating Expenses</b>	<b>217,050,408</b>	<b>3,804,716</b>	<b>18,421,314</b>	<b>239,276,438</b>	<b>88,565,983</b>
<b>Operating Income (Loss)</b>	<b>(5,335,139)</b>	<b>(1,741,285)</b>	<b>514,669</b>	<b>(6,561,755)</b>	<b>7,157,964</b>
Non-Operating Revenues (Expenses):					
Gain (loss) on sale of asset	-	-	2,113	2,113	8,065
Interest income	184,673	2,684	21,484	208,841	259,549
Aid from other governmental agencies	-	276,796	278,645	555,441	-
Other	(665,092)	-	-	(665,092)	48,350
Interest expense	(1,094,595)	(153,489)	(840,304)	(2,088,388)	(247,668)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(1,575,014)</b>	<b>125,991</b>	<b>(538,062)</b>	<b>(1,987,085)</b>	<b>68,296</b>
<b>Net Income (Loss) Before Transfers</b>	<b>(6,910,153)</b>	<b>(1,615,294)</b>	<b>(23,393)</b>	<b>(8,548,840)</b>	<b>7,226,260</b>
Transfers:					
Transfers in	15,781,727	702,625	-	16,484,352	4,608,512
Transfers out	-	-	-	-	(4,148,387)
Capital Contributions	-	-	-	-	236,540
<b>Total Transfers</b>	<b>15,781,727</b>	<b>702,625</b>	<b>-</b>	<b>16,484,352</b>	<b>696,665</b>
<b>Change in Net Position</b>	<b>8,871,574</b>	<b>(912,669)</b>	<b>(23,393)</b>	<b>7,935,512</b>	<b>7,922,925</b>
<b>Net Position - Beginning of Year</b>	<b>71,086,019</b>	<b>14,982,401</b>	<b>1,739,829</b>	<b>87,808,249</b>	<b>96,143,923</b>
<b>Net Position - End of Year</b>	<b>\$ 79,957,593</b>	<b>\$ 14,069,732</b>	<b>\$ 1,716,436</b>	<b>\$ 95,743,761</b>	<b>\$ 104,066,848</b>

The accompanying notes are an integral part of these financial statements.



**COUNTY OF SAN JOAQUIN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from customers	\$ 216,164,527	\$ 2,103,738	\$ 19,099,313	\$ 237,367,578	\$ 96,747,604
Cash payments to suppliers for goods and services	(44,218,197)	(1,274,379)	(9,146,914)	(54,639,490)	(79,422,253)
Cash payments to other departments for goods and services	(13,708,280)	(122,042)	(153,946)	(13,984,268)	(3,744,666)
Cash payments to employees for services	(152,462,869)	(826,675)	(6,680,087)	(159,969,631)	(4,212,145)
Net Cash Provided (Used) by Operating Activities	5,775,181	(119,358)	3,118,366	8,774,189	9,368,540
Cash Flows from Noncapital Financing Activities:					
Transfers in (out)	15,781,727	702,625	-	16,484,352	463,000
State and Federal grant receipts (aid from other governments)	-	-	278,646	278,646	236,540
Loan repayment or borrowing	(8,231,053)	(197,334)	-	(8,428,387)	-
Other non-operating receipts (payments)	(665,092)	(42,407)	-	(707,499)	-
Net Cash Provided (Used) by Noncapital Financing Activities	6,885,582	462,884	278,646	7,627,112	699,540
Cash Flows from Capital and Related Financing Activities:					
Capital contribution grants	-	276,796	-	276,796	-
Acquisition and construction of capital assets	(6,504,578)	(708,667)	(287,063)	(7,500,308)	(2,376,367)
Insurance recovery	-	-	-	-	48,350
Proceeds from sale of property and equipment	4,969	-	2,113	7,082	108,532
Other post employment benefits obligation	844,439	10,709	74,962	930,110	47,118
Principal payment on debts	(5,294,747)	(6,840)	(1,433,233)	(6,734,820)	(1,675,422)
Interest payments on debts	(1,094,595)	(153,489)	(876,230)	(2,124,314)	(238,398)
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,044,512)	(581,491)	(2,519,451)	(15,145,454)	(4,086,187)
Cash Flows from Investing Activities:					
Interest on investment and note receivable	184,673	2,707	51,202	238,582	242,129
Net Cash Provided by Investing Activities	184,673	2,707	51,202	238,582	242,129
Increase (Decrease) in Cash and Investments	800,924	(235,258)	928,763	1,494,429	6,224,022
Cash and Investments, Beginning of Year	26,927,327	1,026,299	16,014,365	43,967,991	145,824,013
Cash and Investments, End of Year	\$ 27,728,251	\$ 791,041	\$ 16,943,128	\$ 45,462,420	\$ 152,048,035

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (5,335,139)	\$ (1,741,285)	\$ 514,669	\$ (6,561,755)	\$ 7,157,964
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	7,653,107	1,606,029	2,114,415	11,373,551	3,870,719
(Increase) decrease in receivables	2,276,325	40,306	156,493	2,473,124	916,349
(Increase) decrease in prepaid expenses	(151,740)	-	(13,103)	(164,843)	150,447
(Increase) decrease in inventories	35,835	-	1,268	37,103	131,752
Increase (decrease) in payables	1,289,035	(24,408)	131,854	1,396,481	(1,080,471)
Increase (decrease) in closure/postclosure liability	-	-	212,770	212,770	(1,778,220)
Increase (decrease) in unearned revenues	7,758	-	-	7,758	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 5,775,181</b>	<b>\$ (119,358)</b>	<b>\$ 3,118,366</b>	<b>\$ 8,774,189</b>	<b>\$ 9,368,540</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013**

	June 30, 2013				December 31, 2012
	Investment Trust Fund	Agency Funds	Private Purpose Trust Funds	Total	Pension Trust Fund
<b>Assets</b>					
Cash and investments - pooled	\$ 860,620,563	\$ 39,152,813	\$ 6,731,372	\$ 906,504,748	\$ 966,835
Cash and investments held by others	1,983,909	2,843,818	-	4,827,727	-
Pension trust investments	-	-	-	-	2,261,780,412
Investments sold, funds not received	-	-	-	-	2,096,260
Investment income receivables	525,620	-	5,064	530,684	2,416,382
Loan program investment	-	-	3,171,405	3,171,405	-
Loans receivable	5,184,269	12,000,000	36,863,785	54,048,054	-
Other receivables	-	31,350,329	-	31,350,329	15,769
Pension fund contribution receivable	-	-	-	-	6,661,993
Due from other funds	-	-	-	-	-
Due from other agencies	-	-	9,561	9,561	-
Other assets	354,683	3,338	-	358,021	100,529
Capital assets, net of depreciation	-	-	-	-	487,449
Contribution to investment pool receivable	3,149,932	-	-	3,149,932	-
Imprest cash	5,300	-	-	5,300	25
Post employment healthcare fund investments	-	-	-	-	19,506,450
<b>Total Assets</b>	<b>\$ 871,824,276</b>	<b>\$ 85,350,298</b>	<b>\$ 46,781,187</b>	<b>\$ 1,003,955,761</b>	<b>\$ 2,294,032,104</b>
<b>Liabilities</b>					
Accounts payable	\$ 10,578,346	\$ 34,161,693	\$ 1,848	\$ 44,741,887	\$ -
Accrued liabilities	96,536	-	-	96,536	19,904,023
Securities lending - cash collateral	-	-	-	-	109,896,976
Securities purchased but not paid	-	-	-	-	3,815,646
Deferred revenue	313,535	-	-	313,535	-
Loan payable	23,544,436	20,000	-	23,564,436	-
Due to other funds	-	12,000,000	-	12,000,000	-
Due to other agencies	-	39,168,605	-	39,168,605	-
<b>Total Liabilities</b>	<b>34,532,853</b>	<b>85,350,298</b>	<b>1,848</b>	<b>119,884,999</b>	<b>133,616,645</b>
<b>Net Position</b>					
Held in trust for:					
Employee pension benefits	-	-	-	-	2,141,853,816
Employee post employment health benefits	-	-	-	-	18,561,643
Revolving loans	-	-	46,196,312	46,196,312	-
External investment pool participants	837,291,423	-	-	837,291,423	-
Other purposes	-	-	549,194	549,194	-
Unrealized pool investments market appreciation	-	-	33,833	33,833	-
<b>Total Net Position</b>	<b>837,291,423</b>	<b>-</b>	<b>46,779,339</b>	<b>884,070,762</b>	<b>2,160,415,459</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 871,824,276</b>	<b>\$ 85,350,298</b>	<b>\$ 46,781,187</b>	<b>\$ 1,003,955,761</b>	<b>\$ 2,294,032,104</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	June 30, 2013			December 31, 2012
	Investment Trust Fund	Private Purpose Trust Funds	Total	Pension Trust Fund
<b>Additions</b>				
Employer's contributions	\$ -	\$ -	\$ -	\$ 108,062,510
Employees' contributions	-	-	-	19,900,088
Contributions from investment pool participants	4,020,111,969	-	4,020,111,969	-
Capital contributions from other governments	-	574,207	574,207	-
Interest and investment income	1,647,392	362,109	2,009,501	230,953,847
Miscellaneous income	-	21,879	21,879	401,001
<b>Total Additions</b>	<b>4,021,759,361</b>	<b>958,195</b>	<b>4,022,717,556</b>	<b>359,317,446</b>
<b>Deductions</b>				
Benefit payments	-	86,405	86,405	143,669,140
Contribution refund	-	-	-	1,308,900
Withdrawals from pooled investments	3,868,270,840	-	3,868,270,840	-
Program expenditures	-	1,063,502	1,063,502	-
Allowance for loan adjustments	-	493,666	493,666	-
Administration and program expenses	-	671,357	671,357	3,869,321
<b>Total Deductions</b>	<b>3,868,270,840</b>	<b>2,314,930</b>	<b>3,870,585,770</b>	<b>148,847,361</b>
<b>Change in Net Position</b>	<b>153,488,521</b>	<b>(1,356,735)</b>	<b>152,131,786</b>	<b>210,470,085</b>
Net Position - Beginning, Restated	683,802,902	48,136,074	731,938,976	1,949,945,374
<b>Net Position - Ending</b>	<b>\$ 837,291,423</b>	<b>\$ 46,779,339</b>	<b>\$ 884,070,762</b>	<b>\$ 2,160,415,459</b>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The reporting entity refers to the scope of activities, organizations, and functions included in the financial statements. The County of San Joaquin (County) is a political subdivision created by the State of California and, as such, can exercise the powers specified by the Constitution and laws of the State of California. The County operates under the general laws of the State and is governed by an elected five member Board of Supervisors (Board).

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as either (A) the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County; or (B) an organization is fiscally dependent on the County and there is a potential for the organization to provide specific financial benefits to or impose financial burdens on the County, regardless of whether the organization has (i) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from County government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by writing to the County Auditor-Controller's Office, 44 N. San Joaquin Street, Suite 550, Stockton, California 95202.

***Blended Components***

Special Districts Governed by the Board of Supervisors. The special service districts governed by the Board are established for the purposes of providing special services to various County areas. However, the outstanding special assessment debts and the debt service of these special districts governed by the Board are excluded from these financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 6, described below. The special districts do not issue separate financial statements.

The special service districts governed by the Board include a flood control district, 2 water and power authorities, a water works district, 30 lighting districts, 28 maintenance districts, 40 county service areas, and 5 improvement districts as follows:

- San Joaquin County Flood Control
- Mokelumne River Water and Power Authority
- Northeastern San Joaquin County Groundwater Banking Authority
- San Joaquin Water Works #2

<u>Lighting Districts</u>	<u>Maintenance Districts</u>	<u>County Service Areas</u>
Ash Street	Acampo	Number 1
Boggs Tract	Almond Park	Number 2
Burkett Gardens	Ashley Drainage	Number 3
Burkett Gardens Acres	Bear Creek Terrace	Number 3A

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**A. Reporting Entity** (Continued)

**Blended Components** (Continued)

Special Districts Governed by the Board of Supervisors (Continued)

<u>Lighting Districts (Continued)</u>	<u>Maintenance Districts (Continued)</u>	<u>County Service Areas (Continued)</u>
Eastview	Bowling Green Estates	Number 4
Elkhorn	Colonial Heights	Number 5
Farmington	Corral Hollow	Number 8
Linden	Country Club Vista	Number 11
Lockeford	Elkhorn Golf Course Estates	Number 12
Mariposa Heights	Gala Manor	Number 14
Mission Village	Lambert Village	Number 15
Morada Estates	Lincoln Village	Number 16
Morada Manor	Lockeford	Number 17
North Oaks	Maurland Manor	Number 18
North Wilson Way	Mokelumne Acres	Number 21
Northeast Stockton	Morada Acres	Number 23
Oro Street	Morada Estates	Number 24
Plymouth Village	Morada Manor	Number 25
Rancho Village	Pacific Gardens	Number 29
Shasta Avenue	Rancho San Joaquin	Number 30
Shippee – French Camp Homesite	Raymus Village	Number 31
Silva Gardens	Riviera Cliffs	Number 35
South French Camp	Shaded Terrace	Number 36
Southwest Stockton	Spring Creek Estates	Number 37
Stockton No. 5	Summer Home Estates	Number 41
Tuxedo – Country Club	Sunnyside Estates	Number 42
Victor	Walnut Acres	Number 43
West Lane	Wilkinson Manor	Number 44
West Stockton		Number 45
Woodbridge		Number 46
		Number 47
		Number 48
		Number 49
		Number 50
		Number 51
		Number 52
		Number 53
		Number 54
		Number 55
		Number 56

Improvement Districts

- San Joaquin Improvement #47
- San Joaquin Improvement #51
- San Joaquin Improvement #52
- San Joaquin Improvement #54
- Industrial Way and Beckman Road

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**A. Reporting Entity** (Continued)

***Blended Components*** (Continued)

Special Districts Governed by the Board of Supervisors (Continued)

Each district was created to provide services to the residents of certain areas or to undertake a capital improvement project, including the providing or arranging of financing and collecting the assessments to pay any debt incurred to finance the project.

The accounting principles established for reporting transactions of special districts are as follows:

- (1) GASB Statement No. 6 requires transactions of service-type special districts and of the construction phase related to capital improvements financed by special assessment to be reported within the general, special revenue, or capital projects funds, as appropriate. Revenues and expenditures are recognized on the same basis of accounting as described in Note 1 - C. Any capital assets constructed or acquired, other than infrastructure, are reported in the government-wide financial statements on the same accounting principles as described in Note 1.
- (2) With the exception of Shaded Terrace Maintenance District and Sunnyside Estate Maintenance District, all special assessment debts were incurred under the provisions of the Improvement Bond Acts of 1911 and 1915, under which the County is not obligated in any manner for special assessment debts; the County acts as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings as appropriate. Transactions affecting debt service are reported in the agency fund and the outstanding assessment debt approximating \$615,165 as of June 30, 2013, is not presented in the financial statements. The maintenance districts of Shaded Terrace and Sunnyside Estate each obtained a loan from the United States Department of Agriculture to finance certain capital improvements to their water systems. As required by the loan agreement, the districts established a debt service fund to accumulate funds for loan repayment purposes. These loans are reported in the County's statement of net position and the related debt service is also included in the Debt Service Fund.

The San Joaquin General Hospital (the Hospital), organized as an enterprise fund of the County of San Joaquin on July 1, 1975, owns and operates a licensed general acute care hospital within the County. The Hospital provides a full range of acute and intensive care medical service to both inpatients and outpatients. The Hospital is an integral part of the County reporting entity. The financial statements are available through the County Auditor-Controller's office.

The First Five San Joaquin County (previously, the Children and Families Commission) was established under the authority of the California Children and Families First Act of 1998 and Sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the agency. The Board can remove appointed members at will. The agency is blended within the County's special revenue fund and reported as a major fund for the fiscal year 2012-13. The financial statements are available through the County Auditor-Controller's office.

The In-Home Supportive Services (IHSS) Public Authority maintains a registry and referral system to assist consumers in finding qualified IHSS personnel as well as training of, and support for, providers and recipients of IHSS. The IHSS Public Authority is primarily funded by State grants. The County's Board is the governing body for the IHSS Public Authority. Therefore, this entity has been blended with the primary government. The financial statements are available through the County Auditor-Controller's office.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**A. Reporting Entity** (Continued)

***Blended Components*** (Continued)

Special Districts Governed by the Board of Supervisors (Continued)

The San Joaquin County Employees' Retirement Association (SJCERA) is governed by the Board of Retirement. The Board of Retirement consists of nine regular members and one alternate. Four are elected by participating members, four are appointed by the Board of Supervisors, and one is the County Treasurer. Although it is legally separated from the County, SJCERA is reported as a fiduciary fund because the sole purpose of SJCERA is to provide retirement benefits to the employees of the County and certain participating special districts. SJCERA uses the calendar year as its fiscal year; therefore, the financial information related to the Pension Trust Fund represents the year ended December 31, 2012. The financial statements of the Pension Trust Fund are available through SJCERA (see Note 14).

The San Joaquin County Public Facilities Financing Corporation (Corporation) is included as part of the primary government. The sole purpose of the Corporation is to finance, for the benefit of the County, the acquisition and construction of the County's major capital projects, as described in Note 6 – B. The Corporation has assigned and transferred, without recourse, to the US Bank Trust Corporation for the benefit of the owners of the certificates each and all of its rights under the Site Lease and the Project Lease. With the exception of bonds issued for the North County Landfill Project, the Solid Waste System Project, and the San Joaquin General Hospital Expansion Project, debt service and outstanding debts and the related capital projects are reported in the government-wide financial statements. The bonds issued for the North County Landfill Project, the Solid Waste System Project, and the San Joaquin General Hospital Expansion Project and the related construction are reported in the Solid Waste Enterprise Fund and General Hospital Enterprise Fund, as applicable. The Corporation's financial statements are available through the County Administrator's Office.

***Discretely Presented Component Units***

The component units' column in the basic financial statements includes the financial data of the County's other component units. They are reported in a separate column to emphasize that they are legally separate from the County. The County has chosen to report all of the discretely presented component units as major component units.

- Head Start Child Development Council, Inc., a nonprofit corporation, provides Head Start pre-school services to low-income families in the County. The Council annually receives significant Federal grants for providing Head Start services as a subrecipient through the County.
- San Joaquin County Economic Development Association (Association), a nonprofit corporation, promotes, publicizes, encourages, and coordinates economic development of the County. The Association is governed by a five-member board appointed by the County Board of Supervisors and is operationally funded solely by the County.
- Local Agency Formation Commission, established pursuant to Government Code Section 56000, is governed by five commissioners. It approves or disapproves any application proposing annexation or detachment of territory to or from a city or special district. It also develops and determines Spheres of Influence which are projected future service areas of local governmental agencies.
- Health Plan of San Joaquin, created by the County Board in 1995, provides medical care and health services to Medi-Cal recipients and other groups of persons pursuant to various statutes specified in the Welfare and Institutions Code.

Separate financial statements of these individual component units have been issued and are available from their respective administration office or the County Auditor-Controller's office. Condensed financial data is presented in Note 17.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**A. Reporting Entity** (Continued)

***Related Organizations***

The County's Board is also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments; therefore, these organizations are not included in these financial statements. These organizations are Tracy Public Cemetery District, Escalon Cemetery District, San Joaquin Regional Transit District, New Mariposa Drainage District, San Joaquin County Housing Authority, and Colledgeville Fire District.

***Joint Powers Agreements***

The County has seven Joint Powers Agreements (JPA).

- (1) San Joaquin Valleywide Air Pollution Study Agency was formed by the County and other counties in 1990 for the purpose of designing, planning, programming, and implementing an ozone and air pollution study in the geographical territory encompassed by the member counties.
- (2) San Joaquin Area Flood Control Agency was formed by the County and the City of Stockton in 1995 to study, plan for, develop, finance, acquire, construct, maintain, repair, manage, operate, and control water control works and facilities for the protection of the public.
- (3) San Joaquin Regional Rail Commission was formed by the County, certain incorporated cities within the County, and the Council of Governments in 1995 to resolve issues relating to the rail passenger services and facilities for the purpose of transporting passengers within and outside their respective boundaries.
- (4) Mokelumne River Water and Power Authority was formed by the County and San Joaquin County Flood Control and Water Conservation District in 1990 to finance the acquisition and construction of a dam, reservoir, generating facilities, and conveyance facilities in order to benefit the County and the San Joaquin County Flood Control and Water Conservation District.
- (5) Northern San Joaquin County Groundwater Banking Authority (previously, East San Joaquin Parties Water Authority) was formed by the County, the San Joaquin County Flood Control and Water Conservation District, cities, and other water conservation and irrigation districts in 1996. This JPA was formed to plan, along with other public entities, projects to meet the water deficiencies of Eastern San Joaquin County.
- (6) Altamont Commuter Express (ACE) was formed in 1997 by the San Joaquin Regional Rail Commission, a joint powers agency to which the County is a member, the Alameda County Congestion Management Agency, and the Santa Clara County Transit District. ACE is formed to combine the parties' efforts to achieve a viable commuter rail service link over the existing rail line between the cities of the County and San Jose to improve air quality and reduce crippling congestion within the interstate highways.
- (7) Council of Governments was formed by the County and incorporated cities within the County in 1983 to manage the area-wide issues requiring multi-jurisdictional cooperation.

With the exception of the responsibilities borne by the participating parties during the JPA start-up period, the County does not retain any ongoing financial interest or responsibility in these JPAs, except Mokelumne River Power Authority and Northern San Joaquin County Groundwater Banking Authority, which are either controlled by the Board or fully funded by a County controlled district and therefore blended with the County's financial statements.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Reporting Entity (Continued)

#### *Joint Powers Agreement* (Continued)

#### *Non-Related Organizations*

The school districts and special districts governed by local boards are independent and are not in any way related to the County; therefore, only those entities using the services of either the County Treasurer or County Auditor-Controller are included in these financial statements as fiduciary funds.

The Lodi Grape Festival and Harvest Fair (Festival) operates fairground facilities located in Lodi, California. It conducts the annual Lodi Grape Festival and the annual Harvest Fair. Although the County has the responsibility to provide certain capital assets and improvements to the Festival, the State Department of Food and Agriculture, through its Division of Fairs and Expositions, supervises and provides funding for the activities of the Festival. Therefore, it is not a component unit of the County.

The San Joaquin County Historical Society (Society), in addition to activities customarily associated with a historical society, operates the San Joaquin County Historical Museum for the County. The County provides the Society funds to cover the museum operating expenses. Since there is no fiscal dependency or financial burden to the County, it is not a component unit of the County.

### B. Basis of Financial Presentation

During the fiscal year ending June 30, 2013, the County implemented the following standards:

**GASB Statement No. 60** – *Accounting and Financial Reporting for Service Concession Arrangements* addresses accounting and financial reporting issues related to public-private and public-public partnerships. The statement is effective for periods beginning after December 15, 2011. The County implemented this change for the fiscal year ended June 30, 2013.

**GASB Statement No. 61** – *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* modifies a number of provisions with regard to reporting of component units within a financial reporting entity. The statement is effective for periods beginning after June 15, 2012. Upon implementation, there was no effect on the County's accounting or financial reporting.

**GASB Statement No. 62** – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements* incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The statement is effective for periods beginning after December 15, 2011. Upon implementation, there was no effect on the County's accounting or financial reporting.

**GASB Statement No. 63** – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* modifies financial reporting of those elements. The largest change was the replacement of the Statement of Net (Plan, if retirement entity) Assets with a Statement of Net (Plan) Position and a Statement of Changes in Net (Plan) Position instead of the Statement of Changes in Net (Plan) Assets upon implementation for periods beginning after December 15, 2011. The County has implemented this change for the fiscal year ended June 30, 2013.

**GASB Statement No. 64** – *Derivative Instruments: Application of Hedge Accounting Termination Provisions* amends current accounting and financial reporting related to terminations of swap agreements due to default or other termination events. In certain instances where swap counterparties or credit support providers are replaced, hedge accounting may continue, rather than cease. The provisions of GASB Statement No. 64 are effective for financial statements beginning after June 15, 2011. Upon implementation, there was no effect on the County's accounting or financial reporting.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Basis of Financial Presentation** (Continued)

GASB recently released several new accounting and financial reporting standards. The following new standards may have a significant impact on the County's financial reporting process.

**GASB Statement No. 65**, *Items Previously Reported as Assets and Liabilities*, is effective for periods beginning after December 15, 2012. It improves financial reporting for State and local governments by reclassifying, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**GASB Statement No. 66**, *Technical Corrections - 2012*, is effective for periods beginning after December 15, 2012. It improves financial reporting for State and local governments by resolving conflicting guidance that resulted from the issuance of GASB Statement Nos. 54 and 62.

**GASB Statement No. 67**, *Financial Reporting for Pension Plans*, is effective for periods beginning after June 15, 2013. It improves financial reporting for State and local governments by improving the usefulness of pension information included in the general purpose external financial reports of State and local governmental pension plans for making decisions and assessing accountability.

**GASB Statement No. 68**, *Accounting and Financial Reporting for Pensions*, is effective for periods beginning after June 15, 2014. The principal objective of this statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees – both active employees and inactive employees – are provided with pensions. An additional objective is to improve the information provided in government financial reports about pension-related financial support provided by certain nonemployer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities.

**GASB Statement No. 69**, *Government Combinations and Disposals of Government Operations*, is effective for periods beginning after December 15, 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. Government combinations include mergers, acquisitions, and transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged.

**GASB Statement No. 70**, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, is effective for periods beginning after June 15, 2013. The objective of this statement is to improve the recognition, measurement, and disclosure guidance for State and local governments that have extended or received financial guarantees that are nonexchange transactions.

**GASB Statement No. 71**, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, is effective for the periods beginning after June 15, 2014, and should be implemented with GASB Statement No. 68. The objective of this statement is to improve accounting and financial reporting by addressing an issue in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that statement by employers and nonemployer contributing entities.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Basis of Financial Presentation** (Continued)

***Government-Wide Financial Statements***

Information relating to the primary government (the County) and its components is displayed in the statement of net position and statement of activities. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County and between the County and its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are primarily supported by fees charged to external parties.

The statement of activities presents a comparison between direct and indirect expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or a function and, therefore, are clearly identifiable to a particular function. Indirect expenses are those that are allocated to a program or a function from the County's centralized general service function based on the cost allocation principles established by the U.S. Office of Management and Budget (OMB). Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, 2) fines and penalties ordered by the courts, 3) licenses and permits charged by the programs, and 4) 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, it is County policy to use restricted net position first, and then use the unrestricted resources as it is needed.

***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. The County is required to report the General Fund, the Mental Health and Substance Abuse Fund, the General Hospital Fund, and the Solid Waste Fund as major funds. Although not required to be reported as major funds, the County has also chosen to report the First Five Program Fund, the County Capital Outlay Fund, and the Stockton Metropolitan Airport Fund as major funds for consistency reasons. All remaining governmental funds are separately aggregated and reported as nonmajor 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. Proprietary fund operating expenses, such as salaries and benefits or services and supplies, result from providing services and producing and delivering goods related to the proprietary fund's primary operations. Expenses that are not directly related to the proprietary fund's primary operations are reported as non-operating expenses.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Basis of Financial Presentation** (Continued)

***Fund Financial Statements*** (Continued)

The County reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources and transactions except those required to be accounted for in another fund. It includes certain special accounts that are under the control of various General Fund departments and those that are used to accumulate resources for designated purposes.
- Mental Health and Substance Abuse Fund – The Mental Health and Substance Abuse Fund is used to account for the proceeds of specific sources with its expenditures legally restricted for mental health and substance abuse services.
- First Five Program Fund – The First Five Program Fund is used to account for the funding provided through excise taxes collected by the State on tobacco products following voter approval of the Children and Families Act of 1998 (Proposition 10). The purpose of the program is to promote, support, and improve the early development of children from the prenatal stage to five years of age. Monies are expended in accordance with a strategic plan prepared by the San Joaquin County Children and Families Commission.
- County Capital Outlay Fund – The County Capital Outlay Fund is used to account for financial resources to be used for the major maintenance, acquisition, and/or construction of major capital facilities, other than those financed by business-type funds.

The County reports all of its enterprise funds as major funds:

- The San Joaquin County General Hospital Fund (the Hospital) accounts for hospital operations involved in providing health services to County residents. Revenues are primarily fees for patient services and payments from Federal and State programs such as Medicare, Med-Cal, realignment revenues, and subsidies from the General Fund.
- The Stockton Metropolitan Airport Enterprise Fund (the Airport) accounts for commercial, corporate business, and general aviation activities of the County. Revenues are primarily landing fees, rental fees, and concessionary fees generated from the Airport owned facilities, capital grants from the Federal Aviation Administration, and unsecured property taxes within the Airport's boundaries.
- The San Joaquin County Solid Waste Enterprise Fund accounts for the County's solid waste transfer and disposal activities, acquisition, design, development, and closure and postclosure maintenance of landfill sites, refuse collection franchise management, and other recycling programs. Revenues are primarily the gate fees and franchises.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **B. Basis of Financial Presentation** (Continued)

#### ***Fund Financial Statements*** (Continued)

The County reports the following additional fund types:

- Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or agencies of the County on a cost recovery basis. These services include the County's fleet maintenance, telephone and radio communications, office automation, and centrally managed insurance programs – workers compensation, employee medical, dental, and unemployment benefits, and casualty liabilities.
- The Pension Trust Fund – This is used to account for the County's retirement system assets and changes in net position. The retirement system is a separate entity and its financial operations are controlled by the Board of Retirement. The financial statements of the retirement system are included as a fiduciary fund. The post-retirement health benefit plan is also included in the Pension Trust Fund, as it is managed by SJCERA.
- Investment Trust Fund – This is used to account for the assets of legally separate entities that participate in the County Treasurer's investment pool. This fund represents the assets, primarily cash and investments, and the related net position/fund balance for investment pool participants, such as schools, local fire districts, the San Joaquin County Superior Court, reclamation districts, etc.
- Private Purpose Trust Funds – These funds are used to account for the assets held for a minor pursuant to a liability claim settlement, and revolving loan funds that are funded by the Federal Community Development Block Grant, Home Loan Program, and Economic Development Administration for the benefit of the community as a whole, rather than for the benefit of the County.
- Agency Funds – These funds are used to account for the assets and the related liabilities of clearing accounts, such as payroll withholdings, estate accounts, assets forfeiture accounts, court ordered deposits, and various entities other than those accounted for in the Investment Trust Fund.

### **C. Basis of Accounting**

The government-wide, proprietary, pension, and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when 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 the accrual basis of accounting, property tax revenues are recognized in the fiscal year for which the taxes are levied. Sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

For its business-type activities and enterprise funds, the County has implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which codified all applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989. GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes accounting principles generally accepted in the United States of America for governmental units. The County has elected not to follow subsequent private-sector guidance of the Financial Accounting Standards Board after November 30, 1989.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **C. Basis of Accounting** (Continued)

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.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, expenditures are recorded when the related liability is incurred except that the unmatured interest on long-term debt and expenses 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. Revenues are recorded when they are both measurable and available to finance expenditures during the fiscal period. Property and sales taxes, interest, State and Federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Revenues earned but not received within sixty days after the end of the accounting period, on the other hand, are recorded as receivables and deferred revenues, in accordance with GASB Statement No. 34.

The financial statements of the component units are maintained on the following basis of accounting:

- San Joaquin County Economic Development Association: accrual accounting basis of accounting.
- Head Start Child Development Council, Inc.: accrual accounting basis of accounting.
- Local Agency Formation Commission: modified accrual accounting basis of accounting.
- Health Plan of San Joaquin: accrual accounting basis of accounting.

### **D. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers.

- Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation and are referred to as either “due to/due from other funds” (the short-term interfund loans) or “advance to/from other funds” (the long-term interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds are reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation, and are not available financial resources.
- Services provided, deemed to be at market or near market rate and are the core business of the function, are treated as revenues or expenditures/expenses in the funds involved. The related accounts payable and accounts receivable are eliminated upon consolidation and are referred to as “due to/due from other funds” on the fund statements.
- Reimbursement transactions are treated as reductions of expenditures/expenses in one fund and corresponding increases in the other fund.
- Operating/Capital transfers are reported as “transfers in” or “transfers out” under other financing sources and netted as part of the reconciliation to the government-wide presentation.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Cash and Investments**

Cash and investments consist of cash held in the bank or on hand and debt and equity securities. All investment securities, such as certificates of deposit, bankers' acceptances, commercial paper, repurchase agreements, and U.S. Treasury notes, stocks, bonds, etc., are stated at fair value in accordance with GASB Statement No. 31. The fair value of investments is obtained by using quotations obtained from independent published sources. The commingled funds are valued based on the fair value of the commingled trust's underlying assets. Interest earnings on the County Treasurer's investment pool are distributed to all participating funds based on their average daily cash balance within the pool.

**F. Inventory and Prepaid Expenses**

Inventory of materials and supplies in the enterprise funds, internal service funds, Mental Health and Substance Abuse Fund (a major governmental fund), and Road Fund (a nonmajor governmental fund) are stated at cost as determined by the first-in, first-out method. Materials and supplies purchased by other funds are for current consumption and are recorded as expenditures when consumed.

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

**G. Capital Assets**

Capital assets (including infrastructure) are recorded at historical costs or at estimated historical cost if actual historical cost is not available. Infrastructures acquired prior to June 30, 1980, are not recorded. The County defines capital assets as assets with an initial, individual cost of more than \$1,000 for equipment/furniture and \$5,000 for structures and improvements, and an estimated useful life in excess of one year.

Capital assets acquired by the governmental funds are accounted for as expenditures of those funds and capitalized and recorded as assets in the government-wide financial statements. Assets constructed through the issuance of Certificates of Participation are capitalized. Material interest and incidental expenses, net of interest revenue earned on proceeds of Certificates of Participation during the construction period, have been capitalized. Major equipment acquired through long-term lease purchase arrangements is capitalized and reported as assets in the government-wide statement of net position.

Contributed capital assets are valued at their estimated fair market value on the date contributed. Contributed capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including pavements in progress, bridges, and right of way.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Depreciable capital assets of the enterprise funds and internal service funds are depreciated using the straight-line method over estimated useful lives of 10 to 60 years for structures and improvements and 2 to 20 years for equipment, furniture, and fixtures.

Capital assets used in operations of the governmental funds are depreciated on the government-wide financial statements only, using the straight-line method over estimated lives of 10 to 50 years for structure and improvements and 2 to 5 years for equipment, furniture, and fixtures. Infrastructure (i.e., roads, bridges, water/sewer, drainage system, flood control, etc.) is depreciated using a composite method to depreciate the infrastructure acquired after June 30, 1980, over an estimated weighted average life of 25 years.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**H. Capital Lease Obligations**

Capital leases consist of lease-purchase obligations stated at the present value of future minimum lease payments.

**I. Property Taxes**

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and Revenue and Taxation Code. The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including schools and special districts within the County.

Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIII of the California State Constitution and statutory provisions. The total 2012-13 net assessed valuation of the County real property was \$52.8 billion.

The property tax levy to support general operations of the various jurisdictions is limited to 1% of full cash value and is distributed in accordance with statutory formulas. Amounts needed to finance the annual requirements of voter-approved debt are excluded from this limitation and are separately calculated and levied each fiscal year. The rates are formally adopted by the Board after approval of city councils or the governing boards of special districts where applicable. Property taxes are levied on both real and personal property.

Secured property tax payments are levied in two equal installments: the first is generally due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property with unpaid taxes incurs a lien on January 1 preceding the fiscal year for which taxes are levied. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid on August 31.

In 1983, the Governor signed Senate Bill 813 which requires county assessors to appraise property and issue an assessment when new construction is completed or a change in ownership occurs. The supplemental assessment will reflect the change in value for the remainder of the property tax year. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill.

The County's property taxes are accounted for in the property tax collection funds until apportionments are made and funds are disbursed to taxing jurisdictions. The funds carried a net cash balance of approximately \$26.3 million as of June 30, 2013.

Since fiscal year 1993-94, the County has opted into the alternative tax apportionment method, commonly known as the Teeter Plan. Under this method, the County, along with all other taxing agencies, has been paid 100% of the current secured taxes levied for each year. The fund balance (deficit) of the tax resource fund is consolidated with the General Fund at year-end. To finance the 100% distribution, the County has been choosing the interfund borrowing method every year since 1993-94 and reports the borrowing as the liability of the County General Fund.

The County maintains a balance of 2.5% (the legally required minimum balance is 1%) of the annual taxes levied on properties participating in the Teeter Plan in a Tax Loss Reserve Fund. The balance was approximately \$16.0 million at June 30, 2013. Penalties and interest collected on delinquent secured taxes are kept in the Tax Resource Fund.

Taxes, including unsecured property taxes, earned but not collected within 60 days after June 30, 2013, are recorded as taxes receivable (approximate \$80.2 million) and are offset by a deferred revenue liability of \$78.5 million on the fund statements. The changes in deferred revenues between prior fiscal year and the current fiscal year, however, are recognized as revenues on the government-wide financial statements. The net taxes receivable was \$67.4 million, net of the estimated uncollectible amount of \$16.0 million.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### J. **Compensated Absences**

Unused vacation leave may be accumulated up to a specified maximum and is paid at the time of termination from County employment. In accordance with the Memorandum of Understanding (MOU) between the County and the employees' unions, the County is only obligated to pay for unused sick leave up to a certain percentage at the time of eligible employees' retirement. Upon retirement, the County converts the non-cash pay out portion to a sick-leave bank to provide the post-retirement medical, dental, or vision premium coverage for eligible employees.

The County accrues as current liabilities the compensated vacation and other leave benefits that are attributable to employees' services already rendered but not yet paid. A portion of the cash payout of the unused sick leave upon retirement, based on the past three years' experience, is also accrued as current liabilities.

### K. **Fund Equity**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the County's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.
- Unassigned fund balance – the residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the unrestricted resources (committed, assigned, and unassigned) as they are needed.

### L. **Bond Issuance Costs and Discounts**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond discounts and premiums are amortized over the life of the bonds in the same manner as interest expense. Issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond discount or premium. Bond issuance costs are reported as deferred charges in the asset section, net of accumulated amortization.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**L. Bond Issuance Costs and Discounts** (Continued)

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the period paid. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

**M. Cash and Cash Equivalents**

For purposes of the statements of cash flows of the proprietary funds, cash and cash equivalents are defined as cash pools managed by the County Treasurer and any other short-term, highly liquid investments that are both a) readily convertible to known amounts of cash and b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Changes in fair value of investments are reported as cash flow from investing activities as they meet the definition of cash equivalents.

**N. Management Estimates**

In preparing basic financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**O. Post Employment Health Benefits**

The County does not provide employees any Other Post Employment Benefits (OPEB) other than the post employment health benefits under the “sick leave bank” program, as described below. The sick leave bank program is administered by SJCERA (see Note 14 – Employee Retirement Systems for more information).

In accordance with GASB Statement No. 43 and No. 45, however, the County has an implicit subsidy liability as the County allows any member or beneficiary receiving a pension benefit to purchase post-retirement health insurance under one of the County’s sponsored plans. In some cases, the purchase of this insurance can result in an implicit subsidy payable by the County.

Sick Leave Bank Benefit: The County provides full-time employees with 12 days of paid sick leave per year. Unused sick leave is allowed to accumulate. As a result of the settlement of a lawsuit, as explained later, for those regular employees who were hired on or before August 26, 2001, and meet certain requirements, their accumulated unused sick leave, net of their cash-out portion, upon retirement is converted to a sick leave bank at a rate of \$27.65 per hour, which is used to pay their post employment health insurance costs. However, the sick leave bank benefits are not vested in any way and are of a use-or-lose plan. Employees hired after that specified date are not eligible for sick leave cash payout or the sick leave bank benefits.

In fiscal year 2011-12, SJCERA filed a request for a determination letter regarding the sick leave bank benefits in accordance with the IRS’ voluntary compliance program. As a result of this filing, the SJCERA Board of Retirement decided to “freeze” prefunding of this program pending a response from the IRS. The County, as a participating employer, is now funding its sick leave bank benefits on a pay-as-you-go basis. SJCERA will continue its role as a third-party administrator of these benefits. Any further changes will depend upon the IRS’ response to the determination letter. The pay-as-you-go costs for fiscal year 2012-13 were \$5.3 million.

At December 31, 2012, the total number of the eligible members for the sick leave bank benefit was comprised of 2,076 active members and 922 retired members.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**P. Hospital and Other Program Revenues**

Net patient service revenue is revenue reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments for Medicare and Medi-Cal cost report settlements. Medicare and Medi-Cal cost report adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Gross patient revenue for year 2012-13 was \$770.5 million, and estimated adjustments for contractual allowances and bad debts were \$662.6 million, resulting in net patient revenue of \$107.9 million.

- Medicare – Inpatient and outpatient acute care services and defined capital and indirect graduate medical education costs for services rendered to Medicare beneficiaries are paid at prospectively determined rates. These rates vary according to an inpatient and outpatient classification systems that are based on clinical, diagnostic, and other factors. Direct graduate medical education cost and bad debts are paid based on estimated periodic interim payments and are finalized after the audit of the annual cost report.
- Medi-Cal – Services rendered to Medi-Cal program beneficiaries are reimbursed based on a maximum allowance schedule for outpatients and on a cost basis for inpatients under California's Medi-Cal Hospital Waiver.
- Senate Bill (SB) 1100 California's Medi-Cal Hospital Waiver – In September 2005, the California legislature passed SB1100. It put in place a negotiated payment method between the State and the Federal government. The Medi-Cal Waiver (Waiver) replaced a 15 year old system, SB855 and SB1255, that governed hospital fee-for-service and disproportionate share hospital payments. Under the Waiver, the non-Federal share used to draw down the Federal funds is a combination of certified public expenditures and intergovernmental transfers.

The initial Waiver covered the period from July 1, 2005 to June 30, 2010. The State requested and was granted an extension of this Waiver to October 31, 2010, by the Federal government. The State and the Federal government completed negotiations for a new Waiver on November 2, 2010, and is effective from November 1, 2010 to October 31, 2011. The new Waiver is titled "California's Bridge to Reform Demonstration" and will expand coverage and the Safety Net Care Pool (SNCP).

Within the SNCP, a Delivery System Reform Incentive Pool (DSRIP) was made available for development of a program of activity that supports California's public hospitals efforts in meaningfully enhancing the quality of care and the health of the patients and families they serve. In 2013, the Hospital received \$17.5 million in DSRIP funds.

- For other Waiver funding for the Hospital in 2012-13 included \$28.3 million for Disproportionate Share Hospital payments, \$10.4 million for SNCP, and \$3.0 million for the Physician SPA.

## **NOTE 2 – CASH AND INVESTMENTS**

With the exception of the Pension Trust Fund, Revolving Loan Fund Trusts, and restricted Certificates of Participation proceeds, the County Treasurer-Tax Collector pools cash from various funds for investment purposes. The investment pool includes both voluntary and involuntary participation from external entities. Interest earned on investments is credited to individual funds based on their average daily cash balances and current year secured tax charges and direct assessments where applicable. The Pension Trust Fund, Revolving Loan Fund Trusts, and restricted Certificates of Participation proceeds are invested and managed separately from the pooled cash and investments.

As of June 30, 2013, the County's cash, deposits and investments were as follows (in \$000's):

	Investment Pool	Special Funds and Investments	Pension Trust Fund	Other	Totals
Deposits with financial institutions	\$ 41,079	\$ 4,769	\$ 98,962	\$ 2,999	\$ 147,809
Outstanding warrants	(100,730)	-	-	-	(100,730)
Investments	1,629,965	12,150	2,182,325	-	3,824,440
	<u>\$ 1,570,314</u>	<u>\$ 16,919</u>	<u>\$ 2,281,287</u>	<u>\$ 2,999</u>	<u>\$ 3,871,519</u>

Total cash and investments were presented on the County's financial statements as follows (in \$000's):

	Unrestricted	Restricted	Total
Primary Government	\$ 601,108	\$ 20,451	\$ 621,559
Investment Trust Fund	862,610	-	862,610
Private Purpose Trust Funds	9,903	-	9,903
Agency Fund	41,997	-	41,997
Pension Trust Fund	2,282,254	-	2,282,254
Discretely Presented Component Units	53,196	-	53,196
	<u>\$ 3,851,068</u>	<u>\$ 20,451</u>	<u>\$ 3,871,519</u>

### Investment Pool

The County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code and the County Treasurer's Investment Policy. The California statutes and the County's investment policy authorize the County to invest in obligations of the U.S. Treasury, certain Federal agencies, bankers' acceptances, "prime" commercial paper, certificates of deposit, swaps and trades, State Treasurer's Local Agency Investment Fund, and repurchase agreements. All of the County Treasurer's investments are of a mid-term and short-term nature. California State Government Code provides for the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee annually reviews the County's investment policy and causes an audit of investments to occur.

### Deposits

At year-end, the carrying amount of the County's cash on hand and authorized deposits at various financial institutions was \$41.1 million. Of the total deposits, \$38.8 million was uninsured but secured by the pledging banks and, therefore, was exposed to custodial credit risk. The custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it.

Statutes and County investment policy allow the pool deposits be covered by Federal depository insurance or by a multiple financial institution collateral pool, which is maintained at a minimum of 110% of the uninsured deposits with the pledging institution's agent in the institution's name. The County has made no exceptions to this requirement during the current year.

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

Investments

As of June 30, 2013, the County had the following pool investments (in \$000's):

	Fair Value	Weighted Average Maturities (in days)	Fair Value as % of the Pool Investments	Credit Rating S&P/MIS
Commercial Paper	\$ 199,980	21	12.3%	A-1/P-1
Money Market Account - Rabo Bank	10,000	-	0.6%	A-1+/P-1
Money Market Account - Bank of the West	24,990	-	1.5%	A-1/P-1
Bank of the West Sweep Account	16,603	-	1.0%	A-1/P-1
Wells Fargo Bank Sweep Account	686	-	0.0%	A-1+/P-1
Federal Farm Credit Bank	19,996	29	1.2%	A-1+/P-1
Federal Home Loan Bank	641,924	127	39.4%	A-1+/P-1
Federal Home Loan Mortgage Corporation	313,910	426	19.3%	A-1+/P-1
Federal National Mortgage Association	184,366	691	11.4%	A-1+/P-1
Medium-Term Note - General Electric Company	20,002	831	1.2%	A-1+/P-1
Medium-Term Note - GE Capital Corporation	30,055	622	1.8%	AA+/A1
General Obligation Bonds - California	117,453	419	7.2%	A-/A1
State Local Agency Investment Fund (LAIF)	50,000	-	3.1%	Not rated
<b>Total</b>	<b>\$ 1,629,965</b>	<b>265</b>	<b>100.0%</b>	

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County investment policy, the County Treasurer manages the exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to three years or less. As of June 30, 2013, the weighted average maturity of the pool investments was 265 days.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. California statutes and the County's Investment Policy limit the County investments to obligations of the U.S. Treasury, certain Federal agencies, bankers' acceptances, "prime" commercial paper, certificates of deposit, swaps and trades, State Treasurer's Local Agency Investment Fund (LAIF), and repurchase agreements. Credit ratings as of June 30, 2013, of the pool investments are presented above.

*Concentration of Credit Risk* – Concentration of credit risk is the loss risk attributed to the magnitude of a government's investment in a single issuer. The County's investment policy places certain maximum percentage limitations of investments by investment type and the Treasurer has adhered to this policy with no exception. As of June 30, 2013, the County's investments by investment type as the percentage of the pool investments are shown above.

Investments in the securities of any individual issuer, other than U.S. Treasury securities, mutual funds, and external investment funds that represent 5 percent or more of pooled investments are as follows at June 30, 2013 (in \$000's):

Issuer	Amount	Percent of Investments
Federal Home Loan Bank	\$ 641,924	39.40%
Federal Home Loan Mortgage Corporation	313,910	19.30%
Federal National Mortgage Association	184,366	11.40%
State of California	117,454	10.30%

## NOTE 2 – CASH AND INVESTMENTS (Continued)

### Investments (Continued)

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the County's pooled investments were exposed to custodial credit risk during the fiscal year because all securities were held by the County's safekeeping agent in the County's name.

*Local Agency Investment Fund (LAIF)* – It is an investment pool managed by the California Department of Treasury. The County's total investment in the LAIF at June 30, 2013, was \$50.0 million which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis.

This fund is not registered with the Securities and Exchange Commission (SEC) as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Advisory Board) has oversight responsibility for LAIF. The Advisory Board consists of five members as designated by State Statute. The total amount invested by all public agencies in Pooled Money Investment Account (PMIA) on that day was \$58.8 billion. Of that amount, 1.96% was invested in structured notes and asset-backed securities with the remaining 98.04% invested in other non-derivative financial products.

The financial statements are available at the State Treasurer's Office website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

### Statement of Net Position

The following represents condensed statements of net position and changes in net position for the Treasurer's investment pool as of June 30, 2013. The cash and investments of the Revolving Loan Funds and the deposits with other banks are not included in this statement, as they are managed and invested by a trustee bank.

#### Statement of Net Position (in \$000's)

	Internal Investment Pool	External Investment Pool	Total
Assets:			
Cash and investments**	\$ 709,328	\$ 860,986	\$ 1,570,314
Investment income receivable	457	350	807
Pool participants fund deposit receivable	219,338	3,150	222,488
Other assets	49,873	7,537	57,410
	<u>978,996</u>	<u>872,023</u>	<u>1,851,019</u>
Liabilities	<u>242,921</u>	<u>34,732</u>	<u>277,653</u>
Net Position	<u>\$ 736,075</u>	<u>\$ 837,291</u>	<u>\$ 1,573,366</u>

\*\* Not including the cash and investments of the Revolving Loan Fund and the deposits with other banks that were managed by the trustee banks.



**NOTE 2 – CASH AND INVESTMENTS** (Continued)

Statement of Net Position (Continued)

Statement of Changes in Net Position (in \$000's)

	Internal Investment Pool	External Investment Pool	Total
Additions:			
Contributions	\$ 2,423,439	\$ 4,021,796	\$ 6,445,235
Investment income	1,743	2,220	3,963
Total Additions	<u>2,425,182</u>	<u>4,024,016</u>	<u>6,449,198</u>
Deductions:			
Distributions	<u>2,323,434</u>	<u>3,870,528</u>	<u>6,193,962</u>
Net Change	101,748	153,488	255,236
Net Position - Beginning	608,169	681,795	1,289,964
Prior Period Adjustment	<u>26,158</u>	<u>2,008</u>	<u>28,166</u>
Net Position - Ending	<u>\$ 736,075</u>	<u>\$ 837,291</u>	<u>\$ 1,573,366</u>

Special Funds and Investments

In addition to the County Treasurer's investment pool, certain specific funds and investments are managed by contracted financial institutions and include the Revolving Loan Fund and the restricted Certificates of Participation (COPs) and Revenue Bonds proceeds. The investments of COPs and revenue bonds were reported as restricted cash and investments on the financial statements. The purpose of the restricted cash is to fund future long-term debt payments (\$13.7 million) and to restrict cash for patient gift funds (\$1,552,814). Presented below are those deposits and investments managed by the trustee banks at June 30, 2013 (in \$000's):

	Fair Value			Weighted Average Maturities (yrs)	Credit Rating S&P/MIS
	Revolving Loan Fund	Certificates of Participation	Total		
Cash and money market fund deposits	\$ 3,171	\$ 3,698	\$ 6,869	Not applicable	Not applicable
Federal Home Loan Bank	-	776	776	6	A-1+/P-1
Federal Home Loan Mortgage Corporation	-	6,352	6,352	1.1	A-1+/P-1
Federal National Mortgage Association	-	2,922	2,922	1.5	A-1+/P-1
Repurchase Agreements	-	-	-	Not applicable	A/A
Federal Farm Credit Banks	-	-	-	0	A-1+/P-1
	<u>\$ 3,171</u>	<u>\$ 13,748</u>	<u>\$ 16,919</u>		

All of the underlying investments of the fixed income mutual fund were in obligations of the U.S. government and were not subject to credit risk.

**NOTE 2 – CASH AND INVESTMENTS** (Continued)Pension Trust Fund Investments

The Pension Trust Fund's investment activity is governed by the Board of Retirement's policy. In fiscal year 2012-13, the targeted allocations of the investment portfolio were: 16.25% in domestic equity investments, 16.25% in international equities, 1.5% in global equities, 24% in fixed income investments, 10% in real estate investments, 7% in inflation protection, 10% in risk parity, and 15% in alternative investments. The Pension Trust Fund's investments are presented below at fair value in accordance with GASB Statement No. 25 and consist of both short-term and long-term investments (in \$000's):

	<u>Fair Value</u>
Investments:	
Domestic equities	\$ 520,852
Domestic debt securities	533,209
International equities	250,835
Real estate	245,284
Alternative investments	<u>522,248</u>
Subtotal	<u>2,072,428</u>
Investments Held by Broker-Dealers Under Securities Loans:	
Domestic equities	81,332
Domestic debt securities	28,168
International equities and debt securities	<u>397</u>
Total Investments Held by Broker-Dealers Under Securities Loans	109,897
Commingled Funds:	
Short-term investment pool	<u>-</u>
Subtotal	<u>109,897</u>
Total	<u>\$ 2,182,325</u>

All investments owned by the Pension Trust Fund (the Plan) are held for safekeeping by independent master custodians through a "book entry system."

Cash not needed for the Plan's daily operations is deposited with the Plan master custodian, who pools from their clients all cash pending for permanent investment in their Short-Term Investment Fund (STIF) and/or Short-Term Extendable Portfolio (STEP) accounts. The cash in the STIF account is invested in high-grade money market instruments with very short maturities, such as bonds, notes, foreign currency deposits (call deposits), and forward exchange contracts on a short-term basis. The cash in the STEP account is invested in various securities with the purpose of maximizing returns to the extent consistent with minimizing unit value volatility. The STEP investments are marked to market daily. At December 31, 2012, the Plan had \$209.0 million, \$99.9 million, and \$109.9 million in the STIF, the STEP, and the security lending STIF account, respectively.

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

Pension Trust Fund Investments (Continued)

*Security Lending* – The security lending STIF account represents the short-term investment of the cash collateral received from the borrower under the security-lending program. The Plan’s master custodian was appointed as the lending fiduciary by the Plan. Under the contract, the master custodian may lend securities of the Plan, other than commingled funds, held by it to certain Plan approved security borrowers. All loans are fully collateralized with cash, securities issued or fully guaranteed by the U.S. Government, or irrevocable bank letters of credit. Initial collateralization is 102% of the market value of the loaned securities. As securities are loaned, collateral is maintained at a minimum of 100% of the market value of the securities plus accrued income. The potential risks involved in the security-lending program include: borrower bankruptcy; collateral deficiencies; and problems with settlements, corporate actions, dividends, and interest.

Since the security-lending program is operated on a pooled basis, the cash collateral and the market value of non-cash collateral are pro-rated among all participants. The securities lending contracts do not allow the lenders to pledge or sell any non-cash collateral unless the borrower defaults. Cash collateral, on the other hand, is invested by the Plan’s master custodian in a fund created solely for the investment of cash collateral purposes. At year-end, the Plan had no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceeded the amounts the borrowers owe the Plan.

The cash collateral is reported on the financial statement as an asset and as a liability of the Pension Trust Fund while the non-cash collateral is reported neither as an asset or liability in accordance with GASB Statement No. 28. The Plan’s portion of the securities lending program has earned \$390,081 and \$337,181, in 2012 and 2011, respectively. The table below details the County’s out-on-loan securities, excluding the commingled funds owned by the SJCERA, as of December 31, 2012 (in \$000’s):

	<u>Fair Value</u>	<u>Cash Collateral Value</u>	<u>Non-Cash Collateral Value</u>
Domestic equities	\$ 80,818	\$ 81,332	\$ 470
Domestic debt securities	27,673	28,168	-
International equities	16,120	397	16,751
Total	<u>\$ 124,611</u>	<u>\$ 109,897</u>	<u>\$ 17,221</u>

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

Pension Trust Fund Investments (Continued)

*Credit Risk* – The Plan’s investments at December 31, 2012, that were exposed to credit risk (in \$000’s) and the corresponding credit ratings from Standard & Poor’s (S&P):

	<u>Fair Value</u>
Pension S&P credit rating	
AAA	\$ 4,707
AA	11,885
A	36,614
BBB	39,953
BB	18,049
B	12,710
CCC	13,461
CC	9,041
C	510
D	23,792
Not rated	259,113
U.S. government and agencies (implicit guarantee, includes FNMA, FHLB, FHLMC, and others)	<u>103,374</u>
Total investments in fixed domestic income securities	<u>\$ 533,209</u>

*Custodial Credit Risk* – All cash deposits with the Plan’s independent custodian, Northern Trust (NT), were uninsured and uncollateralized. All investment securities were held by NT and identified by NT’s internal records that the Plan was the owner of the securities, and therefore they were not subject to custodial credit risk.

*Concentration of Credit Risk* – The Plan’s investment policy restricts investment holdings to maximum of 5% of any single issuer within the Plan’s investment portfolio. At December 31, 2012, the investment portfolio contained no concentration of investments in any one entity that represented 5% or more of the Plan net position.

*Interest Rate Risk* – The Plan manages its exposure to declines in fair values by requiring a minimum quality rating of Baa (Moody’s) or BBB (S&P) for fixed income securities. To manage interest rate risk, the effective duration of the total fixed income portfolio is restricted to 0.5 to 1.5 times certain aggregate bond indexes. At December 31, 2012, the Plan’s investments subject to the interest rate risk are presented below (in \$000’s):

**NOTE 2 – CASH AND INVESTMENTS** (Continued)Pension Trust Fund Investments (Continued)

	Fair Value	Weighted Average Maturity (Years)
Asset backed securities	\$ 21,209	16.6
Bank loans	25,712	5.1
Commercial mortgage-backed	4,342	28.6
U.S. government bonds	20,467	0.6
U.S. government mortgages	83,326	24.6
U.S. government agencies	1,755	5.1
Corporate and other credit	78,119	8.0
Non-government backed CMO's	60,832	24.1
Municipal/Revenue bonds	8,498	17.7
Total	<u>\$ 304,260</u>	

*Derivative Financial Instruments* – The Plan uses forward settlement contracts, forward currency contracts, futures and options contracts, and other derivative products within fixed income financial instruments to reduce financial market risks, enhance yields, and to participate in all market areas without increasing investment costs. At December 31, 2012, the Plan's derivative financial instruments had a fair value of \$1.2 million.

*Foreign Currency Risk* – The foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

SJCERA's exposure to foreign currency risk in U.S. dollars as of December 31, 2012, is as follows (in \$000's):

<u>Currency Type</u>	<u>Fair Value</u>
Australian dollar	\$ 2,010
Brazilian real	1,002
British pound sterling	3,937
Canadian dollar	168
Danish krone	350
Euro currency	5,482
Hong Kong dollar	5,954
Indonesian rupiah	-
Japanese yen	4,358
Malaysian ringgit	290
Mexican peso	-
Norwegian krone	922
Philippine peso	-
Polish zloty	-
Singapore dollar	3,007
Swedish krona	568
Swiss franc	831
Thailand baht	588
Turkish lira	-
Total	<u>\$ 29,467</u>

### NOTE 3 – RECEIVABLES

Taxes and accounts receivable balances of the County's major individual funds and nonmajor and internal service funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows (in \$000's):

<b>Receivables - Governmental Activities</b>	General Fund	Mental Health and Substance Abuse Fund	First Five Program Fund	County Capital Outlay Fund	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Taxes - gross	\$ 80,216	\$ -	\$ -	\$ -	\$ 507	\$ -	\$ 80,723
Accounts	3,790	845	53	2	867	333	5,890
Sales tax	1,153	-	-	-	1,526	-	2,679
Interest	116	36	4	32	107	95	390
Loan receivable	20	-	-	-	-	-	20
Due from other agencies	38,074	9,279	1,926	-	7,406	1,873	58,558
Gross receivables	123,369	10,160	1,983	34	10,413	2,301	148,260
Less: allowance for uncollectible	(16,021)	-	-	-	-	-	(16,021)
	<u>\$ 107,348</u>	<u>\$ 10,160</u>	<u>\$ 1,983</u>	<u>\$ 34</u>	<u>\$ 10,413</u>	<u>\$ 2,301</u>	<u>\$ 132,239</u>

<b>Receivables - Business-Type Activities</b>	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total Business-Type Activities
Accounts	\$ 24,563	\$ 36	\$ 1,097	\$ 25,696
Interest	-	1	8	9
Due from other agencies	27,321	3	-	27,324
Gross receivables	<u>51,884</u>	<u>40</u>	<u>1,105</u>	<u>53,029</u>
	<u>\$ 51,884</u>	<u>\$ 40</u>	<u>\$ 1,105</u>	<u>\$ 53,029</u>

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At June 30, 2013, the various components of deferred revenue and unearned revenue reported were as follows (in \$000's):

<b>Governmental Activities:</b>	Unavailable	Unearned	Total
General Fund:			
Property taxes receivable – secured	\$ 74,011	\$ -	\$ 74,011
Property taxes receivable – unsecured	4,492	-	4,492
Due from other governmental agencies	15,820	-	15,820
Grants received prior to meeting all eligible requirements	-	10,114	10,114
Others	324	-	324
Mental Health and Substance Abuse Fund:			
Due from other governmental agencies	1,793	-	1,793
Other Governmental Funds and Internal Service Funds:			
Due from other governmental agencies	280	-	280
Others	377	-	377
Property taxes receivable - unsecured	550	-	550
	<u>\$ 97,647</u>	<u>\$ 10,114</u>	<u>\$ 107,761</u>

**NOTE 3 – RECEIVABLES** (Continued)

<b>Business-Type Activities:</b>	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Hospital Fund	\$ -	\$ 3,619	\$ 3,619
Stockton Metropolitan Airport Fund	-	922	922
	<u>\$ -</u>	<u>\$ 4,541</u>	<u>\$ 4,541</u>

**NOTE 4 – INTERFUND TRANSACTIONS AND BALANCES**

**Due to and due from other funds**

Due to and due from other funds represents short-term borrowing between funds and regular services and supplies provided but not settled at year-end. The composition of interfund balances as of June 30, 2013, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	General Hospital Fund	\$ 28,568
	Stockton Metropolitan Airport Fund	381,401
	Solid Waste Fund	1,271
	Internal Service Funds	37,597
	General Fund	498,284
	Mental Health and Substance Abuse Fund	19,319
	First Five Program Fund	51,174
	County Capital Outlay Fund	151
	Other Governmental Funds	1,424,735
		<u>2,442,500</u>
Mental Health and Substance Abuse Fund	Internal Service Funds	21,542
	General Hospital Fund	2,078
		<u>23,620</u>
County Capital Outlay Fund	Internal Service Funds	649,415
		<u>649,415</u>
Other Governmental Funds	County Capital Outlay Fund	2,003
	General Fund	240,219
	Other Governmental Funds	11,852
	Internal Service Funds	138
	<u>254,212</u>	
	<b>Governmental Funds</b>	<u>3,369,747</u>

**NOTE 4 – INTERFUND TRANSACTIONS AND BALANCES** (Continued)

**Due to and due from other funds** (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service Funds	General Hospital Fund	61,950
	Stockton Metropolitan Airport Fund	3,648
	Solid Waste Fund	8,214
	Internal Service Funds	7,078
	General Fund	899,626
	Mental Health and Substance Abuse Fund	75,491
	First Five Program Fund	495
	Other Governmental Funds	<u>292,734</u>
	<b>Internal Service Funds</b>	<b><u>1,349,236</u></b>
	General Hospital Fund	General Fund
		<u>13,715</u>
Total	<b>Proprietary Funds</b>	<u>1,362,951</u>
		<u>\$ 4,732,698</u>

**Advances to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 5,716,154
	Stockton Metropolitan Airport Fund	<u>1,937,076</u>
		7,653,230
County Capital Outlay Fund	Internal Service Funds	<u>230,112</u>
		<u>230,112</u>
Other Governmental Funds	Other Governmental Funds	<u>766,404</u>
		<u>766,404</u>
		<u>\$ 8,649,746</u>



**NOTE 4 – INTERFUND TRANSACTIONS AND BALANCES** (Continued)

**Fund Transfers**

During the course of normal operations, the County has numerous transactions between funds as a result of labor negotiations, new funding resources, new projects, debt service payments, etc. Those transfer transactions are summarized below (in \$000's):

Transfer from	Transfer to	Amount
General Fund	General Hospital Fund	\$ 15,781
	Stockton Metropolitan Airport Fund	465
	Mental Health and Substance Abuse Fund	3,406
	Internal Service Funds	4,608
	Capital Projects Fund	15,048
	Other Governmental Funds	8,885
		<u>48,193</u>
Mental Health and Substance Abuse Fund	General Fund	<u>1,059</u>
First Five Program Fund	General Fund	<u>179</u>
County Capital Outlay Fund	General Fund	3,311
	Stockton Metropolitan Airport Fund	237
		<u>3,548</u>
Other Governmental Funds	General Fund	23,850
	Other Governmental Funds	<u>1,475</u>
		<u>25,325</u>
Internal Service Funds	General Fund	<u>4,148</u>
		<u>\$ 82,452</u>

## NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013, was as follows (in \$000's):

	Balance June 30, 2012	Additions	Retirement	Transfers and Adjustments	Balance June 30, 2013
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 14,551	\$ -	\$ -	\$ -	\$ 14,551
Construction in progress	9,520	143	(4,017)	-	5,646
Total capital assets, not being depreciated	<u>24,071</u>	<u>143</u>	<u>(4,017)</u>	<u>-</u>	<u>20,197</u>
Capital assets, being depreciated:					
Structure and improvements	430,712	2,202	-	-	432,914
Furniture and equipment	93,487	8,354	(3,959)	-	97,882
Capitalized leases	13,199	3,401	(1,839)	-	14,761
Other capitalized assets	8,742	-	-	-	8,742
Infrastructure	373,336	23,789	-	-	397,125
Total capital assets, being depreciated	<u>919,476</u>	<u>37,746</u>	<u>(5,798)</u>	<u>-</u>	<u>951,424</u>
Less accumulated depreciation for:					
Structure and improvements	140,593	13,124	(4,017)	-	149,700
Furniture and equipment	65,305	6,902	(3,600)	-	68,607
Capitalized leases	7,690	1,661	(1,839)	-	7,512
Other capitalized assets	8,742	-	-	-	8,742
Infrastructure	147,049	13,484	-	-	160,533
Total accumulated depreciation	<u>369,379</u>	<u>35,171</u>	<u>(9,456)</u>	<u>-</u>	<u>395,094</u>
Total capital assets, being depreciated, net	<u>550,097</u>	<u>2,575</u>	<u>3,658</u>	<u>-</u>	<u>556,330</u>
Governmental activities capital assets, net	<u>\$ 574,168</u>	<u>\$ 2,718</u>	<u>\$ (359)</u>	<u>\$ -</u>	<u>\$ 576,527</u>
<b>Business-Type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 4,663	\$ -	\$ -	\$ -	\$ 4,663
Construction in progress	79	756	(100)	-	735
Total capital assets, not being depreciated	<u>4,742</u>	<u>756</u>	<u>(100)</u>	<u>-</u>	<u>5,398</u>
Capital assets, being depreciated:					
Structure and improvements	194,526	695	(113)	-	195,108
Furniture and equipment	81,832	5,904	(4,673)	-	83,063
Capital leases	4,347	246	-	-	4,593
Total capital assets, being depreciated	<u>280,705</u>	<u>6,845</u>	<u>(4,786)</u>	<u>-</u>	<u>282,764</u>
Less accumulated depreciation for:					
Structure and improvements	114,036	5,782	(113)	-	119,705
Furniture and equipment	59,101	4,661	(4,668)	-	59,094
Capital leases	2,642	230	-	-	2,872
Total accumulated depreciation	<u>175,779</u>	<u>10,673</u> *	<u>(4,781)</u>	<u>-</u>	<u>181,671</u>
Total capital assets, being depreciated, net	<u>104,926</u>	<u>(3,828)</u>	<u>(5)</u>	<u>-</u>	<u>101,093</u>
Business-type activities capital assets, net	<u>\$ 109,668</u>	<u>\$ (3,072)</u>	<u>\$ (105)</u>	<u>\$ -</u>	<u>\$ 106,491</u>

\* This amount excludes \$701 of amortization expenses related to the Hospital.

**NOTE 5 – CAPITAL ASSETS** (Continued)

Depreciation expense was charged to governmental functions as follows (in \$000's):

	<u>Amount</u>
General government	\$ 4,537
Public protection	9,300
Public ways and facilities	14,044
Health and sanitation	902
Social services	1,659
Education	39
Recreation and culture	818
Depreciation on capital assets held by the County internal service funds is charged to the various functions based on their usage of the assets	<u>3,872</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 35,171</u></u>

Depreciation expense was charged to business-type functions as follows (in \$000's):

	<u>Amount</u>
Airport enterprise	\$ 1,606
Solid Waste enterprise	2,114
General Hospital enterprise	<u>6,953</u>
 Total depreciation expense – business-type functions	 <u><u>\$ 10,673</u></u>

**NOTE 6 – LONG-TERM DEBT**

The following is a schedule of long-term liabilities as of June 30, 2013 (in \$000's):

**Governmental Activities:**

	<u>Amount</u>				
	Balance			Balance	Amounts
	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2013</u>	<u>Due Within</u>
					<u>One Year</u>
Teeter note	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of participation	127,960	-	2,690	125,270	2,870
Discount/gain on advance refunding (net)	1,952	247	-	2,199	-
Notes payable	1,980	-	67	1,913	70
Capital leases	4,670	1,736	-	6,406	1,945
Other post employment benefits	46,371	4,251	-	50,622	-
Compensated absences	30,628	30,463	30,628	30,463	25,519
Estimated claims	<u>54,166</u>	<u>-</u>	<u>1,778</u>	<u>52,388</u>	<u>-</u>
	<u><u>\$ 267,727</u></u>	<u><u>\$ 36,697</u></u>	<u><u>\$ 35,163</u></u>	<u><u>\$ 269,261</u></u>	<u><u>\$ 30,404</u></u>

Estimated claims are liquidated by the internal service funds. Compensated absences are generally liquidated by the General Fund and related special revenue funds.

**NOTE 6 – LONG-TERM DEBT** (Continued)

**Business-Type Activities:**

	Amount				Amounts Due Within One Year
	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013	
Certificates of participation	\$ 72,765	\$ -	\$ 13,835	\$ 58,930	\$ 7,383
Discount/gain on advance refunding (net)	(3,676)	-	688	(4,364)	-
Notes payable	60	-	7	53	-
Capital lease	1,038	-	99	939	360
Landfill closure and postclosure	11,322	213	-	11,535	-
Other post employment benefits	11,748	1,158	-	12,906	-
Compensated absences	6,711	6,813	6,711	6,813	6,054
	<u>\$ 99,968</u>	<u>\$ 8,184</u>	<u>\$ 21,340</u>	<u>\$ 86,812</u>	<u>\$ 13,797</u>

**A. Capital Leases**

The County has entered into long-term capital leases agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. Equipment under capital leases includes the following:

	Governmental Activities	Business-Type Activities
Equipment	\$ 14,761,554	\$ 1,931,073
Less: accumulated depreciation	<u>7,512,952</u>	<u>606,110</u>
Net Value	<u>\$ 7,248,602</u>	<u>\$ 1,324,963</u>

The related amortization on the capital leases is as follows:

Year Ended June 30	Governmental Activities	Business-Type Activities
2013-14	\$ 2,103,983	\$ 400,794
2014-15	1,767,402	389,324
2015-16	1,315,570	114,855
2016-17	961,084	52,412
2017-18	215,860	26,206
2019-2023	<u>403,415</u>	<u>-</u>
Total Requirements	6,767,314	983,591
Less Interest	<u>361,167</u>	<u>44,479</u>
Present Value of Remaining Payments	<u>\$ 6,406,147</u>	<u>\$ 939,112</u>

**NOTE 6 – LONG-TERM DEBT** (Continued)

**B. Certificates of Participation and Notes Payable**

**Certificates of Participation**

The County had the following COPs issues outstanding at June 30, 2013:

<u>Project Name</u>	<u>Issuance Date</u>	<u>Face Value of the COP</u>	<u>Year-End Balance</u>
1993 Capital Facilities Project (partially refunded by 2007 COP)	October 1, 1993	\$ 110,740,000	\$ 2,720,000
2003 Solid Waste System Facilities Projects (including refunding)	May 8, 2003	36,830,000	15,175,000
2012 San Joaquin General Hospital Refunding	November 16, 2012	43,755,000	43,755,000
2007 County Administration Building	May 23, 2007	114,635,000	114,635,000
2007 County Service Area No. 31	December 1, 2007	<u>8,450,000</u>	<u>7,915,000</u>
Total		<u>\$ 314,410,000</u>	<u>\$ 184,200,000</u>

According to the official statements of the COPs, all proceeds from the issuance are held and maintained by a Trustee Bank (Trustee) for the County Treasury. The Trustee invests the proceeds in demand or time deposits of any bank authorized to accept deposits of public funds, and/or in permitted investments as authorized by the County. Interest or profits on such investments received by the Trustee are, prior to the completion of the acquisition, construction, and installation of the project, deposited in the Project Fund and thereafter are deposited in the Interest Fund. Costs of the acquisition and construction of the project are paid by the Trustee from the Project Fund, upon the County's authorization. Once the project is completed, the remaining funds in the Acquisition and Construction Fund, if any, are transferred to the County's proper funds or to the debt service funds.

The 2012 County of San Joaquin Refunding COPs (General Hospital Project) are recorded in the San Joaquin General Hospital Enterprise Fund. The COPs were issued on November 16, 2012 with an average interest rate of 2.37% to advance refund the then outstanding 1999 San Joaquin General Hospital Refunding COPs with an average interest rate of 4.9%, which were issued to refund the 1993 San Joaquin General Hospital Expansion Project. The refunded COPs were paid off in November 2012. The 2012 refunding COP matures in 2019 with principal payments ranging from \$5,810,000 to \$6,695,000.

The 2007 County Service Area No. 31 Project COPs are recorded as the liabilities of the Governmental Activities on the statement of net position. The debt service transactions and the fund balance of the reserve are recorded in the County's Debt Service Fund. The portion of the proceeds that is used for the acquisition and construction of certain sanitary sewer improvements is recorded in the County Capital Outlay Fund. All related capital assets are also included in the Governmental Activities on the statement of net position.

The 2007 COPs were issued on December 1, 2007, with an average interest rate from 4.10% to 5.8%. The proceeds, after the required deposit to the Reserve Fund and issuance costs and discounts, are deposited in the Improvement Fund to finance the acquisition and construction of certain sanitary sewer improvements. The COPs mature in 2037 with principal payments ranging from \$125,000 to \$590,000.

The 2007 County Administration Building Project COPs are recorded as the liabilities of the Governmental Activities on the statement of net position. The debt service transactions and the fund balance of the reserve are recorded in the County Debt Service Fund. The portion of the proceeds that is used for the construction of the County administration building is recorded in the County Capital Outlay Fund. All activities are also included in the Governmental Activities on the statement of net position.

**NOTE 6 – LONG-TERM DEBT** (Continued)

**B. Certificates of Participation and Notes Payable** (Continued)

**Certificates of Participation** (Continued)

The 2007 COPs were issued on May 23, 2007, with an average interest rate from 4.75% to 5.0%. A portion of the proceeds from the new issuance was deposited in an irrevocable trust (\$18,398,857) with an escrow agent to provide for future scheduled debt services on the refunded 1993 COPs. As a result, the refunded portion of the outstanding 1993 COPs are considered to be defeased and the liability for those debts has been removed from the financial statements. The remaining proceeds, after the required deposit to the Reserve Fund and issuance costs and discounts, are deposited in the Improvement Fund for the design and construction of the new County administration building. The final acceptance and occupancy of the new building occurred in August 2009. The certificates mature in 2036 with principal payments ranging from \$2,765,000 to \$7,985,000.

The 2003 Solid Waste System Facilities Projects COPs are recorded in the Solid Waste enterprise fund. The COPs were issued on May 8, 2003, with an average interest rate of 6.5% to advance refund the outstanding COPs issued in 1994, current refund the outstanding COPs issued in 1991, and provide approximately \$17 million to fund various Solid Waste System Facilities projects. These COPs are repaid from the net revenues of the County's solid waste system operations in accordance with the COP agreements. The improvement of real property is recognized in the Enterprise Fund's capital improvements. The certificates mature in 2022 with principal payments ranging from \$1,360,000 to \$3,155,000.

The 1993 Capital Facilities Project COPs are recorded as the liabilities of the Governmental Activities on the statement of net position. The debt services transactions and fund balance of the remaining proceeds are recorded in the County's Debt Service Fund. The related building structures and improvements are also recorded in the Governmental Activities on the statement of net position.

The 1993 COPs were issued on October 1, 1993, with an average interest rate from 3.86% to 5.16% to advance refund the then outstanding COPs with an average interest rate of 6.07% to 7.18%. The then outstanding COPs included the 1989 Human Services Facilities Project COPs, the 1989 Jail and Sheriff's Operating Center Project, and the 1991 Public Facilities Project. The refunded COPs were paid off in November 2004.

On May 23, 2007, the County issued the 2007 COPs. Of the face value of \$114,635,000, \$18,398,857 was deposited in an escrow fund to pay the scheduled debt service on the Refunded 1993 COPs to and including September 4, 2007, and to prepay on September 4, 2007, the refunded 1993 COPs maturing November 15, 2019, at a prepayment price equal to 100% of the principal represented by the Refunded 1993 COPs plus accrued interest. The refunded portion of the outstanding 1993 COPs, along with the related original deferred amount on the 1993 COPs, are considered to be defeased and the liability for those debts have been removed from the financial statement. As of June 30, 2013, the COPs defeased had an outstanding balance of \$2,720,000.

**NOTE 6 – LONG-TERM DEBT** (Continued)

**B. Certificates of Participation and Notes Payable** (Continued)

**Certificates of Participation** (Continued)

Repayments made by the County to the Trustee are held in trust by the Trustee Bank in the Interest Fund or the Base Rental Fund for the benefit of the County, but are irrevocably pledged to the Trustee for the benefit of the owners of the COP. The funds are used for the payment of interest and principal evidenced by the COPs.

The unfunded portion of the 1993 COP matures in 2014 with principal payments ranging from \$2,220,000 to \$2,720,000.

**Notes Payable**

The County Maintenance Districts of Shaded Terrace and Sunnyside Estates (Special Revenue Funds) had entered into agreements with the United States Department of Agriculture (USDA) for a loan of \$300,000 and \$100,000, respectively, in 2000-01. The loans, along with the grants received from the USDA, are used to finance certain capital improvements to the water systems of the Districts. As of June 30, 2013, the outstanding balances on the loans totaled \$347,400.

In fiscal year 2004-05, the County settled a lawsuit that was filed by H.D. Arnaiz, LTD, a California limited partnership (HDAL). This lawsuit involved the HDAL's rights to lease certain real property around the Airport area. The settlement requires the County to make an annual payment of \$132,115 between August 2005 and August 2029 (Promissory Note). In addition, the County is to make an annual property tax-based payment between September 2005 and September 2029 (Tax-based agreement). The tax-based payment is to be calculated each year and to be paid only if a certain threshold is met. The sum total of the payments under the promissory note payment and the tax-based agreement, in the aggregate is not to exceed \$4.0 million prior to 2029. The County reports it as a note liability (\$2.0 million) of the Casualty Insurance Fund, an internal service fund, at the present value of the minimum payments. As of June 30, 2013, the outstanding note was approximately \$1.57 million.

The Airport (Enterprise Fund) has the remaining life of a 12-year note with a third party that financed the 1993-94 purchase of a paint shop. The note has a fixed interest rate of 12%. It carries a balance of \$52,743 as of June 30, 2013, and will be paid in full in 2018.

**Teeter Plan Borrowing**

Pursuant to Revenue and Taxation Code Section 4701, the County has opted into the "Alternative Method of Property Tax Distribution" method since fiscal year 1993-94. This method is known as the "Teeter Plan." Under the Teeter Plan, the County and all other taxing agencies received 100% of the current secured tax levy and direct assessments. In 1993-94, all taxing agencies received their share of 95% of all outstanding delinquent taxes and 100% of delinquent assessments. Additionally, SB 742 (1993) allowed counties converting to the Teeter Plan a one-time property shift reduction for the excess property tax revenues that schools received in 1993-94 due to the conversion.

In order to convert to the Teeter Plan, the County had to buy out the existing unpaid property taxes, which was approximately \$74.6 million as of June 30, 2013. The County has been choosing the interfund borrowing method to partially finance the buy-out every year since 1993-94. No borrowing was needed as of June 30, 2013.

The County utilizes the delinquent tax penalty collections in 2012-13, and extra amount set aside in the loss reserve fund, and the interfund borrowing to finance the buy-out and the cumulative interest cost on the borrowing.

**NOTE 6 – LONG-TERM DEBT** (Continued)

**B. Certificates of Participation and Notes Payable** (Continued)

**Teeter Plan Borrowing** (Continued)

The interfund borrowing is collateralized with the uncollected taxes and is recorded in the General Fund. The interfund borrowing note is to be repaid in full by July 1 of the following year. However, the intention of the borrowing is to refinance the note every year until such time that the collection of delinquent taxes is sufficient to repay the note. The interest expense of the Teeter Plan borrowing is computed based on the County Treasury’s investment rate and was reported within the County General Fund. In fiscal year 2012-13, the County recognized \$0 interest expense on the loan.

The County is required by law to maintain a Loss Reserve Fund (classified as the General Fund’s restricted net position) in an amount equivalent to 1% of the total tax roll for that year. At June 30, 2013, the County set aside 2.5%, instead of 1%. The reserve fund balance was \$16.0 million.

**Schedule of Future Payments**

The following is a schedule of the future long-term debts payments as of June 30, 2013 (in \$000’s):

**Governmental Activities:**

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
2014	\$ 2,870	\$ 6,128	\$ 70	\$ 85
2015	2,925	5,977	74	82
2016	3,070	5,827	77	79
2017	3,260	5,669	80	75
2018	3,475	5,500	83	72
2019-2023	19,850	24,658	477	300
2024-2028	25,230	19,027	590	187
2029-2033	32,150	11,956	316	67
2034-2038	32,440	3,327	88	29
2039-2042	-	-	58	6
	125,270	88,069	1,913	982
Add gain on advance refunding	-	-	-	-
<b>Total Debt</b>	<b>\$ 125,270</b>	<b>\$ 88,069</b>	<b>\$ 1,913</b>	<b>\$ 982</b>



**NOTE 6 – LONG-TERM DEBT** (Continued)**B. Certificates of Participation and Notes Payable** (Continued)**Schedule of Future Payments** (Continued)**Business-Type Activities:**

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
2014	\$ 7,375	\$ 1,725	\$ 8	\$ 6
2015	7,580	1,512	9	5
2016	7,805	1,291	10	4
2017	8,035	1,064	11	3
2018	8,255	828	12	-
2019-2023	19,880	1,221	3	-
	58,930	7,641	53	18
Less discount on advance refunding	-	-	-	-
Total Debt	<u>\$ 58,930</u>	<u>\$ 7,641</u>	<u>\$ 53</u>	<u>\$ 18</u>

**NOTE 7 – LEGAL DEBT MARGIN**

California Government Code Section 29909, together with Revenue and Taxation Code Section 135, limits the County's ability to raise resources through the issuance of debt to finance acquisitions or construction of County facilities. The computation of the debt limitation and legal debt margin is presented below:

Net assessed value fiscal year 2012-13	<u>\$ 52,751,468,188</u>
Legal Debt Limit – 1 1/4% of total assessed value	<u>\$ 659,393,352</u>
Amount of debt applicable to debt limit:	<u>\$ -</u>

**Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and at June 30, 2013, does not expect to incur a significant liability.

**Special Assessment Debt**

Special assessment district transactions are recorded in the Agency Fund as the County acts as an agent for the property owners in collecting assessments bonds and forwarding the collections to the bondholders. However, the County is not obligated in any manner for repayment of these special assessments. As of June 30, 2013, such special assessment debt outstanding totaled approximately \$615,165.

## **NOTE 8 – LANDFILL CLOSURE AND POSTCLOSURE LIABILITY**

State and Federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, requires a portion of these closure and postclosure care costs to be recognized as an operating expense in each period of operation, based on landfill capacity used. The County is also required by State and Federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care.

The County uses the Solid Waste Closure Fund, reported within the Solid Waste Enterprise Fund, to account for the contributions, as well as the landfill closure and postclosure costs.

At June 30, 2013, the landfill closure and postclosure care liability (\$11.5 million) represents the cumulative amount reported to date based on the cumulative usage of the landfills' capacity, minus the cash payments made. The remaining estimated cost of closure and postclosure care of \$95.3 million will be recognized as the remaining estimated capacities are filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Prior year deposits and interest earned exceed the minimum closure fund balance required by the State, therefore, no transfers into the closure fund were made in fiscal year 2012-13. The funds available for landfill closure and postclosure remain at \$5.1 million, which leaves approximately \$6.4 million to be funded in future years. Two of the County's four landfills have been closed. The remaining two landfills are Foothill and North County. Foothill received a permit revision which increased the height and capacity of the landfill, thereby extending its operation until 2081. Foothill is at 5.8% of the new capacity. North County will be operative until 2048 and is at 12.5% capacity.

The County is required by state and federal laws and regulations to make annual contributions and/or provide an alternative funding mechanism to finance closure and postclosure costs. The County funds closure and postclosure costs with a combination of pledge of revenue agreements and restricted cash.

## **NOTE 9 – RISK MANAGEMENT PROGRAMS**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and employees' health. To effectively manage those risks and control costs, the County established self-insurance programs for casualty (December 1974), workers compensation (June 2003), unemployment compensation (January 1978), medical insurance (June 1982), and dental insurance (June 1982). Under these programs, the County provides coverage for up to a \$1,000,000 for each general liability and malpractice claim, \$25,000 for each property damage claim, \$10,000 for each public official performance claim, \$375,000 for health insurance coverage, and \$3,000 for dental insurance coverage per covered life per year. The County also joins together with other counties in the State through the California State Association of Counties (CSAC) to obtain general liability and malpractice insurance coverage for claims in excess of the coverage provided by the County up to \$25 million and \$21.5 million, respectively. The County also purchases commercial stop loss insurance for the health insurance coverage in excess of the County covered portion. Settled claims have not exceeded the CSAC coverage or the commercial insurance coverage in any of the past three fiscal years.

The County, prior to fiscal year 2003-04, obtained the workers compensation insurance through CSAC's Excess Insurance Authority Primary Workers' Compensation program. The program provided for first dollar coverage for the County on a pooled basis with aggregate stop loss coverage in place to provide a unique "guaranteed cost" feature. Effective fiscal year 2003-04, the County reverted back to the self-insurance program and only secured the excess coverage through the Excess Workers' Compensation Program of CSAC's Excess Insurance Authority (EIA).

All funds of the County participate in the programs and make payments to the insurance funds based on the actuarial estimates of the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophic losses.

**NOTE 9 – RISK MANAGEMENT PROGRAMS** (Continued)

Based on the most recent actuarial studies (December of 2012), the full value of the County's unpaid casualty (general liability and malpractice liability) liabilities and the workers compensation program liabilities at June 30, 2013, were estimated at a discounted value of \$15.9 million and \$30.2 million, respectively, using the discount rate of 2%. These actuarially determined liabilities include the unpaid loss adjustment expenses.

In the opinion of management, the total assets in the insurance funds were sufficient to cover the actuarially determined claim liabilities, premium, and administration cost as of June 30, 2013, except for the casualty insurance fund.

The insurance funds had the following net position at June 30, 2013 (in \$000's):

	<u>Net Position</u>
Casualty Insurance	\$ 9,098
Workers Compensation Insurance	21,157
Health Insurance	31,420
Medical Malpractice Insurance	4,805
Dental Insurance	2,869
Unemployment Insurance	<u>2,524</u>
<b>Total</b>	<b><u>\$ 71,873</u></b>

Changes in the insurance funds' claim liabilities for fiscal years 2011-12 and 2012-13 were (in \$000's):

	<u>Casualty</u>	<u>Workers Compensation</u>	<u>Medical Malpractice Insurance</u>	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Unemployment</u>	<u>Total</u>
<b>Balance at June 30, 2011</b>	\$ 18,134	\$ 29,425	\$ 6,994	\$ -	\$ 247	\$ 366	\$ 55,166
Claims and changes in estimates for fiscal year 2011-12	2,352	8,318	37,936	-	4,975	2,219	55,800
Less: claim payments	<u>(2,305)</u>	<u>(8,694)</u>	<u>(38,589)</u>	<u>-</u>	<u>(4,951)</u>	<u>(2,261)</u>	<u>(56,801)</u>
<b>Balance at June 30, 2012</b>	18,181	29,049	6,341	-	271	324	54,165
Claims and changes in estimates for fiscal year 2012-13	292	9,004	746	38,243	4,907	1,331	54,523
Less: claim payments	<u>(7,831)</u>	<u>(8,225)</u>	<u>(1,822)</u>	<u>(32,178)</u>	<u>(4,923)</u>	<u>(1,322)</u>	<u>(56,301)</u>
<b>Balance at June 30, 2013</b>	<b><u>\$ 10,642</u></b>	<b><u>\$ 29,828</u></b>	<b><u>\$ 5,265</u></b>	<b><u>\$ 6,065</u></b>	<b><u>\$ 255</u></b>	<b><u>\$ 333</u></b>	<b><u>\$ 52,387</u></b>

**NOTE 10 – LONG-TERM OPERATING LEASE AGREEMENTS**

The County has several long-term operating lease agreements, with original terms ranging from one to ten years, for leased office space for County departments. There are no material restrictions imposed by these agreements. The minimum rental payments required under the operating lease commitments at June 30, 2013, are (in \$000's):

<u>Year Ended June 30</u>	<u>Primary Government</u>
2014	\$ 3,390
2015	2,888
2016	1,955
2017	1,825
2018	1,274
Thereafter	<u>3,845</u>
	<u>\$ 15,177</u>

Total rent expense under operating lease agreements during the year ended June 30, 2013, was approximately \$3.0 million.

A lease agreement was entered in October 2003 for the County to lease for the Workforce Investment Act Program an office building, located at 56 South Lincoln Street, Stockton, California, that was under construction by a property developer. The agreement would allow the County to occupy the office building for a minimum of 15 years after the completion of the construction with scheduled rent increases. The County moved into this building in September 2005. The fiscal year 2012-13 rent payment was \$830,694.

**NOTE 11 – RENTAL INCOME UNDER OPERATING LEASES**

The following is a schedule by years of minimum future rental income on noncancellable operating leases as of June 30, 2013 (in \$000's). These operating leases, for various real property, contain no material restrictions. All are to be paid to the Stockton Metropolitan Airport Enterprise Fund.

<u>Year Ended June 30</u>	<u>Amount</u>
2014	\$ 715
2015	620
2016	587
2017	593
2018	575
Thereafter	<u>11,474</u>
	<u>\$ 14,564</u>

Total rental income under operating lease agreements during the year ended June 30, 2013, was approximately \$944,097.

**NOTE 12 – NET POSITION/FUND BALANCES**

The government-wide and business-type activities financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

**NOTE 12 – NET POSITION/FUND BALANCES (Continued)**

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

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2013, is as follows:

	General Fund	Major Special Revenue Funds		Major	Other Funds	Total
		Mental Health and Substance Abuse Fund	First Five Program Fund	County Capital Outlay Fund		
<b>Fund balances:</b>						
<b>Nonspendable:</b>						
Inventory	\$ -	\$ 159,000	\$ -	\$ -	\$ 451,980	\$ 610,980
Advances	7,653,230	-	-	197,840	766,404	8,617,474
Loans receivable	45,500	-	-	-	-	45,500
<b>Total Nonspendable</b>	<b>7,698,730</b>	<b>159,000</b>	<b>-</b>	<b>197,840</b>	<b>1,218,384</b>	<b>9,273,954</b>
<b>Restricted for:</b>						
General government services	435,989	-	-	-	572,584	1,008,573
Public protection services	17,432,452	-	-	-	9,102,049	26,534,501
Emergency medical services	3,670,127	-	-	-	-	3,670,127
Agricultural services	1,042,836	-	-	-	-	1,042,836
Community services	5,449,034	-	-	-	4,389,941	9,838,975
Health and sanitation services	6,897,937	60,157,975	5,736,131	-	-	72,792,043
Parks and recreation services	2,834,299	-	-	-	-	2,834,299
Road projects and maintenance	-	-	-	-	48,981,083	48,981,083
Fish and game programs	-	-	-	-	284,371	284,371
County facilities	-	-	-	-	15,651,574	15,651,574
Job Training Partnership Act	-	-	-	-	2,837,629	2,837,629
Rabies treatment	-	-	-	-	707	707
County Headstart	-	-	-	-	389,337	389,337
Library programs	-	-	-	-	1,086,948	1,086,948
Narcotics enforcement	-	-	-	-	56,402	56,402
Recorder's equipment automation	-	-	-	-	4,377,537	4,377,537
Child support	-	-	-	-	16,236	16,236
Community infrastructure	-	-	-	-	21,283,272	21,283,272
Lighting district maintenance	-	-	-	-	947,735	947,735
Service areas maintenance	-	-	-	-	4,983,696	4,983,696
Maintenance district services	-	-	-	-	9,423,661	9,423,661
Flood control districts	-	-	-	-	5,862,472	5,862,472
Water district services	-	-	-	-	50,744	50,744
Improvement district services	-	-	-	-	1,132,665	1,132,665
In-home support services	-	-	-	-	904,949	904,949
Courthouse construction	-	-	-	-	172,283	172,283
Criminal justice construction	-	-	-	-	2,935,930	2,935,930
<b>Total Restricted</b>	<b>37,762,674</b>	<b>60,157,975</b>	<b>5,736,131</b>	<b>-</b>	<b>135,443,805</b>	<b>239,100,585</b>
<b>Committed to:</b>						
General reserve - emergencies	10,004,635	-	-	-	-	10,004,635
<b>Total Committed</b>	<b>10,004,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,004,635</b>
<b>Assigned to:</b>						
Budgetary deficit - subsequent year	18,841,794	-	-	-	-	18,841,794
Capital projects	-	-	-	39,416,476	15,856	39,432,332
Debt service	-	-	-	-	9,598,035	9,598,035
Airport projects	-	-	-	-	7,350,428	7,350,428
Health and sanitation projects	-	-	-	-	1,310,924	1,310,924
<b>Total Assigned</b>	<b>18,841,794</b>	<b>-</b>	<b>-</b>	<b>39,416,476</b>	<b>18,275,243</b>	<b>76,533,513</b>
<b>Unassigned:</b>	<b>85,118,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,053,482)</b>	<b>81,065,150</b>
<b>Total Fund Balances</b>	<b>\$ 159,426,465</b>	<b>\$ 60,316,975</b>	<b>\$ 5,736,131</b>	<b>\$ 39,614,316</b>	<b>\$ 150,883,950</b>	<b>\$ 415,977,837</b>

**NOTE 13 – DEFICIT FUND BALANCE/NET POSITION**

The following funds had deficit fund balances at June 30, 2013:

Substance Abuse and Crime Prevention (Nonmajor Special Revenue Fund) The deficit resulted from a reduction in Proposition 36 funding.	\$ (11)
Northeastern San Joaquin Groundwater Banking Authority (Nonmajor Special Revenue Fund) The deficit resulted from prior year's excess expenditures over revenues.	(278,188)
Mokelumne River Water and Power Authority (Nonmajor Special Revenue Fund) The deficit resulted from an increase in studies and consulting services related to Delta issues.	(2,325,501)
County Service Areas (Nonmajor Capital Projects Fund) The deficit resulted from an increase in wastewater infrastructure expenditures for CSA #44, zones E and G.	(1,453,189)
	<hr/> <u>\$ (4,056,889)</u>

Deficits in these funds are expected to be eliminated in future years through future revenues and/or transfers from other funds.

**NOTE 14 – EMPLOYEE RETIREMENT SYSTEM**

The County's Pension Trust Fund is governed by the Board of Retirement of the San Joaquin County Employees' Retirement Association (SJCERA). Prior to fiscal year 1993-94, the County also participated in the California Public Employees' Retirement System (CalPERS) for employees working in the Division of Public Health of the County Health Care Services. Since the 1993-94 fiscal year, all County employees are covered by one single retirement plan, SJCERA. The Public Health employees are covered by SJCERA through reciprocity. Both the County's and the employees' cumulative contribution to CalPERS will remain with CalPERS.

The County also contracted with Hartford to administer a qualified retirement plan under Section 401(a) of the Internal Revenue Code for full-time County physicians in health care services. These physicians are not members of SJCERA. The plan became operative on January 1, 1999.

The Health Plan of San Joaquin and Head Start Child Development Council, Inc., discretely presented component units, have a money purchase pension plan, 401(a), or a deferred annuity program on behalf of their employees. The other two discretely presented component units are covered by SJCERA.

The San Joaquin County Employees' Retirement Association (SJCERA or the Plan)

Plan Description

The following description of SJCERA is provided for general information purposes. SJCERA is governed by the Board of Retirement under the 1937 County Employees' Retirement Law (1937 Act). Members should refer to the 1937 Act for more complete information.

The SJCERA issues a stand alone financial report and was audited by Brown Armstrong Accountancy Corporation. The report is available by writing to San Joaquin County Employees' Retirement Association, 6 South El Dorado Street, Suite 400, Stockton, California 95202 or by calling (209) 468-2163. The data presented within this footnote is obtained from the financial statements that were audited by, and reported on by, the said Certified Public Accountants on June 30, 2013.

**NOTE 14 – EMPLOYEE RETIREMENT SYSTEM** (Continued)

The San Joaquin County Employees' Retirement Association (SJCERA or the Plan) (Continued)

General

The Plan is a cost sharing multiple employer defined benefit pension plan (covering the County and certain other special districts outside the reporting entity). It provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. It also provides post employment health benefits (sick leave bank benefits) to certain members who meet certain criteria contained in the Memorandum of Understanding between the County and employees' unions.

The Retirement Board maintains its own accounting records and controls its own assets. The Plan's net position, including the post employment healthcare program-sick leave bank benefit, totaled approximately \$2.2 billion at December 31, 2012. The Plan's financial statements are presented on the accrual basis of accounting. The Plan member and employer contributions that should have been made in the calendar year based on the actuarially determined contribution rates are recognized as revenues of that calendar year. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The Plan's investments are reported at fair value. All administrative costs of the Plan are paid from the Plan's investment earnings.

Funding Policy

Pension: Contribution rates for the employers and employees were determined in accordance with actuarially determined contribution requirements by an actuarial valuation performed as of January 1, 2012.

Employee contributions are payable over each employee's future working lifetime. The employer rates reflect the entry age normal funding method. Under this method, the normal cost is being paid over the future working lifetimes of the members. The past service liability is amortized over a rolling 10-year period.

In 2012, the employees' contributions were about \$14.0 million, an average of 3.8% of the annual covered payroll.

The adopted employers' 2012 contribution rates, based on the actuarial determined requirements applicable to covered payroll were 55.61% for safety members and 30.69% for general members. The employers' actual contributions, including the contributions from the Plan's unapportioned earnings, to the Plan for the years ending December 31, 2012, 2011, and 2010, were \$108.1 million, \$112.9 million, and \$104.5 million, respectively, equal to the required contributions for each year.

Post Employment Health Benefit Plan – Sick Leave Bank

The Board of Retirement, as part of the settlement of the class-action lawsuit brought by the San Joaquin County Deputy Sheriff's Association, extended the sick leave bank benefit to cover all eligible employees who were on the August 27, 2001, payroll or who deferred prior to August 27, 2001. The actuarially determined sick leave bank benefit liability for eligible members hired from January 28, 1992, through August 27, 2001, has been fully funded. However, the funding for eligible active members who were hired prior to January 28, 1992, was yet to be fully funded. The County has adopted a funding policy, effective fiscal year 2006-07, to make a bi-weekly contribution to the plan based on the annual actuarial valuation of the benefit plan. The employees are not required to contribute to the plan.

In fiscal year 2011-12, SJCERA filed a request for a determination letter regarding the sick leave bank benefits in accordance with the IRS' voluntary compliance program. As a result of this filing, the SJCERA Board of Retirement decided to "freeze" prefunding of this program pending a response from the IRS. The County, as a participating employer, is now funding its sick leave bank benefits on a pay-as-you-go basis. SJCERA will continue its role as a third-party administrator of these benefits. Any further changes will depend upon the IRS' response to the determination letter. The pay-as-you-go costs for fiscal year 2012-13 were \$5.3 million.

**NOTE 14 – EMPLOYEE RETIREMENT SYSTEM** (Continued)

California Public Employees' Retirement System (CalPERS)

General Description

Certain employees of the Health Care Services Department (Public Health) were members of CalPERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Effective June 28, 1993, those employees became members of SJCERA through reciprocity.

Defined Contribution Pension Plan for the County Full-Time Physicians in Health Care Services

The County has an agreement with Hartford to administer a qualified retirement plan, 401(a), for the County's full-time physicians. Under this plan, the County contributes \$8,000 annually per qualified physician to the plan. The physicians are also required to contribute a mandatory, tax-deferred match at a rate of 6.0% of their compensation. In fiscal year 2012-13, the County contributed \$21,231 to the plan.

Pension Plans for the Health Plan of San Joaquin and Head Start Child Development Council, Inc.

The Health Plan of San Joaquin has a money purchase pension plan, 401(a), for its employees. All full-time, permanent employees are eligible to participate. The Health Plan of San Joaquin contributes 5.75% of each participant's gross pay to the plan. Employees do not make contributions to the plan. In fiscal year 2012-13, the Health Plan of San Joaquin contributed \$736,190 to the pension plan.

The Health Plan of San Joaquin approved a defined benefit plan contract between the Health Plan of San Joaquin and CalPERS on January 28, 2002. Active CalPERS plan members are required to contribute 7% of reportable earnings and the Health Plan of San Joaquin is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The Health Plan of San Joaquin's contribution for the period ended June 30, 2013, was \$1,514,814.

The Head Start Child Development Council, Inc., maintains a deferred annuity program on behalf of its employees. The employees contribute to the plan on a voluntary basis. The Head Start Child Development Council, Inc., contributes to the plan for those employees who meet the eligibility requirements set forth in the plan. For the year ended January 31, 2013, the Council contributed \$544,500 to the plan.

The Local Agency Formation Commission participates in the County's pension plan and it contributed \$30,060 to the plan for the period ended June 30, 2013.

**NOTE 15 – POST EMPLOYMENT HEALTH BENEFITS – IMPLICIT SUBSIDY**

As explained in Note 1-O, the County does not provide employees any Other Post Employment Benefits (OPEB) other than the post employment health benefits under the "sick leave bank" program, as described in Note 14. The sick leave bank program is administered by the County's Retirement Association (see Note 14 – Employee Retirement System for more information).

However, the County allows any member or beneficiary receiving a pension benefit to purchase post-retirement health insurance from one of the County's sponsored plans. In some cases, the purchase of this insurance can result in an implicit subsidy payable by the County in accordance with GASB Statements No. 43 and No. 45.

**Funding Policy.** Currently, the County pays for these benefits on a pay-as-you-go basis, as opposed to the pre-funded approach that is used in the pension program. The "annual required contribution" presented below is based on projected pay-as-you-go financing requirements. For fiscal year 2012-13, the County's actual contribution amounted to \$4.2 million for current premiums.



**NOTE 15 – POST EMPLOYMENT HEALTH BENEFITS – IMPLICIT SUBSIDY** (Continued)

**Annual OPEB Cost and Net OPEB Obligation.** The County's annual OPEB-Implicit Subsidy cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation (in \$000's):

Annual Required Contribution	\$ 10,896
Interest on net OPEB-Implicit Subsidy obligation	2,325
Adjustment to annual required contribution	<u>(3,577)</u>
Annual OPEB-Implicit Subsidy cost	9,644
Contribution made	<u>4,235</u>
Increase in obligation	5,409
Net OPEB-Implicit Subsidy obligation - beginning of year	<u>58,119</u>
Net OPEB-Implicit Subsidy obligation - end of year	<u><u>\$ 63,528</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012-13 were as follows (\$000's):

Year Ended <u>December 31,</u>	Annual OPEB-Subsidy <u>Obligation</u>	Annual Actual <u>Contribution</u>	Percentage of Annual Cost <u>Contribution</u>	Net Pension Obligation <u>End of Year</u>
2010	\$ 12,276	\$ 2,022	16.47%	\$ 48,484
2011	\$ 11,454	\$ 1,819	15.88%	\$ 58,119
2012	\$ 9,644	\$ 4,325	43.91%	\$ 63,528

**Funded Status and Funding Progress.** As of December 31, 2012, the most recent actuarial valuation date, the plan was not funded, as the County chose to fund the program on the as-pay-as-you-go basis. The actuarial accrued liability and the unfunded actuarial accrued liability (UAAL) for benefits was \$97.8 million. The covered payroll was \$365.9 million, and the ratio of the UAAL to the covered payroll was 26.7%.

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents all fiscal year information since inception in fiscal year 2007-08 to indicate whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

**NOTE 15 – POST EMPLOYMENT HEALTH BENEFITS – IMPLICIT SUBSIDY** (Continued)

In the December 31, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is an expected investment return based on the County's own investments, and an annual healthcare cost trend increment rate of 4.5%. This rate includes a 3.25% salary increase assumption. Since the County chose to fund the plan on the basis of a pay-as-you-go method, there is no actuarial value of assets involved in the computation. The UAAL is being amortized as a level dollar amount over a closed period of 30 years. The remaining amortization period at December 31, 2012, was 25 years.

**NOTE 16 – RETIREE HEALTH REIMBURSEMENT PLAN AND TRUST**

Purpose

The purpose of the retiree health reimbursement plan and trust is to provide qualifying employees with an opportunity to receive reimbursement for certain health care expenses eligible under the plan. It is the intention of the County that the benefits payable under this plan be eligible for exclusion from the gross income of participants as provided by Sections 105(b) and 106 of the Internal Revenue Code (Code). It is also the intention of the County that the plan qualify as a Health Reimbursement Arrangement (HRA) under IRS Revenue Ruling 2002-41 (June 26, 2002) and IRS Notice 2002-45 (June 26, 2002).

The purposes of the trust are (1) to provide a source of funds to pay benefits under the plan, and (2) to permit trust assets to be invested and such earnings be nontaxable under Section 501(c)(9) of the Code.

Funding

The County shall make a fixed contribution per participant as set forth in the appropriate adoption agreement. The amount of employer contribution, and any restrictions on the use thereof, shall be identified in the adoption agreement and communicated to the participants. The amount of the employer contribution may change from year to year as announced by the adopting employer prior to the plan year start and reflected in the adoption agreement. Unless otherwise stated in the adoption agreement, the employer contribution shall be available for reimbursement as soon as received by the Trustee and placed in the trust. The total employer contribution for fiscal year 2012-13 was \$2,244,151.

## NOTE 17 – COMPONENT UNIT CONDENSED FINANCIAL INFORMATION

Condensed financial data for the four discretely presented major component units is presented below:

### Statement of Net Position

	Head Start Child Development Council, Inc.	San Joaquin Economic Development Association	Local Agency Formation Commission	Health Plan of San Joaquin	Total
<b>ASSETS</b>					
Cash and investment – pool	\$ 213,332	\$ 2,063,935	\$ 404,385	\$ 50,214,812	\$ 52,896,464
Cash and investments – other	-	-	-	300,000	300,000
Due from other governments	-	-	-	41,855,823	41,855,823
Interest receivable	-	-	270	34,032	34,302
Accounts receivable	460,978	-	1,800	-	462,778
Depreciable assets, net	890,708	3,847	-	21,825,363	22,719,918
Other assets	642,460	-	-	845,159	1,487,619
	<u>642,460</u>	<u>-</u>	<u>-</u>	<u>845,159</u>	<u>1,487,619</u>
Total Assets	<u>\$ 2,207,478</u>	<u>\$ 2,067,782</u>	<u>\$ 406,455</u>	<u>\$ 115,075,189</u>	<u>\$ 119,756,904</u>
<b>LIABILITIES AND NET POSITION</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 1,407,621	\$ 90,485	\$ 13,487	\$ 3,628,946	\$ 5,140,539
Accrued claims payable	-	-	-	34,972,975	34,972,975
Provider risk sharing payable	-	-	-	5,985,709	5,985,709
Unpaid compensated absences	-	-	-	-	-
Unearned revenues	32,468	-	-	-	32,468
Other liabilities	-	-	-	17,102,814	17,102,814
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,102,814</u>	<u>17,102,814</u>
Total Liabilities	<u>1,440,089</u>	<u>90,485</u>	<u>13,487</u>	<u>61,690,444</u>	<u>63,234,505</u>
<b>NET POSITION</b>					
Investment in capital assets, net of related debt	890,708	3,847	-	21,825,363	22,719,918
Unrestricted net position	(123,319)	1,973,450	392,968	31,559,382	33,802,481
	<u>(123,319)</u>	<u>1,973,450</u>	<u>392,968</u>	<u>31,559,382</u>	<u>33,802,481</u>
Total Net Position	<u>767,389</u>	<u>1,977,297</u>	<u>392,968</u>	<u>53,384,745</u>	<u>56,522,399</u>
Total Liabilities and Net Position	<u>\$ 2,207,478</u>	<u>\$ 2,067,782</u>	<u>\$ 406,455</u>	<u>\$ 115,075,189</u>	<u>\$ 119,756,904</u>

**NOTE 17 – COMPONENT UNIT CONDENSED FINANCIAL INFORMATION** (Continued)Statement of Changes in Net Position

	Head Start Child Development Council, Inc.	San Joaquin Economic Development Association	Local Agency Formation Commission	Health Plan of San Joaquin	Total
Program revenues:					
Operating grants and contributions	\$ 29,340,225	\$ 165,557	\$ 631,291	\$ 301,535,895	\$ 331,672,968
Charges for services	2,358,327	-	-	1,509,295	3,867,622
Interest income	-	536	1,174	133,178	134,888
Miscellaneous	-	1,277,087	-	-	1,277,087
Total program revenues	<u>31,698,552</u>	<u>1,443,180</u>	<u>632,465</u>	<u>303,178,368</u>	<u>336,952,565</u>
Program expenses:					
General government	-	-	530,686	-	530,686
Public assistance	31,940,820	1,031,714	-	-	32,972,534
Health	-	-	-	300,167,792	300,167,792
Total program expenses	<u>31,940,820</u>	<u>1,031,714</u>	<u>530,686</u>	<u>300,167,792</u>	<u>333,671,012</u>
Change in net position	(242,268)	411,466	101,779	3,010,576	3,281,553
Net position, beginning	539,035	1,565,831	291,189	50,374,169	52,770,224
Prior period adjustment	470,622	-	-	-	470,622
Net position, ending	<u>\$ 767,389</u>	<u>\$ 1,977,297</u>	<u>\$ 392,968</u>	<u>\$ 53,384,745</u>	<u>\$ 56,522,399</u>

**NOTE 18 – COMMITMENTS AND CONTINGENCIES**Pending Litigations

The County is a defendant in various casualty and workers compensation lawsuits. Based on the most recent actuary report issued in December 2012, the County's actuarially determined ultimate loss liability of these lawsuits under the casualty insurance and workers compensation programs were approximately \$10.6 million and \$30.1 million, respectively. The assets of these two insurance funds totaling \$73.0 million were sufficient to cover these actuarially determined losses as of June 30, 2013 (See Note 9).

Grants

The County recognizes as revenue, grant monies received and available within 60 days as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Medicare and Medi-Cal Programs

The Medicare program provides for reimbursement for the cost of service provided to program patients. The Medi-Cal program provides for reimbursement based on cost per patient day or service provided for administrative day services. Preliminary estimates of the amounts to be received from or due to third parties are included in the current year's financial statements. Final determination of amounts due for services to program patients is made when the cost reports are settled with respective administrative agencies, and any adjustments are made in the period such amounts are fully determined. Medicare and Medi-Cal cost reports have been audited through June 30, 2010, and June 30, 2009, respectively. The Hospital recorded a cost report liability of a negative \$2.3 million in 2013 and recognized approximately \$0.2 million in net patient service revenue in 2012 for changes in estimated cost report settlements.

**NOTE 18 – COMMITMENTS AND CONTINGENCIES** (Continued)

**Proposition 1A Borrowing by the State of California**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California State legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties, and special districts (excluding redevelopment agencies). The State repaid this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the County was \$16,901,488.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority (California Communities), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the securitization program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds (Prop 1A Bonds) to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The County participated in the Securitization Program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

**NOTE 19 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through February 5, 2014, which is the date the basic financial statements were available to be issued. No events have occurred that would require disclosure.

**NOTE 20 – DEFERRED INFLOWS OF RESOURCES**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources*, the County recognized deferred inflows of resources in the fund and government-wide financial statements. These items are an acquisition of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report revenues not susceptible to accrual as deferred inflows of resources.

Deferred inflows of resources balances for the year ended June 30, 2013, are shown under the Service Concession Arrangement Note 21.

**NOTE 21 – SERVICE CONCESSION ARRANGEMENTS (SCA)**

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA)*, defines an SCA as a type of public-private or public-public partnership. As used in GASB Statement No. 60, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

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

The County has determined that the following arrangement meets the criteria set forth above (where the County is the transferor) and therefore included this SCA in the County’s financial statements. GASB Statement No. 60 also provides guidance on accounting treatment if the county were acting as an operator of another government’s facility. The County has determined that there are no incidences where the County would qualify as such an operator.

**Micke Grove Golf Course**

On July 18, 1989, the County entered into an SCA with American Golf Corporation to construct and operate a golf course at Micke Grove Park in Lodi, California. A 40-year lease agreement between the County and American Golf Corporation began January 1, 1991, upon completion of the construction of the golf course and required facilities. In December 2007, the County agreed to allow American Golf Corporation to sublease to CNL Income EAGL Leasehold Golf, LLC, and also allowed a sub-sublease to Evergreen Alliance Golf Limited, L.P.

A summary of the important details for this SCA over the term of its agreement are as follows:

	<u>Date SCA Entered Into</u>	<u>Term of SCA</u>	<u>Expiration of SCA</u>	<u>Minimum Installment Payment (per month)</u>	<u>Revenue Sharing</u>
Micke Grove Golf Course	1/1/1991	40 years	12/31/2030	<u>\$ 12,500</u>	Greater of minimum rent versus various percentages of gross sales

The deferred inflows of resources activity for this SCA for the year ended June 30, 2013, was as follows (\$000’s):

	<u>Balance June 30, 2012</u>	<u>Additions/ Restatements</u>	<u>Deletions/ Amortization<sup>1</sup></u>	<u>Balance June 30, 2013</u>
<b>Present Value of Installment Payments<sup>2</sup>:</b>				
SCA - Micke Grove Golf Course	\$ -	\$ 2,149	\$ (116)	\$ 2,033
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 2,149</u>	<u>\$ (116)</u>	<u>\$ 2,033</u>

<sup>1</sup> Amortization calculated using straight-line method for the term of agreement for this SCA.

<sup>2</sup> Installment payments present value calculated using a discount rate of 0.24% for the term of the agreement for this SCA.

**NOTE 22 – PRIOR PERIOD ADJUSTMENT**

Adjustments resulting from errors or changes to comply with provisions of accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balances.

	<u>Fund Financial Statements</u>	<u>Government-Wide Statements</u>
	<u>General Fund</u>	<u>Governmental Activities</u>
Fund Balance, June 30, 2012, as previously reported	\$ 106,253,440	\$ 886,451,283
Restatements:		
Correct reporting of prior year revenues	<u>26,165,848</u>	<u>26,165,848</u>
Fund Balance, June 30, 2012, as restated	<u><u>\$ 132,419,288</u></u>	<u><u>\$ 912,617,131</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**



**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013**

**Schedule of Funding Progress and Funding Status – Pension Trust Fund**

The tables below show a) a multi-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30 and b) a multi-year history of the funding status of the Pension Trust Fund:

Required Supplementary Information  
For the Year Ended June 30, 2013  
**Pension Benefit Plan**  
Schedule of Funding Progress  
(amounts in thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL	Funded Ratio	Covered Payroll	Unfunded (Overfunded) AAL Percentage of Covered Payroll
1/1/2004	\$ 1,531,288	\$ 1,621,060	\$ 89,772	94.5%	\$ 286,429	31%
1/1/2005	1,614,979	1,769,507	154,528	91.3%	296,473	52%
1/1/2006	1,727,033	1,935,818	208,785	89.2%	309,692	67%
1/1/2007	1,869,717	2,149,938	280,221	87.0%	340,828	82%
1/1/2008	2,029,949	2,334,521	304,572	87.0%	367,361	83%
1/1/2009	1,821,357	2,510,925	689,568	72.5%	377,559	183%
1/1/2010	1,949,011	2,769,612	820,601	70.4%	385,442	213%
1/1/2011	2,120,384	2,917,688	797,304	72.7%	367,344	217%
1/1/2012	2,130,053	3,048,321	918,268	69.9%	356,419	258%

Schedule of Employer Contributions  
(amount in thousands)

Actuarial Valuation	Actual Annual Contribution	Annual Required Contribution	Percentage Contribution	Net Pension Obligation
2005	\$ 62,509	\$ 62,509	100.0%	\$ -
2006	73,612	73,612	100.0%	-
2007	85,869	85,869	100.0%	-
2008	94,163	94,163	100.0%	-
2009	97,806	97,806	100.0%	-
2010	104,452	104,452	100.0%	-
2011	112,892	112,892	100.0%	-
2012	108,063	108,063	100.0%	-

(Employer contributions for fiscal years 2003 and 2004 are not available.)

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013**

Required Supplementary Information  
For the Year Ended June 30, 2013  
**Post Employment Healthcare – Implicit Subsidy**  
Schedule of Funding Progress  
(amounts in thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL	Funded Ratio	Covered Payroll	Unfunded (Overfunded) AAL Percentage of Covered Payroll
12/31/2007	\$ -	\$ 157,337	\$ 157,337	0.0%	\$367,062	43%
12/31/2008	-	163,596	163,596	0.0%	377,213	43%
12/31/2009	-	123,763	123,763	0.0%	385,394	32%
12/31/2010	-	108,631	108,631	0.0%	367,671	30%
12/31/2011	-	88,887	88,887	0.0%	356,736	25%
12/31/2012	-	97,834	97,834	0.0%	365,892	27%

(Schedule of Funding Progress information begins with fiscal year ended June 30, 2008, per GASB Statement No. 45.)

Schedule of Employer Contributions  
(amount in thousands)

Actuarial Valuation	Actual Annual Contribution	Annual Required Contribution	Percentage Contribution	Net Pension Obligation
2007	\$ 3,139	\$ 16,768	18.7%	\$ 13,629
2008	3,582	17,650	20.3%	27,697
2009	3,174	13,707	23.2%	38,230
2010	2,022	12,554	16.1%	48,762
2011	1,819	11,454	15.9%	58,397
2012	4,235	9,644	43.9%	63,806

(Employer contributions begin with fiscal year 2007 per GASB Statement No. 45.)

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 77,217,551	\$ 77,217,551	\$ 77,217,551	\$ -
Resources (inflows):				
Taxes	176,489,591	176,489,591	192,170,052	15,680,461
Licenses and permits	5,120,247	5,120,247	6,532,487	1,412,240
Fines, forfeitures, and penalties	7,167,702	7,167,702	8,948,439	1,780,737
Use of money and property	624,199	624,199	1,839,263	1,215,064
Aid from other governmental agencies	417,479,906	419,035,511	381,883,356	(37,152,155)
Charges for services	35,727,096	36,025,768	35,334,383	(691,385)
Miscellaneous	1,522,038	1,697,038	10,571,327	8,874,289
Other financing sources	48,908,278	68,708,335	40,559,477	(28,148,858)
Total resources	<u>693,039,057</u>	<u>714,868,391</u>	<u>677,838,784</u>	<u>(37,029,607)</u>
Charges to appropriations (outflows):				
Current:				
General government	64,003,138	68,987,966	49,992,827	18,995,139
Public protection	242,408,807	243,428,660	231,015,833	12,412,827
Public ways and facilities	41,388	41,388	(46,138)	87,526
Health and sanitation	35,878,654	36,142,963	29,592,667	6,550,296
Public assistance	332,846,532	330,494,305	286,822,900	43,671,405
Education	282,761	282,761	265,350	17,411
Recreation and culture	5,339,894	5,339,894	5,207,122	132,772
Reserve for contingency	14,931,940	18,458,934	-	18,458,934
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	23,378	(23,378)
Interest	-	21,072	749	20,323
Other financing uses - transfers out	40,072,368	58,113,867	47,395,424	10,718,443
Total charges to appropriations	<u>735,805,482</u>	<u>761,311,810</u>	<u>650,270,112</u>	<u>111,041,698</u>
Fund balance, end of year	<u>\$ 34,451,126</u>	<u>\$ 30,774,132</u>	<u>\$ 104,786,223</u>	<u>\$ 74,012,091</u>

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013  
BUDGETARY COMPARISON SCHEDULE (Continued)  
GENERAL FUND**

Explanation of differences between budgetary inflows and outflows and accounting principals generally accepted in the United States of America (GAAP) revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule, not including fund balance	\$ 677,838,784
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Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	(39,816,013)
--	--------------

Receipts from General Fund special accounts were budgeted only if they were expected to be used by the General Fund account, but were reported as revenues of the General Fund for financial reporting purposes.	<u>14,100,477</u>
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Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 652,123,248</u>
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Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 650,270,112
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Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(46,651,961)
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Disbursements from General Fund special accounts were not budgeted but were reported as expenditures for financial reporting purposes.	4,324,546
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Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.	<u>1,732,024</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 609,674,721</u>
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**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013  
BUDGETARY COMPARISON SCHEDULE  
MENTAL HEALTH AND SUBSTANCE ABUSE FUND**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 48,740,266	\$ 48,740,266	\$ 48,740,266	\$ -
Resources (inflows):				
Taxes	-	-	-	-
Fines, forfeitures, and penalties	210,000	210,000	945,877	735,877
Use of money and property	28,400	28,400	99,301	70,901
Aid from other governmental agencies	58,562,884	59,031,974	62,198,774	3,166,800
Charges for services	37,015,888	37,184,588	34,582,868	(2,601,720)
Other revenues	355,658	355,658	500,402	144,744
Other financing sources	5,488,751	5,488,751	3,406,016	(2,082,735)
Total resources	<u>101,661,581</u>	<u>102,299,371</u>	<u>101,733,238</u>	<u>(566,133)</u>
Charges to appropriations (outflows):				
Current:				
Health and sanitation	<u>105,249,835</u>	<u>105,887,625</u>	<u>90,730,210</u>	<u>15,157,415</u>
Total charges to appropriations (outflows)	<u>105,249,835</u>	<u>105,887,625</u>	<u>90,730,210</u>	<u>15,157,415</u>
Fund balance, end of year	<u><u>\$ 45,152,012</u></u>	<u><u>\$ 45,152,012</u></u>	<u><u>\$ 59,743,294</u></u>	<u><u>\$ 14,591,282</u></u>

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013  
BUDGETARY COMPARISON SCHEDULE (Continued)  
MENTAL HEALTH AND SUBSTANCE ABUSE FUND**

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule, not including fund balance \$ 101,733,238

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes. (3,406,016)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 98,327,222

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule, not including fund balance \$ 90,730,210

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (1,058,502)

Changes in outstanding encumbrances - encumbrances for equipment and supplies ordered but not received - are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes. (573,681)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 89,098,027

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013  
BUDGETARY COMPARISON SCHEDULE  
FIRST FIVE PROGRAM FUND**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget
	Original	Final		
Budgetary fund balances, July 1	\$ 5,841,547	\$ 5,841,547	\$ 5,841,547	\$ -
Resources (inflows):				
Use of money and property	30,000	24,657	10,892	(13,765)
Aid from other governmental agencies	8,491,926	8,761,341	9,198,491	437,150
Other revenues	-	-	2,550	2,550
Total resources	<u>8,521,926</u>	<u>8,785,998</u>	<u>9,211,933</u>	<u>425,935</u>
Charges to appropriations (outflows):				
Current:				
Health and sanitation	12,123,324	12,344,328	8,996,046	3,348,282
Other financing uses	-	-	-	-
Total charges to appropriations	<u>12,123,324</u>	<u>12,344,328</u>	<u>8,996,046</u>	<u>3,348,282</u>
Fund balance, end of year	<u>\$ 2,240,149</u>	<u>\$ 2,283,217</u>	<u>\$ 6,057,434</u>	<u>\$ 3,774,217</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Uses/outflows of resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule, not including fund balance	<u>\$ 9,211,933</u>
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 8,996,046
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(179,462)
Changes in outstanding encumbrances - encumbrances for equipment and supplies ordered but not received - are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.	<u>321,303</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 9,137,887</u>

**COUNTY OF SAN JOAQUIN  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2013**

**BUDGETARY BASIS OF ACCOUNTING**

In accordance with provisions of Sections 29000 through 29144 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County of San Joaquin (County) prepares and legally adopts an operating balanced final budget on or before June 30 of each year. Public hearings are conducted to review all proposed appropriations and the sources of financing before the adoption.

Since the final budget must be balanced, any shortfall in revenue and other financing sources requires an equal reduction in appropriations. This operating balanced budget is adopted each fiscal year for the general, special revenue, and special district service funds. It is prepared on a modified cash basis of accounting except that encumbrances are treated as budgeted expenditures in the year the purchase commitment is made. The encumbered appropriations do not lapse at year-end. Accordingly, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent year expenditures and become authorized encumbrance appropriations carried over. Throughout the fiscal year, supplemental appropriations may be made by the Board of Supervisors when revenues are received from unanticipated sources, or from anticipated sources in excess of estimates thereof or from contingency sources.

The legal level for budgetary control (the level at which expenditures may not exceed budgeted appropriations) is at the index and object level. An "index" for legal appropriation purposes may be (1) a single department, (2) a division of a large department having multiple divisions, or (3) an entire fund. Object levels of expenditures for legal appropriation purposes are:

1. Salaries and benefits
2. Services and supplies
3. Other charges
4. Capital outlay
5. Other financing uses
6. Interfund transfers
7. Appropriation for contingencies
8. Contracts
9. Unclassified

All amendments or transfers of line item appropriations between objects within the same index require County Administrator approval. Amendments and transfers of appropriations between indexes or that involve the addition or deletion of a project or piece of equipment must be approved by the Board of Supervisors. The Board of Supervisors has authorized the Auditor-Controller of the County to make year-end budget adjustments and appropriation transfers within the respective County budgets and funds to provide for expenditures in excess of budgeted amounts.

The budget approved by the Board of Supervisors for the General Fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other governmental funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. 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).



**SUPPLEMENTARY INFORMATION**

## **GENERAL FUND ACCOUNTS**

General Fund Accounts, representing the general operating fund of the County, include General Account (General Fund) and certain special accounts that are under the control of various General Fund departments. They are used to account for all financial resources not accounted for in another fund.

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
ALL GENERAL FUNDS  
JUNE 30, 2013**

	General Accounts	Contingency	General Reserve	Total
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 138,704,747	\$ 18,461,794	\$ 10,004,635	\$ 167,171,176
Imprest cash	249,775	-	-	249,775
Interest receivable	116,157	-	-	116,157
Accounts receivable	3,790,418	-	-	3,790,418
Taxes receivable	65,347,828	-	-	65,347,828
Due from other agencies	37,849,963	-	-	37,849,963
Due from other funds	2,062,500	380,000	-	2,442,500
Advances to other funds	3,420,222	4,233,008	-	7,653,230
Loans receivable	-	20,000	-	20,000
SCA lease receivable	2,033,124	-	-	2,033,124
Other assets	25,500	-	-	25,500
	<u>\$ 253,600,234</u>	<u>\$ 23,094,802</u>	<u>\$ 10,004,635</u>	<u>\$ 286,699,671</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,103,256	\$ -	\$ -	\$ 5,103,256
Accrued payroll	13,131,615	-	-	13,131,615
Due to other funds	1,651,844	-	-	1,651,844
Deferred revenues	104,761,289	-	-	104,761,289
Advances from other funds	592,078	-	-	592,078
	<u>125,240,082</u>	<u>-</u>	<u>-</u>	<u>125,240,082</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	2,033,124	-	-	2,033,124
	<u>2,033,124</u>	<u>-</u>	<u>-</u>	<u>2,033,124</u>
<b>FUND BALANCES</b>				
Nonspendable	3,445,722	4,253,008	-	7,698,730
Restricted	37,762,674	-	-	37,762,674
Committed	-	-	10,004,635	10,004,635
Assigned	-	18,458,934	-	18,841,794
Unassigned	85,118,632	382,860	-	85,118,632
	<u>126,327,028</u>	<u>23,094,802</u>	<u>10,004,635</u>	<u>159,426,465</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 253,600,234</u>	<u>\$ 23,094,802</u>	<u>\$ 10,004,635</u>	<u>\$ 286,699,671</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GENERAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	General Accounts	Contingency	General Reserve	Total
<b>Revenues:</b>				
Taxes	\$ 192,170,052	\$ -	\$ -	\$ 192,170,052
Licenses, permits, and franchises	6,850,878	-	-	6,850,878
Fines, forfeitures, and penalties	12,258,947	-	-	12,258,947
Revenue from use of money and property	2,342,623	203,633	(8,461)	2,537,795
Aid from other governmental agencies	387,479,900	-	-	387,479,900
Charges for services	38,048,211	-	-	38,048,211
Other revenue	12,777,464	-	-	12,777,464
<b>Total Revenues</b>	<b>651,928,075</b>	<b>203,633</b>	<b>(8,461)</b>	<b>652,123,247</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	49,475,637	-	-	49,475,637
Public protection	233,524,272	-	-	233,524,272
Health and sanitation	30,492,941	-	-	30,492,941
Public assistance	287,284,735	-	-	287,284,735
Education	265,350	-	-	265,350
Recreation and culture	5,120,503	-	-	5,120,503
Capital outlay	3,282,156	-	-	3,282,156
<b>Debt service:</b>				
Principal	23,378	-	-	23,378
Interest	749	-	-	749
<b>Total Expenditures</b>	<b>609,469,721</b>	<b>-</b>	<b>-</b>	<b>609,469,721</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>42,458,354</b>	<b>203,633</b>	<b>(8,461)</b>	<b>42,653,526</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from long-term debt	-	-	-	-
Transfers in	29,020,026	3,526,966	-	32,546,992
Transfers out	(48,193,342)	-	-	(48,193,342)
<b>Total Other Financing Sources (Uses)</b>	<b>(19,173,316)</b>	<b>3,526,966</b>	<b>-</b>	<b>(15,646,350)</b>
<b>Net Change in Fund Balances</b>	<b>23,285,038</b>	<b>3,730,599</b>	<b>(8,461)</b>	<b>27,007,176</b>
Fund Balances, Beginning of Year	76,876,141	19,364,203	10,013,096	106,253,440
Prior Period Adjustment	26,165,849	-	-	26,165,849
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>103,041,990</b>	<b>19,364,203</b>	<b>10,013,096</b>	<b>132,419,289</b>
<b>Fund Balances, End of Year</b>	<b>\$ 126,327,028</b>	<b>\$ 23,094,802</b>	<b>\$ 10,004,635</b>	<b>\$ 159,426,465</b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
ALL GENERAL FUND SPECIAL ACCOUNTS  
JUNE 30, 2013**

	General Accounts	Sheriff's Special Accounts	Prisoner Welfare Accounts	Sheriff Commissary Jail Industries
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 74,161,335	\$ 3,529,470	\$ 798,296	\$ 200,031
Imprest cash	97,175	-	-	-
Accounts receivable	1,990,525	64,481	202,873	57,123
Taxes receivable	65,347,828	-	-	-
Interest receivable	87,035	2,228	115	-
Due from other agencies	37,369,382	174,602	-	-
Due from other funds	1,670,941	-	(512)	-
Advances to other funds	3,420,222	-	-	-
SCA Lease Recievable	2,033,124	-	-	-
Other assets	25,500	-	-	-
<b>Total Assets</b>	<b>\$ 186,203,067</b>	<b>\$ 3,770,781</b>	<b>\$ 1,000,772</b>	<b>\$ 257,154</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,793,749	\$ 101,218	\$ 44,619	\$ 22
Due to other funds	1,145,908	2,311	9,482	-
Accrued payroll	13,125,931	-	-	-
Deferred revenues	94,494,026	39,205	75,803	-
Other liabilities	592,078	-	-	-
<b>Total Liabilities</b>	<b>114,151,692</b>	<b>142,734</b>	<b>129,904</b>	<b>22</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	2,033,124	-	-	-
Other	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>2,033,124</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable	3,445,722	-	-	-
Restricted	-	3,628,047	870,868	257,132
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	66,572,529	-	-	-
<b>Total Fund Balances</b>	<b>70,018,251</b>	<b>3,628,047</b>	<b>870,868</b>	<b>257,132</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 186,203,067</b>	<b>\$ 3,770,781</b>	<b>\$ 1,000,772</b>	<b>\$ 257,154</b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
JUNE 30, 2013**

	<u>Court Fees and Assessments</u>	<u>Emergency Medical Services</u>	<u>Agriculture Special Accounts</u>	<u>Public Health Special Accounts</u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 2,852,487	\$ 3,665,968	\$ 1,042,214	\$ 6,563,310
Imprest cash	-	-	-	-
Accounts receivable	21,264	52,503	77,989	273,452
Taxes receivable	-	-	-	-
Interest receivable	1,821	2,169	114	2,284
Due from other agencies	145,600	-	-	-
Due from other funds	-	-	1,806	875
Advances to other funds	-	-	-	-
SCA Lease Receivable	-	-	-	-
Other assets	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 3,021,172</u>	<u>\$ 3,720,640</u>	<u>\$ 1,122,123</u>	<u>\$ 6,839,921</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 50,513	\$ 228	\$ 85,000
Due to other funds	-	-	1,862	-
Accrued payroll	-	-	-	-
Deferred revenues	-	-	77,197	-
Other liabilities	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>-</u>	<u>50,513</u>	<u>79,287</u>	<u>85,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	-	-	-	-
Other	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	3,021,172	3,670,127	1,042,836	6,754,921
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>3,021,172</u>	<u>3,670,127</u>	<u>1,042,836</u>	<u>6,754,921</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,021,172</u>	<u>\$ 3,720,640</u>	<u>\$ 1,122,123</u>	<u>\$ 6,839,921</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
JUNE 30, 2013**

	Community Service Special Accounts	Parks' Special Accounts	Recorder's Accounts	Assessor Special Accounts	Probation Juvenile Welfare
<b>ASSETS</b>					
Cash and investments:					
Pooled	\$ 5,428,515	\$ 2,832,861	\$ 533,857	\$ 1,291,807	\$ 2,199,127
Imprest cash	2,600	-	-	-	-
Accounts receivable	60,861	-	150	858	955,077
Taxes receivable	-	-	-	-	-
Interest receivable	824	1,438	-	571	590
Due from other agencies	80,945	-	-	-	-
Due from other funds	(21)	-	-	-	389,411
Advances to other funds	-	-	-	-	-
SCA Lease Recievable	-	-	-	-	-
Other assets	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 5,573,724</u></b>	<b><u>\$ 2,834,299</u></b>	<b><u>\$ 534,007</u></b>	<b><u>\$ 1,293,236</u></b>	<b><u>\$ 3,544,205</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 27,907	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,010	-	98,018	391,584	1,669
Accrued payroll	5,684	-	-	-	-
Deferred revenues	3,118,088	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>3,152,689</u></b>	<b><u>-</u></b>	<b><u>98,018</u></b>	<b><u>391,584</u></b>	<b><u>1,669</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred service concession arrangement receipts	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	2,421,035	2,834,299	435,989	-	3,542,536
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	901,652	-
<b>Total Fund Balances</b>	<b><u>2,421,035</u></b>	<b><u>2,834,299</u></b>	<b><u>435,989</u></b>	<b><u>901,652</u></b>	<b><u>3,542,536</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 5,573,724</u></b>	<b><u>\$ 2,834,299</u></b>	<b><u>\$ 534,007</u></b>	<b><u>\$ 1,293,236</u></b>	<b><u>\$ 3,544,205</u></b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
JUNE 30, 2013**

	Community Development Accounts	District Attorney Accounts	HSA Grant Accounts	Other Accounts	Total
<b>ASSETS</b>					
Cash and investments:					
Pooled	\$ 3,026,193	\$ 6,011,726	\$ 6,949,986	\$ 17,617,564	\$ 138,704,747
Imprest cash	-	-	150,000	-	249,775
Accounts receivable	-	16,560	-	16,702	3,790,418
Taxes receivable	-	-	-	-	65,347,828
Interest receivable	1,806	4,977	-	10,185	116,157
Due from other agencies	-	79,434	-	-	37,849,963
Due from other funds	-	-	-	-	2,062,500
Advances to other funds	-	-	-	-	3,420,222
SCA Lease Recievable	-	-	-	-	2,033,124
Other assets	-	-	-	-	25,500
<b>Total Assets</b>	<b><u>\$ 3,027,999</u></b>	<b><u>\$ 6,112,697</u></b>	<b><u>\$ 7,099,986</u></b>	<b><u>\$ 17,644,451</u></b>	<b><u>\$ 253,600,234</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,103,256
Due to other funds	-	-	-	-	1,651,844
Accrued payroll	-	-	-	-	13,131,615
Deferred revenues	-	-	6,956,970	-	104,761,289
Other liabilities	-	-	-	-	592,078
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>6,956,970</u></b>	<b><u>-</u></b>	<b><u>125,240,082</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred service concession arrangement receipts	-	-	-	-	2,033,124
Other	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,033,124</u></b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	3,445,722
Restricted	3,027,999	6,112,697	143,016	-	37,762,674
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	17,644,451	85,118,632
<b>Total Fund Balances</b>	<b><u>3,027,999</u></b>	<b><u>6,112,697</u></b>	<b><u>143,016</u></b>	<b><u>17,644,451</u></b>	<b><u>126,327,028</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 3,027,999</u></b>	<b><u>\$ 6,112,697</u></b>	<b><u>\$ 7,099,986</u></b>	<b><u>\$ 17,644,451</u></b>	<b><u>\$ 253,600,234</u></b>



**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GENERAL FUND SPECIAL ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	General Accounts	Sheriff's Special Accounts	Prisoner Welfare Accounts	Sheriff Commissary Jail Industries
<b>Revenues:</b>				
Taxes	\$ 192,170,052	\$ -	\$ -	\$ -
Licenses, permits, and franchises	6,532,486	-	-	-
Fines, forfeitures, and penalties	8,948,439	295,354	-	-
Revenue from use of money and property	1,644,090	5,864	382	571,072
Aid from other governmental agencies	381,883,354	801,824	-	-
Charges for services	35,334,383	171,620	1,145	-
Other revenue	10,571,329	118,481	1,497,001	-
<b>Total Revenues</b>	<b>637,084,133</b>	<b>1,393,143</b>	<b>1,498,528</b>	<b>571,072</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	49,471,748	-	-	-
Public protection	229,456,959	464,391	413,321	2,298
Public ways and facilities	-	-	-	-
Health and sanitation	29,533,622	-	-	-
Public assistance	287,264,562	-	-	-
Education	265,350	-	-	-
Recreation and culture	5,120,503	-	-	-
Capital outlay	3,264,840	17,316	-	-
<b>Debt service:</b>				
Principal	23,378	-	-	-
Interest	749	-	-	-
<b>Total Expenditures</b>	<b>604,401,711</b>	<b>481,707</b>	<b>413,321</b>	<b>2,298</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>32,682,422</b>	<b>911,436</b>	<b>1,085,207</b>	<b>568,774</b>
<b>Other Financing Sources (Uses):</b>				
General long-term debt proceeds	-	-	-	-
Transfers between General Fund accounts	-	-	-	-
Transfers in	27,071,899	-	-	-
Transfers out	(37,576,322)	(531,283)	(370,547)	(668,979)
Transfers other (A-87)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(10,504,423)</b>	<b>(531,283)</b>	<b>(370,547)</b>	<b>(668,979)</b>
<b>Net Change in Fund Balances</b>	<b>22,177,999</b>	<b>380,153</b>	<b>714,660</b>	<b>(100,205)</b>
Fund Balances, Beginning of Year	21,674,403	3,247,894	156,208	357,337
Prior Period Adjustment	26,165,849	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<b>47,840,252</b>	<b>3,247,894</b>	<b>156,208</b>	<b>357,337</b>
<b>Fund Balances, End of Year</b>	<b>\$ 70,018,251</b>	<b>\$ 3,628,047</b>	<b>\$ 870,868</b>	<b>\$ 257,132</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Court Fees and Assessments	Emergency Medical Services	Agriculture Special Accounts	Public Health Special Accounts
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeitures, and penalties	271,239	472,031	-	862,298
Revenue from use of money and property	5,117	6,052	24,982	2,605
Aid from other governmental agencies	692,560	185,969	-	882,628
Charges for services	-	-	619,234	(135,275)
Other revenue	-	175,972	104,128	(373,017)
	<u>968,916</u>	<u>840,024</u>	<u>748,344</u>	<u>1,239,239</u>
<b>Total Revenues</b>				
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public protection	-	-	109,819	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	475,387	-	483,932
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>-</u>	<u>475,387</u>	<u>109,819</u>	<u>483,932</u>
<b>Total Expenditures</b>	<u>-</u>	<u>475,387</u>	<u>109,819</u>	<u>483,932</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>968,916</u>	<u>364,637</u>	<u>638,525</u>	<u>755,307</u>
<b>Other Financing Sources (Uses):</b>				
General long-term debt proceeds	-	-	-	-
Transfers between General Fund accounts	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(593,996)	-	(806,502)	(1,140,743)
Transfers other (A-87)	-	-	-	-
	<u>(593,996)</u>	<u>-</u>	<u>(806,502)</u>	<u>(1,140,743)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(593,996)</u>	<u>-</u>	<u>(806,502)</u>	<u>(1,140,743)</u>
<b>Net Change in Fund Balances</b>	374,920	364,637	(167,977)	(385,436)
Fund Balances, Beginning of Year	2,646,252	3,305,490	1,210,813	7,140,357
Prior Period Adjustment	-	-	-	-
<b>Fund Balances, Beginning of Year, as Restated</b>	<u>2,646,252</u>	<u>3,305,490</u>	<u>1,210,813</u>	<u>7,140,357</u>
<b>Fund Balances, End of Year</b>	<u>\$ 3,021,172</u>	<u>\$ 3,670,127</u>	<u>\$ 1,042,836</u>	<u>\$ 6,754,921</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Community Service Special Accounts	Parks' Special Accounts	Recorder's Accounts	Assessor Special Accounts	Probation Juvenile Welfare
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-	-
Fines, forfeitures, and penalties	39,713	-	-	-	-
Revenue from use of money and property	(2,195)	1,170	(395)	10,817	23,049
Aid from other governmental agencies	286,006	-	-	-	2,747,559
Charges for services	201,147	292,012	55,865	437,140	-
Other revenue	56,164	411,012	-	-	-
<b>Total Revenues</b>	<b>580,835</b>	<b>704,194</b>	<b>55,470</b>	<b>447,957</b>	<b>2,770,608</b>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	-	-	-	-	2,283,112
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	20,173	-	-	-	-
Education	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<b>20,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,283,112</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	560,662	704,194	55,470	447,957	487,496
Other Financing Sources (Uses):					
General long-term debt proceeds	-	-	-	-	-
Transfers between General Fund accounts	-	-	-	-	-
Transfers in	-	-	-	-	1,928,127
Transfers out	(793,200)	(1,173,250)	(98,018)	(391,584)	-
Transfers other (A-87)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(793,200)</b>	<b>(1,173,250)</b>	<b>(98,018)</b>	<b>(391,584)</b>	<b>1,928,127</b>
Net Change in Fund Balances	(232,538)	(469,056)	(42,548)	56,373	2,415,623
Fund Balances, Beginning of Year	2,653,573	3,303,355	478,537	845,279	1,126,913
Prior Period Adjustment	-	-	-	-	-
Fund Balances, Beginning of Year, as Restated	2,653,573	3,303,355	478,537	845,279	1,126,913
Fund Balances, End of Year	<u>\$ 2,421,035</u>	<u>\$ 2,834,299</u>	<u>\$ 435,989</u>	<u>\$ 901,652</u>	<u>\$ 3,542,536</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Community Development Accounts	District Attorney Accounts	HSA Grant Accounts	Other Accounts	Total
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 192,170,052
Licenses, permits, and franchises	318,392	-	-	-	6,850,878
Fines, forfeitures, and penalties	-	1,369,873	-	-	12,258,947
Revenue from use of money and property	4,950	11,327	(15,614)	49,350	2,342,623
Aid from other governmental agencies	-	-	-	-	387,479,900
Charges for services	5,000	898,612	-	167,328	38,048,211
Other revenue	-	50,000	-	166,394	12,777,464
<b>Total Revenues</b>	<b>328,342</b>	<b>2,329,812</b>	<b>(15,614)</b>	<b>383,072</b>	<b>651,928,075</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	-	-	-	3,889	49,475,637
Public protection	12,006	782,366	-	-	233,524,272
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	30,492,941
Public assistance	-	-	-	-	287,284,735
Education	-	-	-	-	265,350
Recreation and culture	-	-	-	-	5,120,503
Capital outlay	-	-	-	-	3,282,156
<b>Debt service:</b>					
Principal	-	-	-	-	23,378
Interest	-	-	-	-	749
<b>Total Expenditures</b>	<b>12,006</b>	<b>782,366</b>	<b>-</b>	<b>3,889</b>	<b>609,469,721</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>316,336</b>	<b>1,547,446</b>	<b>(15,614)</b>	<b>379,183</b>	<b>42,458,354</b>
<b>Other Financing Sources (Uses):</b>					
General long-term debt proceeds	-	-	-	-	-
Transfers between General Fund accounts	-	-	-	-	-
Transfers in	-	-	-	20,000	29,020,026
Transfers out	-	(2,353,918)	-	(1,695,000)	(48,193,342)
Transfers other (A-87)	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(2,353,918)</b>	<b>-</b>	<b>(1,675,000)</b>	<b>(19,173,316)</b>
<b>Net Change in Fund Balances</b>	<b>316,336</b>	<b>(806,472)</b>	<b>(15,614)</b>	<b>(1,295,817)</b>	<b>23,285,038</b>
Fund Balances, Beginning of Year	2,711,663	6,919,169	158,630	18,940,268	76,876,141
Prior Period Adjustment	-	-	-	-	26,165,849
Fund Balances, Beginning of Year, as Restated	2,711,663	6,919,169	158,630	18,940,268	103,041,990
Fund Balances, End of Year	<u>\$ 3,027,999</u>	<u>\$ 6,112,697</u>	<u>\$ 143,016</u>	<u>\$ 17,644,451</u>	<u>\$ 126,327,028</u>

### **NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor governmental funds include special revenue funds, capital projects funds, and debt service funds that are not classified as major funds by the County.

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 130,968,003	\$ 47,804	\$ 13,346,032	\$ 144,361,839
Imprest cash	33,650	-	-	33,650
Interest receivable	79,184	32	3,931	83,147
Accounts receivable	794,479	-	72,129	866,608
Taxes receivable	2,032,875	-	-	2,032,875
Due from other agencies	7,405,897	-	-	7,405,897
Due from other funds	254,212	-	-	254,212
Inventory	451,980	-	-	451,980
Advances to other funds	766,404	-	-	766,404
Restricted assets:				
Restricted cash and investments	-	10,200,106	-	10,200,106
Others	-	23,569	-	23,569
 Total Assets	 <u>\$ 142,786,684</u>	 <u>\$ 10,271,511</u>	 <u>\$ 13,422,092</u>	 <u>\$ 166,480,287</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 3,996,015	\$ -	\$ 90,768	\$ 4,086,783
Accrued payroll	2,090,701	-	-	2,090,701
Due to other funds	1,729,321	-	-	1,729,321
Advances from other funds	4,697,708	-	1,784,850	6,482,558
Deferred revenues	1,206,974	-	-	1,206,974
 Total Liabilities	 <u>13,720,719</u>	 <u>-</u>	 <u>1,875,618</u>	 <u>15,596,337</u>
 <b>FUND BALANCES</b>				
Nonspendable	1,218,384	-	-	1,218,384
Restricted	130,451,281	673,476	4,322,455	135,447,212
Assigned	-	9,598,035	8,677,208	18,275,243
Unassigned	(2,603,700)	-	(1,453,189)	(4,056,889)
 Total Fund Balances	 <u>129,065,965</u>	 <u>10,271,511</u>	 <u>11,546,474</u>	 <u>150,883,950</u>
 Total Liabilities and Fund Balances	 <u>\$ 142,786,684</u>	 <u>\$ 10,271,511</u>	 <u>\$ 13,422,092</u>	 <u>\$ 166,480,287</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 19,886,408	\$ -	\$ -	\$ 19,886,408
Licenses, permits, and franchises	214,700	-	-	214,700
Fines, forfeitures, and penalties	12,112	-	869,373	881,485
Revenue from use of money and property	226,438	15,138	5,389	246,965
Aid from other governmental agencies	106,494,575	-	-	106,494,575
Charges for services	22,833,795	23,659	(19,414)	22,838,040
Other revenue	694,073	-	-	694,073
<b>Total Revenues</b>	<b>150,362,101</b>	<b>38,797</b>	<b>855,348</b>	<b>151,256,246</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	502	-	502
Public protection	34,613,759	-	-	34,613,759
Public ways and facilities	31,002,854	-	86,644	31,089,498
Public assistance	36,733,917	-	-	36,733,917
Education	5,000,839	-	-	5,000,839
Recreation and cultural services	224,291	-	-	224,291
Capital outlay	23,060,585	-	142,816	23,203,401
<b>Debt service:</b>				
Principal	164,570	2,695,600	-	2,860,170
Interest and debt issuance costs	52,274	6,658,223	-	6,710,497
<b>Total Expenditures</b>	<b>130,853,089</b>	<b>9,354,325</b>	<b>229,460</b>	<b>140,436,874</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>19,509,012</b>	<b>(9,315,528)</b>	<b>625,888</b>	<b>10,819,372</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	779,422	8,969,852	610,815	10,360,089
Transfers out	(14,203,912)	(8,006,866)	(3,114,376)	(25,325,154)
<b>Total Other Financing Sources (Uses)</b>	<b>(13,424,490)</b>	<b>962,986</b>	<b>(2,503,561)</b>	<b>(14,965,065)</b>
<b>Net Change in Fund Balances</b>	<b>6,084,522</b>	<b>(8,352,542)</b>	<b>(1,877,673)</b>	<b>(4,145,693)</b>
<b>Fund Balances, Beginning of the Year</b>	<b>122,981,443</b>	<b>18,624,053</b>	<b>13,424,147</b>	<b>155,029,643</b>
<b>Fund Balances, End of Year</b>	<b>\$ 129,065,965</b>	<b>\$ 10,271,511</b>	<b>\$ 11,546,474</b>	<b>\$ 150,883,950</b>

## **Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.



**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	Road	Fish and Game	County Facilities Fee Program	Special Districts Settlement Fund
<b>ASSETS</b>				
Cash and investments	\$ 34,003,302	\$ 275,977	\$ 15,410,195	\$ 572,228
Imprest cash	500	-	-	-
Interest receivable	17,889	78	9,474	356
Accounts receivable	111,369	11,587	232,323	-
Taxes receivable	1,525,663	-	-	-
Due from other agencies	3,309,589	-	-	-
Due from other funds	14,635	(3,271)	-	-
Inventories	451,980	-	-	-
Advances to other funds	-	-	-	766,404
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 39,434,927</u></b>	<b><u>\$ 284,371</u></b>	<b><u>\$ 15,651,992</u></b>	<b><u>\$ 1,338,988</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,672,671	\$ -	\$ 418	\$ -
Accrued payroll	641,507	-	-	-
Due to other funds	219,522	-	-	-
Advances from other funds	-	-	-	-
Deferred revenues	359,475	-	-	-
<b>Total Liabilities</b>	<b><u>2,893,175</u></b>	<b><u>-</u></b>	<b><u>418</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>				
Nonspendable	451,980	-	-	766,404
Restricted	36,089,772	284,371	15,651,574	572,584
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>36,541,752</u></b>	<b><u>284,371</u></b>	<b><u>15,651,574</u></b>	<b><u>1,338,988</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 39,434,927</u></b>	<b><u>\$ 284,371</u></b>	<b><u>\$ 15,651,992</u></b>	<b><u>\$ 1,338,988</u></b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	Job Training Partnership Act	Rabies Treatment	County Head Start	Road District #1
<b>ASSETS</b>				
Cash and investments	\$ 2,923,287	\$ -	\$ (26,855)	\$ 2,278,153
Imprest cash	250	-	-	-
Interest receivable	-	-	30	1,428
Accounts receivable	152,999	707	-	-
Taxes receivable	-	-	-	22,403
Due from other agencies	898,666	-	431,004	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 3,975,202</u></b>	<b><u>\$ 707</u></b>	<b><u>\$ 404,179</u></b>	<b><u>\$ 2,301,984</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 432,233	\$ -	\$ 65	\$ 4,561
Accrued payroll	696,469	-	14,777	-
Due to other funds	8,871	-	-	-
Advances from other funds	-	-	-	-
Deferred revenues	-	-	-	23,875
<b>Total Liabilities</b>	<b><u>1,137,573</u></b>	<b><u>-</u></b>	<b><u>14,842</u></b>	<b><u>28,436</u></b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	2,837,629	707	389,337	2,273,548
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>2,837,629</u></b>	<b><u>707</u></b>	<b><u>389,337</u></b>	<b><u>2,273,548</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 3,975,202</u></b>	<b><u>\$ 707</u></b>	<b><u>\$ 404,179</u></b>	<b><u>\$ 2,301,984</u></b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	Road District #2	Road District #3	Road District #4	Road District #5
<b>ASSETS</b>				
Cash and investments	\$ 1,115,078	\$ 1,041,128	\$ 5,224,881	\$ 3,933,592
Imprest cash	-	-	-	-
Interest receivable	692	679	3,361	2,440
Accounts receivable	-	-	-	-
Taxes receivable	13,266	20,774	131,867	38,818
Due from other agencies	9,945	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,138,981</u></b>	<b><u>\$ 1,062,581</u></b>	<b><u>\$ 5,360,109</u></b>	<b><u>\$ 3,974,850</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,503	\$ 5,867	\$ 348,958	\$ 338,381
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenues	14,491	24,894	139,656	45,008
<b>Total Liabilities</b>	<b><u>15,994</u></b>	<b><u>30,761</u></b>	<b><u>488,614</u></b>	<b><u>383,389</u></b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,122,987	1,031,820	4,871,495	3,591,461
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>1,122,987</u></b>	<b><u>1,031,820</u></b>	<b><u>4,871,495</u></b>	<b><u>3,591,461</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,138,981</u></b>	<b><u>\$ 1,062,581</u></b>	<b><u>\$ 5,360,109</u></b>	<b><u>\$ 3,974,850</u></b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement	Justice Assistance Grant
<b>ASSETS</b>				
Cash and investments	\$ 1,098,202	\$ -	\$ 48,885	\$ 238,705
Imprest cash	-	-	7,500	-
Interest receivable	266	12	30	154
Accounts receivable	-	-	-	-
Taxes receivable	197,717	-	-	-
Due from other agencies	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 1,296,185</u></b>	<b><u>\$ 12</u></b>	<b><u>\$ 56,415</u></b>	<b><u>\$ 238,859</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 25	\$ 2,235
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Deferred revenues	209,237	-	-	-
<b>Total Liabilities</b>	<b><u>209,237</u></b>	<b><u>-</u></b>	<b><u>25</u></b>	<b><u>2,235</u></b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	1,086,948	12	56,390	236,624
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b><u>1,086,948</u></b>	<b><u>12</u></b>	<b><u>56,390</u></b>	<b><u>236,624</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,296,185</u></b>	<b><u>\$ 12</u></b>	<b><u>\$ 56,415</u></b>	<b><u>\$ 238,859</u></b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	Supplemental Local Law Enforcement Block Grant	Recorder's Equipment Automation	Family Support and Incentive Earnings	Community Infra- Structure
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 4,836,795	\$ 706,201	\$ 21,325,450
Imprest cash	-	-	25,400	-
Interest receivable	-	2,934	783	15,382
Accounts receivable	-	2,677	9,274	47,479
Taxes receivable	-	-	-	-
Due from other agencies	-	-	-	-
Due from other funds	-	225,964	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 5,068,370</b>	<b>\$ 741,658</b>	<b>\$ 21,388,311</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 22,380	\$ 46,164	\$ 105,039
Accrued payroll	-	18,008	406,519	-
Due to other funds	-	650,445	18,951	-
Advances from other funds	-	-	-	-
Deferred revenues	-	-	253,788	-
<b>Total Liabilities</b>	<b>-</b>	<b>690,833</b>	<b>725,422</b>	<b>105,039</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	4,377,537	16,236	21,283,272
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>4,377,537</b>	<b>16,236</b>	<b>21,283,272</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 5,068,370</b>	<b>\$ 741,658</b>	<b>\$ 21,388,311</b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	Substance Abuse and Crime Prevention	Public Works Special Accounts	AB 109 Trial Court Security	AB 109 District Attorney - Public Defender
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 4,386,509	\$ 1,773,574	\$ 443,765
Imprest cash	-	-	-	-
Interest receivable	(11)	2,628	1,200	314
Accounts receivable	-	804	-	-
Taxes receivable	-	-	-	-
Due from other agencies	-	-	569,076	408,113
Due from other funds	-	-	951	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<u>\$ (11)</u>	<u>\$ 4,389,941</u>	<u>\$ 2,344,801</u>	<u>\$ 852,192</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 7,792	\$ -
Accrued payroll	-	-	32,841	-
Due to other funds	-	-	2,629	389,411
Advances from other funds	-	-	-	-
Deferred revenues	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>43,262</u>	<u>389,411</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	4,389,941	2,301,539	462,781
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(11)	-	-	-
<b>Total Fund Balances</b>	<u>(11)</u>	<u>4,389,941</u>	<u>2,301,539</u>	<u>462,781</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ (11)</u>	<u>\$ 4,389,941</u>	<u>\$ 2,344,801</u>	<u>\$ 852,192</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	AB 118 Local Community Corrections Fund	Special Districts Under the Board	Total
<b>ASSETS</b>			
Cash and investments	\$ 4,923,295	\$ 24,435,656	\$ 130,968,003
Imprest cash	-	-	33,650
Interest receivable	3,379	15,686	79,184
Accounts receivable	-	225,260	794,479
Taxes receivable	-	82,367	2,032,875
Due from other agencies	1,752,537	26,967	7,405,897
Due from other funds	5,272	10,661	254,212
Inventories	-	-	451,980
Advances to other funds	-	-	766,404
Restricted assets:			
Cash and investments	-	-	-
<b>Total Assets</b>	<b>\$ 6,684,483</b>	<b>\$ 24,796,597</b>	<b>\$ 142,786,684</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 318,428	\$ 689,295	\$ 3,996,015
Accrued payroll	262,941	17,639	2,090,701
Due to other funds	2,009	437,483	1,729,321
Advances from other funds	-	4,697,708	4,697,708
Deferred revenues	-	136,550	1,206,974
<b>Total Liabilities</b>	<b>583,378</b>	<b>5,978,675</b>	<b>13,720,719</b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	1,218,384
Restricted	6,101,105	21,421,611	130,451,281
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(2,603,689)	(2,603,700)
<b>Total Fund Balances</b>	<b>6,101,105</b>	<b>18,817,922</b>	<b>129,065,965</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,684,483</b>	<b>\$ 24,796,597</b>	<b>\$ 142,786,684</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Road	Fish and Game	County Facilities Fee Program	Special Districts Settlement Fund
<b>Revenues:</b>				
Taxes	\$ 7,137,826	\$ -	\$ -	\$ -
Licenses and permits	146,912	-	-	-
Aid from other governmental agencies	25,541,896	17,991	-	-
Fines, forfeitures, and penalties	-	12,112	-	-
Use of money and property	47,378	80	26,646	2,856
Charges for services	796,561	-	2,509,058	-
Miscellaneous	(404,390)	-	15,122	-
<b>Total Revenues</b>	<b>33,266,183</b>	<b>30,183</b>	<b>2,550,826</b>	<b>2,856</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public protection	-	25,748	-	-
Public ways and facilities	9,040,892	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	22,746,207	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
<b>Total Expenditures</b>	<b>31,787,099</b>	<b>25,748</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,479,084</b>	<b>4,435</b>	<b>2,550,826</b>	<b>2,856</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	(164,007)	(10,310)	(1,413,099)	-
Transfers - other (A-87)	-	-	-	-
Transfers between special revenue funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(164,007)</b>	<b>(10,310)</b>	<b>(1,413,099)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,315,077</b>	<b>(5,875)</b>	<b>1,137,727</b>	<b>2,856</b>
<b>Fund Balances, Beginning of Year</b>	<b>35,226,675</b>	<b>290,246</b>	<b>14,513,847</b>	<b>1,336,132</b>
<b>Fund Balances, End of Year</b>	<b>\$ 36,541,752</b>	<b>\$ 284,371</b>	<b>\$ 15,651,574</b>	<b>\$ 1,338,988</b>



**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Job Training Partnership Act	Rabies Treatment	County Head Start	Road District #1
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 532,934
Licenses and permits	-	67,788	-	-
Aid from other governmental agencies	11,428,122	-	25,592,099	6,582
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	(2,274)	-	1,391	3,915
Charges for services	968,925	-	-	-
Miscellaneous	22,738	-	-	-
<b>Total Revenues</b>	<b>12,417,511</b>	<b>67,788</b>	<b>25,593,490</b>	<b>543,431</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public protection	-	-	-	-
Public ways and facilities	-	-	-	708,110
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	11,865,405	-	25,156,869	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	16,660	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
<b>Total Expenditures</b>	<b>11,882,065</b>	<b>-</b>	<b>25,156,869</b>	<b>708,110</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>535,446</b>	<b>67,788</b>	<b>436,621</b>	<b>(164,679)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	21,133	-	-	-
Transfers out	-	(69,973)	(33,504)	(41,837)
Transfers - other (A-87)	-	-	-	-
Transfers between special revenue funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>21,133</b>	<b>(69,973)</b>	<b>(33,504)</b>	<b>(41,837)</b>
<b>Net Change in Fund Balances</b>	<b>556,579</b>	<b>(2,185)</b>	<b>403,117</b>	<b>(206,516)</b>
<b>Fund Balances, Beginning of Year</b>	<b>2,281,050</b>	<b>2,892</b>	<b>(13,780)</b>	<b>2,480,064</b>
<b>Fund Balances, End of Year</b>	<b>\$ 2,837,629</b>	<b>\$ 707</b>	<b>\$ 389,337</b>	<b>\$ 2,273,548</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Road District #2	Road District #3	Road District #4	Road District #5
Revenues:				
Taxes	\$ 326,242	\$ 679,184	\$ 3,085,334	\$ 1,026,691
Licenses and permits	-	-	-	-
Aid from other governmental agencies	13,994	6,999	38,458	12,392
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	1,423	1,230	7,424	6,441
Charges for services	-	-	500	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>341,659</b>	<b>687,413</b>	<b>3,131,716</b>	<b>1,045,524</b>
Expenditures:				
Current:				
Public protection	-	-	-	-
Public ways and facilities	474,397	469,631	2,724,545	1,580,199
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
<b>Total Expenditures</b>	<b>474,397</b>	<b>469,631</b>	<b>2,724,545</b>	<b>1,580,199</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(132,738)	217,782	407,171	(534,675)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(29,597)	(135,536)	(234,747)	(137,412)
Transfers - other (A-87)	-	-	-	-
Transfers between special revenue funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(29,597)</b>	<b>(135,536)</b>	<b>(234,747)</b>	<b>(137,412)</b>
Net Change in Fund Balances	(162,335)	82,246	172,424	(672,087)
Fund Balances, Beginning of Year	1,285,322	949,574	4,699,071	4,263,548
Fund Balances, End of Year	<u>\$ 1,122,987</u>	<u>\$ 1,031,820</u>	<u>\$ 4,871,495</u>	<u>\$ 3,591,461</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement	Justice Assistance Grant
<b>Revenues:</b>				
Taxes	\$ 5,005,783	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Aid from other governmental agencies	178,136	-	-	221,264
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	1,052	32	90	189
Charges for services	125,154	-	-	-
Miscellaneous	-	23,270	2,164	-
<b>Total Revenues</b>	<b>5,310,125</b>	<b>23,302</b>	<b>2,254</b>	<b>221,453</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public protection	-	8,000	5,569	180,484
Public ways and facilities	-	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	5,000,839	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
<b>Total Expenditures</b>	<b>5,000,839</b>	<b>8,000</b>	<b>5,569</b>	<b>180,484</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>309,286</b>	<b>15,302</b>	<b>(3,315)</b>	<b>40,969</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	104,194	-	-	1,069
Transfers out	-	(20,379)	-	-
Transfers - other (A-87)	-	-	-	-
Transfers between special revenue funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>104,194</b>	<b>(20,379)</b>	<b>-</b>	<b>1,069</b>
<b>Net Change in Fund Balances</b>	<b>413,480</b>	<b>(5,077)</b>	<b>(3,315)</b>	<b>42,038</b>
<b>Fund Balances, Beginning of Year</b>	<b>673,468</b>	<b>5,089</b>	<b>59,705</b>	<b>194,586</b>
<b>Fund Balances, End of Year</b>	<b>\$ 1,086,948</b>	<b>\$ 12</b>	<b>\$ 56,390</b>	<b>\$ 236,624</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Supplemental Local Law Enforcement Block Grant	Recorder's Equipment Automation	Family Support and Incentive Earnings	Community Infra- Structure
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Aid from other governmental agencies	(11,348)	-	14,457,460	-
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	(29)	8,257	2,917	41,565
Charges for services	-	881,462	-	2,327,151
Miscellaneous	(1)	-	38,966	-
<b>Total Revenues</b>	<b>(11,378)</b>	<b>889,719</b>	<b>14,499,343</b>	<b>2,368,716</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public protection	(7,300)	825,886	14,014,466	-
Public ways and facilities	-	-	-	-
Community infrastructure	-	-	-	5,142,456
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	78,468	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
<b>Total Expenditures</b>	<b>(7,300)</b>	<b>904,354</b>	<b>14,014,466</b>	<b>5,142,456</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,078)</b>	<b>(14,635)</b>	<b>484,877</b>	<b>(2,773,740)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	198,748	-	-
Transfers out	-	(650,445)	(467,120)	-
Transfers - other (A-87)	-	-	-	-
Transfers between special revenue funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(451,697)</b>	<b>(467,120)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(4,078)</b>	<b>(466,332)</b>	<b>17,757</b>	<b>(2,773,740)</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,078</b>	<b>4,843,869</b>	<b>(1,521)</b>	<b>24,057,012</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 4,377,537</b>	<b>\$ 16,236</b>	<b>\$ 21,283,272</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Substance Abuse and Crime Prevention	Public Works Special Accounts	AB 109 Trial Court Security	AB 109 District Attorney - Public Defender
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Aid from other governmental agencies	-	-	10,409,669	2,161,680
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	-	8,070	3,409	820
Charges for services	-	212,485	-	-
Miscellaneous	-	937,721	1	-
<b>Total Revenues</b>	<b>-</b>	<b>1,158,276</b>	<b>10,413,079</b>	<b>2,162,500</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public protection	-	-	1,925,069	-
Public ways and facilities	-	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	27,209	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,952,278</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>1,158,276</b>	<b>8,460,801</b>	<b>2,162,500</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	3,850	-	-
Transfers out	-	-	(7,798,494)	(1,928,127)
Transfers - other (A-87)	-	-	-	-
Transfers between special revenue funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>3,850</b>	<b>(7,798,494)</b>	<b>(1,928,127)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>1,162,126</b>	<b>662,307</b>	<b>234,373</b>
<b>Fund Balances, Beginning of Year</b>	<b>(11)</b>	<b>3,227,815</b>	<b>1,639,232</b>	<b>228,408</b>
<b>Fund Balances, End of Year</b>	<b>\$ (11)</b>	<b>\$ 4,389,941</b>	<b>\$ 2,301,539</b>	<b>\$ 462,781</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	AB 118 Local Community Corrections Fund	Special Districts Under the Board	Total
<b>Revenues:</b>			
Taxes	\$ -	\$ 2,092,414	\$ 19,886,408
Licenses and permits	-	-	214,700
Aid from other governmental agencies	16,000,112	419,069	106,494,575
Fines, forfeitures, and penalties	-	-	12,112
Use of money and property	8,977	54,579	226,438
Charges for services	5,601	15,006,898	22,833,795
Miscellaneous	250	58,232	694,073
<b>Total Revenues</b>	<b>16,014,940</b>	<b>17,631,192</b>	<b>150,362,101</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Public protection	12,309,102	5,299,519	34,586,543
Public ways and facilities	-	10,889,840	25,887,614
Community infrastructure	-	-	5,142,456
Health and sanitation	-	-	-
Public assistance	-	(288,357)	36,733,917
Education	-	-	5,000,839
Recreation and culture	-	224,291	224,291
Capital outlay	57,590	134,451	23,060,585
Debt service - interest	-	52,274	52,274
Debt service - principal payment	-	164,570	164,570
<b>Total Expenditures</b>	<b>12,366,692</b>	<b>16,476,588</b>	<b>130,853,089</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,648,248</b>	<b>1,154,604</b>	<b>19,509,012</b>
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	450,428	779,422
Transfers out	(43,349)	(1,025,976)	(14,203,912)
Transfers - other (A-87)	-	-	-
Transfers between special revenue funds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(43,349)</b>	<b>(575,548)</b>	<b>(13,424,490)</b>
<b>Net Change in Fund Balances</b>	<b>3,604,899</b>	<b>579,056</b>	<b>6,084,522</b>
<b>Fund Balances, Beginning of Year</b>	<b>2,496,206</b>	<b>18,238,866</b>	<b>122,981,443</b>
<b>Fund Balances, End of Year</b>	<b>\$ 6,101,105</b>	<b>\$ 18,817,922</b>	<b>\$ 129,065,965</b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	Lighting Districts	Service Areas	Maintenance Districts
<b>ASSETS</b>			
Cash and investments	\$ 947,310	\$ 5,927,805	\$ 9,478,499
Interest receivable	586	4,120	6,413
Accounts receivable	343	31,147	56,031
Taxes receivable	6,899	4,165	11,229
Due from other funds/agencies	-	-	-
Restricted assets:			
Cash and investments	-	-	-
<b>Total Assets</b>	<b><u>\$ 955,138</u></b>	<b><u>\$ 5,967,237</u></b>	<b><u>\$ 9,552,172</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 321,304	\$ 154,811
Accrued salaries and benefits	-	-	-
Advances from other funds	-	1,277,486	-
Due to other funds	-	437	82
Deferred revenues	7,403	9,954	27,320
<b>Total Liabilities</b>	<b><u>7,403</u></b>	<b><u>1,609,181</u></b>	<b><u>182,213</u></b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	947,735	4,358,056	9,369,959
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total Fund Balances</b>	<b><u>947,735</u></b>	<b><u>4,358,056</u></b>	<b><u>9,369,959</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 955,138</u></b>	<b><u>\$ 5,967,237</u></b>	<b><u>\$ 9,552,172</u></b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	Flood Control District	Water District	North Eastern San Joaquin Ground Water Banking Authority
<b>ASSETS</b>			
Cash and investments	\$ 6,028,974	\$ 24,358	\$ 307,415
Interest receivable	3,998	13	144
Accounts receivable	107,021	30,707	-
Taxes receivable	60,332	(258)	-
Due from other funds/agencies	34,157	-	1,000
Restricted assets:			
Cash and investments	-	-	-
<b>Total Assets</b>	<b><u>\$ 6,234,482</u></b>	<b><u>\$ 54,820</u></b>	<b><u>\$ 308,559</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 44,498	\$ 3,073	\$ 87,191
Accrued salaries and benefits	-	-	-
Advances from other funds	-	-	499,556
Due to other funds	436,622	51	-
Deferred revenues	90,921	952	-
<b>Total Liabilities</b>	<b><u>572,041</u></b>	<b><u>4,076</u></b>	<b><u>586,747</u></b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	5,662,441	50,744	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	(278,188)
<b>Total Fund Balances</b>	<b><u>5,662,441</u></b>	<b><u>50,744</u></b>	<b><u>(278,188)</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 6,234,482</u></b>	<b><u>\$ 54,820</u></b>	<b><u>\$ 308,559</u></b>



**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS  
JUNE 30, 2013**

	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
<b>ASSETS</b>				
Cash and investments	\$ 657,397	\$ 127,652	\$ 936,246	\$ 24,435,656
Interest receivable	337	75	-	15,686
Accounts receivable	-	-	11	225,260
Taxes receivable	-	-	-	82,367
Due from other funds/agencies	-	-	2,471	37,628
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b>\$ 657,734</b>	<b>\$ 127,727</b>	<b>\$ 938,728</b>	<b>\$ 24,796,597</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 62,569	\$ -	\$ 15,849	\$ 689,295
Accrued salaries and benefits	-	-	17,639	17,639
Advances from other funds	2,920,666	-	-	4,697,708
Due to other funds	-	-	291	437,483
Deferred revenues	-	-	-	136,550
<b>Total Liabilities</b>	<b>2,983,235</b>	<b>-</b>	<b>33,779</b>	<b>5,978,675</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	127,727	904,949	21,421,611
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(2,325,501)	-	-	(2,603,689)
<b>Total Fund Balances</b>	<b>(2,325,501)</b>	<b>127,727</b>	<b>904,949</b>	<b>18,817,922</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 657,734</b>	<b>\$ 127,727</b>	<b>\$ 938,728</b>	<b>\$ 24,796,597</b>

**COUNTY OF SAN JOAQUIN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
 THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013**

	Lighting Districts	Service Areas	Maintenance Districts
Revenues:			
Taxes	\$ 163,957	\$ 140,334	\$ 343,348
Aid from other governmental agencies	2,081	1,773	4,184
Use of money and property	1,723	25,348	16,475
Charges for services	265,030	4,198,350	6,096,661
Miscellaneous	-	10,833	12,154
	<u>432,791</u>	<u>4,376,638</u>	<u>6,472,822</u>
Total Revenues			
Expenditures:			
Current:			
Public protection	-	-	-
Public ways and facilities	327,475	3,703,841	5,965,367
Public assistance	-	-	-
Recreation and culture	-	224,291	-
Capital outlay	-	89,525	41,073
Debt service - interest	-	28,693	-
Debt service - principal	-	-	-
	<u>327,475</u>	<u>4,046,350</u>	<u>6,006,440</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>105,316</u>	<u>330,288</u>	<u>466,382</u>
Other Financing Sources (Uses):			
Transfers in	153,908	113,528	182,992
Transfers out	-	(607,264)	(418,712)
Transfers - other (A-87)	-	-	-
Transfers between Special Revenue Funds	-	-	-
	<u>153,908</u>	<u>(493,736)</u>	<u>(235,720)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	259,224	(163,448)	230,662
Fund Balances, Beginning of Year	<u>688,511</u>	<u>4,521,504</u>	<u>9,139,297</u>
Fund Balances, End of Year	<u>\$ 947,735</u>	<u>\$ 4,358,056</u>	<u>\$ 9,369,959</u>

**COUNTY OF SAN JOAQUIN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (Continued)  
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
 THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013**

	Flood Control District	Water District	North Eastern San Joaquin Ground Water Banking Authority
Revenues:			
Taxes	\$ 1,443,188	\$ 1,587	\$ -
Aid from other governmental agencies	44,211	23	366,797
Use of money and property	10,820	33	281
Charges for services	4,360,146	86,711	-
Miscellaneous	8,731	26,379	-
<b>Total Revenues</b>	<b>5,867,096</b>	<b>114,733</b>	<b>367,078</b>
Expenditures:			
Current:			
Public protection	5,849,519	-	-
Public ways and facilities	-	66,526	365,921
Public assistance	-	-	-
Recreation and culture	-	-	-
Capital outlay	3,852	-	-
Debt service - interest	14,955	-	1,260
Debt service - principal	164,570	-	-
<b>Total Expenditures</b>	<b>6,032,896</b>	<b>66,526</b>	<b>367,181</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(165,800)</u>	<u>48,207</u>	<u>(103)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Transfers - other (A-87)	-	-	-
Transfers between Special Revenue Funds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(165,800)	48,207	(103)
Fund Balances, Beginning of Year	<u>5,828,241</u>	<u>2,537</u>	<u>(278,085)</u>
Fund Balances, End of Year	<u><u>\$ 5,662,441</u></u>	<u><u>\$ 50,744</u></u>	<u><u>\$ (278,188)</u></u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,092,414
Aid from other governmental agencies	-	-	-	419,069
Use of money and property	665	206	(972)	54,579
Charges for services	-	-	-	15,006,898
Miscellaneous	400,000	-	135	458,232
<b>Total Revenues</b>	<b>400,665</b>	<b>206</b>	<b>(837)</b>	<b>18,031,192</b>
Expenditures:				
Current:				
Public protection	-	-	-	5,849,519
Public ways and facilities	310,711	-	-	10,739,841
Public assistance	-	-	(288,357)	(288,357)
Recreation and culture	-	-	-	224,291
Capital outlay	-	-	-	134,450
Debt service - interest	7,366	-	-	52,274
Debt service - principal	-	-	-	164,570
<b>Total Expenditures</b>	<b>318,077</b>	<b>-</b>	<b>(288,357)</b>	<b>16,876,588</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	82,588	206	287,520	1,154,604
Other Financing Sources (Uses):				
Transfers in	-	-	-	450,428
Transfers out	-	-	-	(1,025,976)
Transfers - other (A-87)	-	-	-	-
Transfers between Special Revenue Funds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(575,548)</b>
Net Change in Fund Balances	82,588	206	287,520	579,056
Fund Balances, Beginning of Year	(2,408,089)	127,521	617,429	18,238,866
Fund Balances, End of Year	<u>\$ (2,325,501)</u>	<u>\$ 127,727</u>	<u>\$ 904,949</u>	<u>\$ 18,817,922</u>

### **Debt Service Funds**

Debt service funds are used to account for and to report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds are therefore used to report the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
JUNE 30, 2013**

	Special Districts Governed by the Board of Supervisors				Total
	1993 Capital Facility Project	Maintenance District Shaded Terrace	Maintenance District Sunnyside	Flag City	
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 38,123	\$ 9,681	\$ -	\$ 47,804
Interest receivable	-	26	6	-	32
Restricted assets:					
Cash and investments	9,578,230	-	-	621,876	10,200,106
Receivables	19,805	-	-	3,764	23,569
<b>Total Assets</b>	<u>\$ 9,598,035</u>	<u>\$ 38,149</u>	<u>\$ 9,687</u>	<u>\$ 625,640</u>	<u>\$ 10,271,511</u>
<b>FUND BALANCES</b>					
Restricted	\$ -	\$ 38,149	\$ 9,687	\$ 625,640	\$ 673,476
Assigned	9,598,035	-	-	-	9,598,035
<b>Total Fund Balances</b>	<u>\$ 9,598,035</u>	<u>\$ 38,149</u>	<u>\$ 9,687</u>	<u>\$ 625,640</u>	<u>\$ 10,271,511</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	1993 Capital Facility Project	Special Districts Governed by the Board of Supervisors			Total
		Maintenance District Shaded Terrace	Maintenance District Sunnyside	Flag City	
Revenues:					
Use of money and property	\$ 13,415	\$ 68	\$ 15	\$ 1,640	\$ 15,138
Charges for services	-	18,220	5,439	-	23,659
<b>Total Revenues</b>	<b>13,415</b>	<b>18,288</b>	<b>5,454</b>	<b>1,640</b>	<b>38,797</b>
Expenditures:					
Debt service:					
General government	-	315	187	-	502
Principal retirement	2,545,000	4,000	1,600	145,000	2,695,600
Interest and debt issuance costs	6,178,679	13,428	3,852	462,264	6,658,223
<b>Total Expenditures</b>	<b>8,723,679</b>	<b>17,743</b>	<b>5,639</b>	<b>607,264</b>	<b>9,354,325</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,710,264)	545	(185)	(605,624)	(9,315,528)
Other Financing Sources (Uses):					
Transfers in	8,362,588	-	-	607,264	8,969,852
Transfers out	(8,000,000)	-	-	(6,866)	(8,006,866)
<b>Total Other Financing Sources</b>	<b>362,588</b>	<b>-</b>	<b>-</b>	<b>600,398</b>	<b>962,986</b>
Net Change in Fund Balances	(8,347,676)	545	(185)	(5,226)	(8,352,542)
Fund Balances, Beginning of Year	17,945,711	37,604	9,872	630,866	18,624,053
Fund Balances, End of Year	\$ 9,598,035	\$ 38,149	\$ 9,687	\$ 625,640	\$ 10,271,511

## **Capital Projects Funds**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude major capital facilities financed by proprietary funds or in trust funds for individual, private organizations, or other governments.



**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2013**

	<u>Courthouse Construction</u>	<u>Criminal Justice Construction</u>	<u>Airport East Construction</u>
<b>ASSETS</b>			
Cash and investments	\$ 162,394	\$ 2,874,717	\$ 7,383,138
Interest receivable	111	2,269	-
Accounts receivable	9,778	62,351	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 172,283</u>	<u>\$ 2,939,337</u>	<u>\$ 7,383,138</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payables	\$ -	\$ -	\$ 32,710
Advances from other funds	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>32,710</u>
<b>FUND BALANCES</b>			
Restricted	172,283	2,939,337	-
Assigned	-	-	7,350,428
Unassigned	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>172,283</u>	<u>2,939,337</u>	<u>7,350,428</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balances	<u>\$ 172,283</u>	<u>\$ 2,939,337</u>	<u>\$ 7,383,138</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2013**

	MG Golf Course Capital Improvement Trust	Public Health Construction	Special Districts Governed by the Board of Supervisors	Total
<b>ASSETS</b>				
Cash and investments	\$ 73,870	\$ 1,310,245	\$ 1,541,668	\$ 13,346,032
Interest receivable	44	679	828	3,931
Accounts receivable	-	-	-	72,129
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 73,914</u>	<u>\$ 1,310,924</u>	<u>\$ 1,542,496</u>	<u>\$ 13,422,092</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payables	\$ 58,058	\$ -	\$ -	\$ 90,768
Advances from other funds	-	-	1,784,850	1,784,850
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>58,058</u>	<u>-</u>	<u>1,784,850</u>	<u>1,875,618</u>
<b>FUND BALANCES</b>				
Restricted	-	-	1,210,835	4,322,455
Assigned	15,856	1,310,924	-	8,677,208
Unassigned	-	-	(1,453,189)	(1,453,189)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>15,856</u>	<u>1,310,924</u>	<u>(242,354)</u>	<u>11,546,474</u>
Total Liabilities and Fund Balances	<u>\$ 73,914</u>	<u>\$ 1,310,924</u>	<u>\$ 1,542,496</u>	<u>\$ 13,422,092</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Courthouse Construction</u>	<u>Criminal Justice Construction</u>	<u>Airport East Construction</u>
Revenues:			
Fines, forfeitures, and penalties	\$ 126,494	\$ 742,879	\$ -
Use of money and property	338	7,427	(6,371)
Aid from other governmental agencies	-	-	-
Charges for services	-	-	-
	<u>126,832</u>	<u>750,306</u>	<u>(6,371)</u>
Total Revenues			
Expenditures:			
Public ways and facilities	-	-	-
Capital outlay	-	-	142,816
	<u>-</u>	<u>-</u>	<u>142,816</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>126,832</u>	<u>750,306</u>	<u>(149,187)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	(171,979)	(2,500,000)	-
	<u>(171,979)</u>	<u>(2,500,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(45,147)	(1,749,694)	(149,187)
Fund Balances, Beginning of Year	<u>217,430</u>	<u>4,689,031</u>	<u>7,499,615</u>
Fund Balances, End of Year	<u>\$ 172,283</u>	<u>\$ 2,939,337</u>	<u>\$ 7,350,428</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	MG Golf Course Capital Improvement Trust	Public Health Construction	Special Districts Governed by the Board of Supervisors	Total
Revenues:				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ -	\$ 869,373
Use of money and property	91	1,912	1,992	5,389
Aid from other governmental agencies	-	-	-	-
Charges for services	<u>(22,470)</u>	<u>-</u>	<u>3,056</u>	<u>(19,414)</u>
Total Revenues	<u>(22,379)</u>	<u>1,912</u>	<u>5,048</u>	<u>855,348</u>
Expenditures:				
Public ways and facilities	-	-	86,644	86,644
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,816</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>86,644</u>	<u>229,460</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,379)</u>	<u>1,912</u>	<u>(81,596)</u>	<u>625,888</u>
Other Financing Sources (Uses):				
Transfers in	-	192,103	418,712	610,815
Transfers out	<u>-</u>	<u>-</u>	<u>(442,397)</u>	<u>(3,114,376)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>192,103</u>	<u>(23,685)</u>	<u>(2,503,561)</u>
Net Change in Fund Balances	(22,379)	194,015	(105,281)	(1,877,673)
Fund Balances, Beginning of Year	<u>38,235</u>	<u>1,116,909</u>	<u>(137,073)</u>	<u>13,424,147</u>
Fund Balances, End of Year	<u>\$ 15,856</u>	<u>\$ 1,310,924</u>	<u>\$ (242,354)</u>	<u>\$ 11,546,474</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS  
JUNE 30, 2013**

	<u>Improvement Districts</u>	<u>Lighting Districts</u>	<u>Maintenance Districts</u>
<b>ASSETS</b>			
Cash and investment	\$ 1,004,331	\$ -	\$ 5,846
Interest receivable	607	-	20
Due from other agencies	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,004,938</u>	<u>\$ -</u>	<u>\$ 5,866</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payables	\$ -	\$ -	\$ -
Advances from other funds	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	1,004,938	-	5,866
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,004,938</u>	<u>-</u>	<u>5,866</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 1,004,938</u>	<u>\$ -</u>	<u>\$ 5,866</u>

**COUNTY OF SAN JOAQUIN  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
 THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS  
 JUNE 30, 2013**

	County Service Areas	Flood Control	Total
<b>ASSETS</b>			
Cash and investment	\$ 331,460	\$ 200,031	\$ 1,541,668
Interest receivable	201	-	828
Due from other agencies	-	-	-
	<u>\$ 331,661</u>	<u>\$ 200,031</u>	<u>\$ 1,542,496</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payables	\$ -	\$ -	\$ -
Advances from other funds	1,784,850	-	1,784,850
Deferred revenue	-	-	-
Due to other funds	-	-	-
	<u>1,784,850</u>	<u>-</u>	<u>1,784,850</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	200,031	1,210,835
Committed	-	-	-
Assigned	-	-	-
Unassigned	(1,453,189)	-	(1,453,189)
	<u>(1,453,189)</u>	<u>200,031</u>	<u>(242,354)</u>
Total Fund Balances	<u>(1,453,189)</u>	<u>200,031</u>	<u>(242,354)</u>
Total Liabilities and Fund Balances	<u>\$ 331,661</u>	<u>\$ 200,031</u>	<u>\$ 1,542,496</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Improvement Districts</u>	<u>Lighting Districts</u>	<u>Maintenance Districts</u>
Revenues:			
Use of money and property	\$ 1,682	\$ (223)	\$ 207
Aid from other agencies	-	-	-
Charges for services	3,056	-	-
Total Revenues	<u>4,738</u>	<u>(223)</u>	<u>207</u>
Expenditures:			
Public protection	-	-	-
Public ways and facilities	-	-	84,959
Capital outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>84,959</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,738</u>	<u>(223)</u>	<u>(84,752)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	417,611
Transfers out	-	(153,908)	(182,992)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(153,908)</u>	<u>234,619</u>
Net Change in Fund Balances	4,738	(154,131)	149,867
Fund Balances, Beginning of Year	<u>1,000,200</u>	<u>154,131</u>	<u>(144,001)</u>
Fund Balances, End of Year	<u><u>\$ 1,004,938</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,866</u></u>

**COUNTY OF SAN JOAQUIN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES (Continued)  
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
 THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013**

	County Service Areas	Flood Control	Total
Revenues:			
Use of money and property	\$ 495	\$ (169)	\$ 1,992
Aid from other agencies	-	-	-
Charges for services	-	-	3,056
Total Revenues	<u>495</u>	<u>(169)</u>	<u>5,048</u>
Expenditures:			
Public protection	-	-	-
Public ways and facilities	1,685	-	86,644
Capital outlay	-	-	-
Total Expenditures	<u>1,685</u>	<u>-</u>	<u>86,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,190)</u>	<u>(169)</u>	<u>(81,596)</u>
Other Financing Sources (Uses):			
Transfers in	1,101	-	418,712
Transfers out	<u>(105,497)</u>	<u>-</u>	<u>(442,397)</u>
Total Other Financing Sources (Uses)	<u>(104,396)</u>	<u>-</u>	<u>(23,685)</u>
Net Change in Fund Balances	(105,586)	(169)	(105,281)
Fund Balances, Beginning of Year	<u>(1,347,603)</u>	<u>200,200</u>	<u>(137,073)</u>
Fund Balances, End of Year	<u><u>\$ (1,453,189)</u></u>	<u><u>\$ 200,031</u></u>	<u><u>\$ (242,354)</u></u>



### **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments on a cost-reimbursement basis.

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF FUND NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2013**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 17,442,382	\$ 869,141	\$ 744,325	\$ 1,637,960
Imprest cash	40	-	-	-
Receivables	16,852	-	29,939	-
Interest receivable	10,751	454	286	1,320
Due from enterprise funds	14,820	-	58,363	276
Due from governmental funds	749,063	-	258,754	57,635
Due from other governments	-	-	-	-
Prepaid expense	-	64,065	-	10,848
Inventories	549,773	-	61,112	-
Total Current Assets	<u>18,783,681</u>	<u>933,660</u>	<u>1,152,779</u>	<u>1,708,039</u>
Noncurrent Assets:				
Capital assets:				
Non-depreciable	-	-	-	-
Depreciable	6,122,688	3,474,410	606,688	6,531,899
Total Noncurrent Assets	<u>6,122,688</u>	<u>3,474,410</u>	<u>606,688</u>	<u>6,531,899</u>
Total Assets	<u>\$ 24,906,369</u>	<u>\$ 4,408,070</u>	<u>\$ 1,759,467</u>	<u>\$ 8,239,938</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 177,948	\$ 302,565	\$ 146,499	\$ 158,763
Accrued payroll	103,434	-	62,056	-
Interest payable	4,476	12,257	-	7,889
Due to other funds	1,574	2,663	20,230	19,839
Compensated absences	186,696	-	96,670	-
Current portion of capital leases	309,861	920,569	-	544,627
Current portion of notes payable	-	-	-	-
Total Current Liabilities	<u>783,989</u>	<u>1,238,054</u>	<u>325,455</u>	<u>731,118</u>
Long-Term Liabilities:				
Advances from other funds	-	-	-	-
Compensated absences	15,557	-	-	-
Capital lease obligations	957,188	1,998,451	-	1,215,401
Claims liability	-	-	-	-
Notes payable	-	-	-	-
OPEB liability	395,343	-	122,926	-
Total Long-Term Liabilities	<u>1,368,088</u>	<u>1,998,451</u>	<u>122,926</u>	<u>1,215,401</u>
Total Liabilities	<u>2,152,077</u>	<u>3,236,505</u>	<u>448,381</u>	<u>1,946,519</u>
<u>Net Position</u>				
Invested in capital assets, net of related debt	4,855,639	555,390	606,688	4,771,871
Restricted	16,193,889	-	-	-
Unrestricted	1,704,764	616,175	704,398	1,521,548
Total Net Position	<u>22,754,292</u>	<u>1,171,565</u>	<u>1,311,086</u>	<u>6,293,419</u>
Total Liabilities and Net Position	<u>\$ 24,906,369</u>	<u>\$ 4,408,070</u>	<u>\$ 1,759,467</u>	<u>\$ 8,239,938</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF FUND NET POSITION (Continued)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2013**

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ 35,983	\$ 1,271,054	\$ 40,849,767	\$ 3,320,257	\$ 10,104,841
Imprest cash	-	-	-	-	-
Receivables	286,675	30	-	-	-
Interest receivable	55	720	24,652	2,082	6,469
Due from enterprise funds	-	353	-	-	-
Due from governmental funds	-	72,608	-	-	-
Due from other governments	-	-	1,432,577	218,213	-
Prepaid expense	57,335	-	-	-	-
Inventories	-	-	-	-	-
Total Current Assets	<u>380,048</u>	<u>1,344,765</u>	<u>42,306,996</u>	<u>3,540,552</u>	<u>10,111,310</u>
Noncurrent Assets:					
Capital assets:					
Non-depreciable	17,481	-	-	-	-
Depreciable	-	-	-	-	-
Total Noncurrent Assets	<u>17,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 397,529</u>	<u>\$ 1,344,765</u>	<u>\$ 42,306,996</u>	<u>\$ 3,540,552</u>	<u>\$ 10,111,310</u>
<u>Liabilities</u>					
Current Liabilities:					
Accounts payable	\$ (32,271)	\$ 880,140	\$ 4,800,675	\$ 416,792	\$ 41,148
Accrued payroll	-	-	-	-	-
Interest payable	-	-	-	-	-
Due to other funds	-	505	21,542	-	-
Compensated absences	-	-	-	-	-
Current portion of capital leases	-	-	-	-	-
Current portion of notes payable	-	-	-	-	-
Total Current Liabilities	<u>(32,271)</u>	<u>880,645</u>	<u>4,822,217</u>	<u>416,792</u>	<u>41,148</u>
Long-Term Liabilities:					
Advances from other funds	230,111	-	-	-	-
Compensated absences	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Claims liability	-	-	6,064,776	255,242	5,265,000
Notes payable	-	-	-	-	-
OPEB liability	-	-	-	-	-
Total Long-Term Liabilities	<u>230,111</u>	<u>-</u>	<u>6,064,776</u>	<u>255,242</u>	<u>5,265,000</u>
Total Liabilities	<u>197,840</u>	<u>880,645</u>	<u>10,886,993</u>	<u>672,034</u>	<u>5,306,148</u>
<u>Net Position</u>					
Invested in capital assets, net of related debt	17,481	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	<u>182,208</u>	<u>464,120</u>	<u>31,420,003</u>	<u>2,868,518</u>	<u>4,805,162</u>
Total Net Position	<u>199,689</u>	<u>464,120</u>	<u>31,420,003</u>	<u>2,868,518</u>	<u>4,805,162</u>
Total Liabilities and Net Position	<u>\$ 397,529</u>	<u>\$ 1,344,765</u>	<u>\$ 42,306,996</u>	<u>\$ 3,540,552</u>	<u>\$ 10,111,310</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF FUND NET POSITION (Continued)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2013**

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 21,980,160	\$ 51,021,691	\$ 2,770,434	\$ 152,047,995
Imprest cash	-	-	-	40
Receivables	-	-	-	333,496
Interest receivable	14,016	32,505	1,669	94,979
Due from enterprise funds	-	-	-	73,812
Due from governmental funds	137,364	-	-	1,275,424
Due from other governments	-	-	84,461	1,735,251
Prepaid expense	4,462	250,000	-	386,710
Inventories	-	-	-	610,885
<b>Total Current Assets</b>	<b>22,136,002</b>	<b>51,304,196</b>	<b>2,856,564</b>	<b>156,558,592</b>
Noncurrent Assets:				
Capital assets:				
Non-depreciable	-	-	-	17,481
Depreciable	-	-	-	16,735,685
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,753,166</b>
<b>Total Assets</b>	<b>\$ 22,136,002</b>	<b>\$ 51,304,196</b>	<b>\$ 2,856,564</b>	<b>\$ 173,311,758</b>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 114,047	\$ 319,403	\$ -	\$ 7,325,709
Accrued payroll	-	-	-	165,490
Interest payable	61,905	-	-	86,527
Due to other funds	649,415	-	-	715,768
Compensated absences	-	-	-	283,366
Current portion of capital leases	-	-	-	1,775,057
Current portion of notes payable	64,583	-	-	64,583
<b>Total Current Liabilities</b>	<b>889,950</b>	<b>319,403</b>	<b>-</b>	<b>10,416,500</b>
Long-Term Liabilities:				
Advances from other funds	-	-	-	230,111
Compensated absences	-	-	-	15,557
Capital lease obligations	-	-	-	4,171,040
Claims liability	10,642,000	29,827,626	332,859	52,387,503
Notes payable	1,505,930	-	-	1,505,930
OPEB liability	-	-	-	518,269
<b>Total Long-Term Liabilities</b>	<b>12,147,930</b>	<b>29,827,626</b>	<b>332,859</b>	<b>58,828,410</b>
<b>Total Liabilities</b>	<b>13,037,880</b>	<b>30,147,029</b>	<b>332,859</b>	<b>69,244,910</b>
<u>Net Position</u>				
Invested in capital assets, net of related debt	-	-	-	10,807,069
Restricted	-	-	-	16,193,889
Unrestricted	9,098,122	21,157,167	2,523,705	77,065,890
<b>Total Net Position</b>	<b>9,098,122</b>	<b>21,157,167</b>	<b>2,523,705</b>	<b>104,066,848</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 22,136,002</b>	<b>\$ 51,304,196</b>	<b>\$ 2,856,564</b>	<b>\$ 173,311,758</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
Operating Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Equipment rental	6,800,914	932,068	411,784	221,857
User fees	1,603,066	56,620	4,706,978	2,053,017
Interest charges to users	-	61,663	-	-
Other	202,871	-	1,148	-
<b>Total Operating Revenues</b>	<b>8,606,851</b>	<b>1,050,351</b>	<b>5,119,910</b>	<b>2,274,874</b>
Operating Expenses:				
Liability claims and loss adjustment	-	-	-	-
Salaries and benefits	2,696,496	-	1,573,918	-
Insurance	444,431	17	1,647	360
Services and supplies	5,656,496	266,839	2,943,501	1,704,415
Depreciation and amortization	1,533,575	826,832	404,111	1,098,147
Miscellaneous	20,365	-	-	-
<b>Total Operating Expenses</b>	<b>10,351,363</b>	<b>1,093,688</b>	<b>4,923,177</b>	<b>2,802,922</b>
Operating Income (Loss)	<b>(1,744,512)</b>	<b>(43,337)</b>	<b>196,733</b>	<b>(528,048)</b>
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of equipment	8,065	-	-	-
Aid from other government agencies	-	-	-	-
Investment income (loss)	30,488	931	(314)	3,979
Interest expense	(21,762)	(62,053)	-	(79,417)
Insurance recovery	48,350	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>65,141</b>	<b>(61,122)</b>	<b>(314)</b>	<b>(75,438)</b>
Net Income (Loss) Before Transfers and Contributions	<b>(1,679,371)</b>	<b>(104,459)</b>	<b>196,419</b>	<b>(603,486)</b>
Transfers and Contributions				
Capital contributions/grants-non county	42,000	-	-	194,540
Transfers in	-	463,000	-	-
Transfers out	-	-	-	-
<b>Total Transfers and Contributions</b>	<b>42,000</b>	<b>463,000</b>	<b>-</b>	<b>194,540</b>
Change in Net Position	<b>(1,637,371)</b>	<b>358,541</b>	<b>196,419</b>	<b>(408,946)</b>
Net Position - Beginning of Year	<b>24,391,663</b>	<b>813,024</b>	<b>1,114,667</b>	<b>6,702,365</b>
Net Position - End of Year	<b>\$ 22,754,292</b>	<b>\$ 1,171,565</b>	<b>\$ 1,311,086</b>	<b>\$ 6,293,419</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION (Continued)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
Operating Revenues:					
Charges for services	\$ 57,335	\$ -	\$ 46,051,087	\$ 5,517,448	\$ 2,953,650
Equipment rental	-	-	-	-	-
User fees	-	5,779,528	298,742	-	-
Interest charges to users	-	-	-	-	-
Other	-	27,894	-	-	-
<b>Total Operating Revenues</b>	<b>57,335</b>	<b>5,807,422</b>	<b>46,349,829</b>	<b>5,517,448</b>	<b>2,953,650</b>
Operating Expenses:					
Liability claims and loss adjustment	-	-	38,242,999	4,906,906	746,220
Salaries and benefits	-	-	-	-	-
Insurance	-	-	-	-	1,465,674
Services and supplies	-	5,809,391	2,616,574	87,317	104,945
Depreciation and amortization	7,560	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>7,560</b>	<b>5,809,391</b>	<b>40,859,573</b>	<b>4,994,223</b>	<b>2,316,839</b>
Operating Income (Loss)	49,775	(1,969)	5,490,256	523,225	636,811
Non-Operating Revenues (Expenses):					
Gain (loss) on sale of equipment	-	-	-	-	-
Aid from other government agencies	-	-	-	-	-
Investment income (loss)	198	1,969	64,225	6,033	22,839
Interest expense	(16,683)	-	-	-	-
Insurance recovery	-	-	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(16,485)</b>	<b>1,969</b>	<b>64,225</b>	<b>6,033</b>	<b>22,839</b>
Net Income (Loss) Before Transfers and Contributions	33,290	-	5,554,481	529,258	659,650
Transfers and Contributions					
Capital contributions/grants-non county	-	-	-	-	-
Transfers in	-	-	-	-	4,145,512
Transfers out	-	-	-	-	-
<b>Total Transfers and Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,145,512</b>
Change in Net Position	33,290	-	5,554,481	529,258	4,805,162
Net Position - Beginning of Year	166,399	464,120	25,865,522	2,339,260	-
Net Position - End of Year	<u>\$ 199,689</u>	<u>\$ 464,120</u>	<u>\$ 31,420,003</u>	<u>\$ 2,868,518</u>	<u>\$ 4,805,162</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION (Continued)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
Operating Revenues:				
Charges for services	\$ 7,680,028	\$ 8,100,000	\$ 2,191,880	\$ 72,551,428
Equipment rental	-	-	-	8,366,623
User fees	-	-	-	14,497,951
Interest charges to users	-	-	-	61,663
Other	6,929	7,440	-	246,282
<b>Total Operating Revenues</b>	<b>7,686,957</b>	<b>8,107,440</b>	<b>2,191,880</b>	<b>95,723,947</b>
Operating Expenses:				
Liability claims and loss adjustment	291,960	9,003,652	1,331,433	54,523,170
Salaries and benefits	-	-	-	4,270,414
Insurance	1,542,001	792,276	-	4,246,406
Services and supplies	1,479,102	955,169	11,160	21,634,909
Depreciation and amortization	494	-	-	3,870,719
Miscellaneous	-	-	-	20,365
<b>Total Operating Expenses</b>	<b>3,313,557</b>	<b>10,751,097</b>	<b>1,342,593</b>	<b>88,565,983</b>
Operating Income (Loss)	4,373,400	(2,643,657)	849,287	7,157,964
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of equipment	-	-	-	8,065
Aid from other government agencies	-	-	-	-
Investment income (loss)	27,611	96,486	5,104	259,549
Interest expense	(67,753)	-	-	(247,668)
Insurance recovery	-	-	-	48,350
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(40,142)</b>	<b>96,486</b>	<b>5,104</b>	<b>68,296</b>
Net Income (Loss) Before Transfers and Contributions	4,333,258	(2,547,171)	854,391	7,226,260
Transfers and Contributions				
Capital contributions/grants-non county	-	-	-	236,540
Transfers in	-	-	-	4,608,512
Transfers out	(4,148,387)	-	-	(4,148,387)
<b>Total Transfers and Contributions</b>	<b>(4,148,387)</b>	<b>-</b>	<b>-</b>	<b>696,665</b>
Change in Net Position	184,871	(2,547,171)	854,391	7,922,925
Net Position - Beginning of Year	8,913,251	23,704,338	1,669,314	96,143,923
Net Position - End of Year	<u>\$ 9,098,122</u>	<u>\$ 21,157,167</u>	<u>\$ 2,523,705</u>	<u>\$ 104,066,848</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
<b>Cash Flows from Operating Activities:</b>				
Cash received from user departments	\$ 8,336,998	\$ 988,688	\$ 5,069,283	\$ 2,445,432
Cash payments to suppliers for goods and services	(5,402,128)	(302,759)	(3,608,703)	(1,256,574)
Cash payments to employees for services	(2,660,416)	-	(1,551,729)	-
Cash paid to County departments for services	(841,793)	(31,361)	(3,386)	(301,777)
Other operating revenues	202,871	61,663	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(364,468)</b>	<b>716,231</b>	<b>(94,535)</b>	<b>887,081</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
State and Federal grant receipts	42,000	-	-	194,540
Prior period adjustment	-	-	-	-
Capital contributions	-	-	-	-
Transfers in (out)	-	463,000	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>42,000</b>	<b>463,000</b>	<b>-</b>	<b>194,540</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of capital assets	(1,065,717)	(18,775)	(12,159)	(1,279,716)
Debt interest payments	(17,317)	(56,389)	-	(77,815)
Debt principal payments	(155,451)	(726,627)	-	(633,435)
OPEB obligation	33,197	-	13,921	-
Proceeds from sale of capital assets	108,532	-	-	-
Receipts from insurance recovery	48,350	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,048,406)</b>	<b>(801,791)</b>	<b>1,762</b>	<b>(1,990,966)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest on Investments - Pooled Cash	29,457	685	(566)	3,863
<b>Net Cash Provided by Investing Activities</b>	<b>29,457</b>	<b>685</b>	<b>(566)</b>	<b>3,863</b>
<b>Increase (Decrease) in Cash and Investments</b>	<b>(1,341,417)</b>	<b>378,125</b>	<b>(93,339)</b>	<b>(905,482)</b>
<b>Cash and Investments, Beginning of Year</b>	<b>18,783,839</b>	<b>491,016</b>	<b>837,664</b>	<b>2,543,442</b>
<b>Cash and Investments, End of Year</b>	<b>\$ 17,442,422</b>	<b>\$ 869,141</b>	<b>\$ 744,325</b>	<b>\$ 1,637,960</b>



**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Southern Water System	Purchasing ISF	Medical Insurance	Dental Insurance	Malpractice Insurance
<b>Cash Flows from Operating Activities:</b>					
Cash received from user departments	\$ -	\$ 5,809,450	\$ 47,121,575	\$ 5,494,974	\$ 2,953,650
Cash payments to suppliers for goods and services	-	(5,474,667)	(40,514,432)	(4,910,232)	(2,819,337)
Cash payments to employees for services	-	-	-	-	-
Cash paid to County departments for services	-	(94,318)	(506,604)	(87,317)	(103,842)
Other operating revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>-</u>	<u>240,465</u>	<u>6,100,539</u>	<u>497,425</u>	<u>30,471</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
State and Federal grant receipts	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Capital contributions	-	-	-	-	-
Transfers in (out)	-	-	-	-	10,058,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,058,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,058,000</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition of capital assets	-	-	-	-	-
Debt interest payments	(16,683)	-	-	-	-
Debt principal payments	(97,988)	-	-	-	-
OPEB obligation	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Receipts from insurance recovery	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(114,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Interest on Investments - Pooled Cash	242	1,801	58,049	5,515	16,370
	<u>242</u>	<u>1,801</u>	<u>58,049</u>	<u>5,515</u>	<u>16,370</u>
Net Cash Provided by Investing Activities	<u>242</u>	<u>1,801</u>	<u>58,049</u>	<u>5,515</u>	<u>16,370</u>
Increase (Decrease) in Cash and Investments	(114,429)	242,266	6,158,588	502,940	10,104,841
Cash and Investments, Beginning of Year	<u>150,412</u>	<u>1,028,788</u>	<u>34,691,179</u>	<u>2,817,317</u>	<u>-</u>
Cash and Investments, End of Year	<u>\$ 35,983</u>	<u>\$ 1,271,054</u>	<u>\$ 40,849,767</u>	<u>\$ 3,320,257</u>	<u>\$ 10,104,841</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
<b>Cash Flows from Operating Activities:</b>				
Cash received from user departments	\$ 7,973,701	\$ 8,106,203	\$ 2,183,116	\$ 96,483,070
Cash payments to suppliers for goods and services	(4,404,751)	(9,406,058)	(1,322,612)	(79,422,253)
Cash payments to employees for services	-	-	-	(4,212,145)
Cash paid to County departments for services	(1,138,566)	(624,542)	(11,160)	(3,744,666)
Other operating revenues	-	-	-	264,534
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,430,384</b>	<b>(1,924,397)</b>	<b>849,344</b>	<b>9,368,540</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
State and Federal grant receipts	-	-	-	236,540
Prior period adjustment	-	-	-	-
Capital contributions	-	-	-	-
Transfers in (out)	(10,058,000)	-	-	463,000
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(10,058,000)</b>	<b>-</b>	<b>-</b>	<b>699,540</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of capital assets	-	-	-	(2,376,367)
Debt interest payments	(70,194)	-	-	(238,398)
Debt principal payments	(61,921)	-	-	(1,675,422)
OPEB obligation	-	-	-	47,118
Proceeds from sale of capital assets	-	-	-	108,532
Receipts from insurance recovery	-	-	-	48,350
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(132,115)</b>	<b>-</b>	<b>-</b>	<b>(4,086,187)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest on Investments - Pooled Cash	29,337	92,920	4,456	242,129
<b>Net Cash Provided by Investing Activities</b>	<b>29,337</b>	<b>92,920</b>	<b>4,456</b>	<b>242,129</b>
<b>Increase (Decrease) in Cash and Investments</b>	<b>(7,730,394)</b>	<b>(1,831,477)</b>	<b>853,800</b>	<b>6,224,022</b>
<b>Cash and Investments, Beginning of Year</b>	<b>29,710,554</b>	<b>52,853,168</b>	<b>1,916,634</b>	<b>145,824,013</b>
<b>Cash and Investments, End of Year</b>	<b>\$ 21,980,160</b>	<b>\$ 51,021,691</b>	<b>\$ 2,770,434</b>	<b>\$ 152,048,035</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Fleet Services</u>	<u>Office Automation</u>	<u>Central Telephone</u>	<u>Radio Communi- cations</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,744,512)	\$ (43,337)	\$ 196,733	\$ (528,048)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,533,575	826,832	404,111	1,098,147
(Increase) decrease in accounts receivable	(66,982)	-	(50,628)	170,558
(Increase) decrease in inventories	70,794	-	60,958	-
(Increase) decrease in prepaid expenses	-	(64,065)	-	-
Increase (decrease) in accounts payable	(157,343)	(3,199)	(705,709)	146,424
Increase (decrease) in claims liability	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (364,468)</u>	<u>\$ 716,231</u>	<u>\$ (94,535)</u>	<u>\$ 887,081</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Southern Water System	Purchasing ISF	Medical Insurance	Dental Insurance	Medical Malpractice Insurance
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 49,775	\$ (1,969)	\$ 5,490,256	\$ 523,225	\$ 636,811
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	7,560	-	-	-	-
(Increase) decrease in accounts receivable	(57,335)	2,028	659,703	(22,474)	-
(Increase) decrease in inventories	-	-	-	-	-
(Increase) decrease in prepaid expenses	-	-	-	-	214,512
Increase (decrease) in accounts payable	-	240,406	227,112	12,810	41,148
Increase (decrease) in claims liability	-	-	(276,532)	(16,136)	(862,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ -</u>	<u>\$ 240,465</u>	<u>\$ 6,100,539</u>	<u>\$ 497,425</u>	<u>\$ 30,471</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Casualty Insurance</u>	<u>Workers Comp Insurance</u>	<u>Unemployment Insurance</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 4,373,400	\$ (2,643,657)	\$ 849,287	\$ 7,157,964
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	494	-	-	3,870,719
(Increase) decrease in accounts receivable	286,744	3,500	(8,765)	916,349
(Increase) decrease in inventories	-	-	-	131,752
(Increase) decrease in prepaid expenses	-	-	-	150,447
Increase (decrease) in accounts payable	(819,254)	(62,866)	-	(1,080,471)
Increase (decrease) in claims liability	<u>(1,411,000)</u>	<u>778,626</u>	<u>8,822</u>	<u>(1,778,220)</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 2,430,384</u>	 <u>\$ (1,924,397)</u>	 <u>\$ 849,344</u>	 <u>\$ 9,368,540</u>

### **Private Purpose Trust Funds**

Private Purpose Trust Funds are used to report various Federal-sponsored community development loan programs and other private trust agreements. None of the resources of these funds are used to support governmental programs.

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
JUNE 30, 2013**

	Sammie Hay	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Total
<u>Assets</u>						
Cash and investments	\$ 549,670	\$ -	\$ 1,316,361	\$ 4,720,735	\$ 144,606	\$ 6,731,372
Cash and investments held by others	-	3,171,405	-	-	-	3,171,405
Investment income receivables	348	1,117	628	2,884	87	5,064
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	7,294	2,267	-	9,561
Loans receivable	-	4,182,768	20,155,593	11,808,666	716,758	36,863,785
<b>Total Assets</b>	<b>\$ 550,018</b>	<b>\$ 7,355,290</b>	<b>\$ 21,479,876</b>	<b>\$ 16,534,552</b>	<b>\$ 861,451</b>	<b>\$ 46,781,187</b>
<u>Liabilities</u>						
Accounts payable	\$ 739	\$ 700	\$ 134	\$ 275	\$ -	\$ 1,848
<b>Total Liabilities</b>	<b>739</b>	<b>700</b>	<b>134</b>	<b>275</b>	<b>-</b>	<b>1,848</b>
<u>Net Position</u>						
Held in trust for:						
Revolving loans	-	7,321,799	21,479,538	16,533,546	861,429	46,196,312
Unrealized market value appreciation	85	32,791	204	731	22	33,833
Other purposes	549,194	-	-	-	-	549,194
<b>Total Net Position</b>	<b>549,279</b>	<b>7,354,590</b>	<b>21,479,742</b>	<b>16,534,277</b>	<b>861,451</b>	<b>46,779,339</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 550,018</b>	<b>\$ 7,355,290</b>	<b>\$ 21,479,876</b>	<b>\$ 16,534,552</b>	<b>\$ 861,451</b>	<b>\$ 46,781,187</b>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	Sammie Hay	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Total
Additions:						
Contributions from other governments	\$ -	\$ -	\$ 385,665	\$ 188,542	\$ -	\$ 574,207
Investment income	978	54,549	1,631	7,973	241	65,372
Loan income	-	168,295	72,256	56,186	-	296,737
Miscellaneous income	7,137	8,933	5,263	546	-	21,879
<b>Total Additions</b>	<b>8,115</b>	<b>231,777</b>	<b>464,815</b>	<b>253,247</b>	<b>241</b>	<b>958,195</b>
Deductions:						
Benefit payments	86,405	-	-	-	-	86,405
Program expenses	-	1,939	668,596	288,083	104,884	1,063,502
Allowance for loan adjustments	-	493,666	-	-	-	493,666
Loan servicing fees	-	11,078	1,656	-	-	12,734
Administrative expenses	-	480,694	101,471	76,458	-	658,623
<b>Total Deductions</b>	<b>86,405</b>	<b>987,377</b>	<b>771,723</b>	<b>364,541</b>	<b>104,884</b>	<b>2,314,930</b>
<b>Change in Net Position</b>	<b>(78,290)</b>	<b>(755,600)</b>	<b>(306,908)</b>	<b>(111,294)</b>	<b>(104,643)</b>	<b>(1,356,735)</b>
Net Position, Beginning	627,569	8,110,190	21,786,650	16,645,571	966,094	48,136,074
<b>Net Position, Ending</b>	<b>\$ 549,279</b>	<b>\$ 7,354,590</b>	<b>\$ 21,479,742</b>	<b>\$ 16,534,277</b>	<b>\$ 861,451</b>	<b>\$ 46,779,339</b>



## **Agency Funds**

Agency Funds are used to account for the assets and liabilities of various clearing accounts for which the County's role is purely custodial.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ARISING FROM CASH TRANSACTIONS  
ALL AGENCY FUNDS  
JUNE 30, 2013**

	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2013</u>
<u>Assets</u>				
Cash and investments - pooled	\$ 31,833,304	\$ 622,287,790	\$ 614,968,281	\$ 39,152,813
Cash and investments held by others	3,308,879	27,312,145	27,777,206	2,843,818
Receivables	30,202,600	31,350,329	30,202,600	31,350,329
Loans receivable	12,000,000	-	-	12,000,000
Other assets	4,085	-	747	3,338
	<u>\$ 77,348,868</u>	<u>\$ 680,950,264</u>	<u>\$ 672,948,834</u>	<u>\$ 85,350,298</u>
<u>Liabilities</u>				
Accounts payable	\$ 29,711,757	\$ 34,161,694	\$ 29,711,758	\$ 34,161,693
Due to other agencies	47,617,111	688,955,118	685,403,625	51,168,605
Loan payable	20,000	-	-	20,000
	<u>\$ 77,348,868</u>	<u>\$ 723,116,812</u>	<u>\$ 715,115,383</u>	<u>\$ 85,350,298</u>

## **COMPONENT UNIT FINANCIAL STATEMENTS**

### **County Service Area No. 31 Flag City**

County Service Area No. 31 – Flag City financial statements (part of the governmental funds) provide an overall financial picture of the Service Area as a whole. It presents the general operational fund, the sewer service fund, and the capital outlay fund at the basic fund level and the district-wide level. The general operational fund and the sewer service fund are reported as special revenue funds and the capital outlay fund is reported as a capital outlay fund. Both the special revenue funds and the capital outlay fund are part of the nonmajor governmental funds. The reconciliation from the governmental funds on the basic fund level to the district-wide level is presented in the face of the following financial statements.

**COUNTY OF SAN JOAQUIN  
STATEMENT OF NET POSITION  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
JUNE 30, 2013**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Pooled cash and investments	\$ 290,867
Accounts receivable	10,835
Interest receivable	265
Restricted assets:	
Cash and investments	621,876
Receivable	3,764
Capital assets:	
Depreciable, net	<u>6,239,297</u>
Total Assets	<u><u>\$ 7,166,904</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 15,148
Interest payable	219,820
Advances from other County funds	1,179,378
Long-term liabilities:	
Certificates of participation:	7,915,000
Discounts on certificates of participation	<u>(98,438)</u>
Total Liabilities	<u>9,230,908</u>
<b>NET POSITION</b>	
Net position invested in capital assets, net of related debts	(951,626)
Reserved for debt service	37,082
Designated	45
Undesignated	<u>(1,149,505)</u>
Total Net Position	<u>(2,064,004)</u>
Total Liabilities and Net Position	<u><u>\$ 7,166,904</u></u>

**COUNTY OF SAN JOAQUIN  
STATEMENT OF ACTIVITIES  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Governmental Activities</u>
<b>Program Expenses:</b>	
Public Ways and Facilities:	
Professional services	\$ 285,990
Utilities	216,427
Communication	220
Office expenses	1,792
Special expenses	3,734
Maintenance	13,010
Insurance	27,825
Miscellaneous	3,091
Depreciation	311,679
Interest	<u>492,037</u>
Total Program Expenses	1,355,805
<b>Program Revenues:</b>	
Use of Money and Property	1,972
Misc	272
Charges for Services	<u>997,863</u>
Total Program Revenue	1,000,107
<b>Net Program Revenues (Expenses)</b>	<b>(355,698)</b>
<b>Other Financing Sources (Uses)</b>	
Transfers In	614,139
Transfers Out	<u>(614,139)</u>
Total Other Financing Sources (Uses)	-
<b>Change in Net Position</b>	<b>(355,698)</b>
Net Position, Beginning of Year	<u>(1,708,306)</u>
<b>Net Position, End of Year</b>	<b><u>\$ (2,064,004)</u></b>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
ALL GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	Special Revenue Funds					Totals
	Operating Fund	Sewer Service Fund	All Special Revenue Funds	Debt Service	Capital Projects	
<b>ASSETS</b>						
Cash and investments	\$ 431,895	\$ (141,028)	\$ 290,867	\$ -	\$ -	\$ 290,867
Interest receivable	263	2	265	-	-	265
Accounts receivable	10,835	-	10,835	-	-	10,835
Restricted assets:						
Cash and investments	-	-	-	621,876	-	621,876
Interest receivable	-	-	-	3,764	-	3,764
Total Assets	<u>\$ 442,993</u>	<u>\$ (141,026)</u>	<u>\$ 301,967</u>	<u>\$ 625,640</u>	<u>\$ -</u>	<u>\$ 927,607</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 15,148	\$ -	\$ 15,148	\$ -	\$ -	\$ 15,148
Advances from other funds	-	1,179,378	1,179,378	-	-	1,179,378
Total Liabilities	<u>15,148</u>	<u>1,179,378</u>	<u>1,194,526</u>	<u>-</u>	<u>-</u>	<u>1,194,526</u>
<b>FUND BALANCES</b>						
Restricted	-	-	-	630,866	-	630,866
Assigned	67	(22)	45	-	-	45
Unassigned	427,778	(1,320,382)	(892,604)	(5,226)	-	(897,830)
Total Fund Balances	<u>427,845</u>	<u>(1,320,404)</u>	<u>(892,559)</u>	<u>625,640</u>	<u>-</u>	<u>(266,919)</u>
Total Liabilities and Fund Balances	<u>\$ 442,993</u>	<u>\$ (141,026)</u>	<u>\$ 301,967</u>	<u>\$ 625,640</u>	<u>\$ -</u>	<u>\$ 927,607</u>

**RECONCILIATION OF THE BALANCE SHEET -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION:**

Fund Balances from above	\$ (266,919)
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	6,239,297
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Certificates of participation	(7,816,562)
Accrued interest payable	(219,820)
Net position of governmental activities	<u>\$ (2,064,004)</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
FOR THE YEAR ENDED JUNE 30, 2013**

	Special Revenue Funds					Totals
	Operating Fund	Sewer Service Fund	All Special Revenue Funds	Debt Service	Capital Projects	
<b>Revenues:</b>						
Use of money and property	\$ 709	\$ (377)	\$ 332	\$ 1,640	\$ -	\$ 1,972
Misc	272	-	272	-	-	272
Charges for services	249,988	747,875	997,863	-	-	997,863
<b>Total Revenues</b>	<b>250,969</b>	<b>747,498</b>	<b>998,467</b>	<b>1,640</b>	<b>-</b>	<b>1,000,107</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Public ways and facilities:</b>						
Professional services	129,450	156,540	285,990	-	-	285,990
Utilities	16,025	200,402	216,427	-	-	216,427
Communication	-	220	220	-	-	220
Office expenses	1,792	-	1,792	-	-	1,792
Special expenses	2,213	1,521	3,734	-	-	3,734
Maintenance	11,558	1,452	13,010	-	-	13,010
Insurance	8,002	19,823	27,825	-	-	27,825
Miscellaneous	84	3,008	3,092	-	-	3,092
Capital outlay	-	-	-	-	-	-
Interest	-	28,585	28,585	607,264	-	635,849
<b>Total Expenditures</b>	<b>169,124</b>	<b>411,551</b>	<b>580,675</b>	<b>607,264</b>	<b>-</b>	<b>1,187,939</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>81,845</b>	<b>335,947</b>	<b>417,792</b>	<b>(605,624)</b>	<b>-</b>	<b>(187,832)</b>
<b>Other Financing Sources (Uses):</b>						
Transfers in	9	6,866	6,875	607,264	-	614,139
Transfers out	-	(607,264)	(607,264)	(6,866)	(9)	(614,139)
<b>Total Other Financing Sources (Uses)</b>	<b>9</b>	<b>(600,398)</b>	<b>(600,389)</b>	<b>600,398</b>	<b>(9)</b>	<b>-</b>
<b>Change in Fund Balances</b>	<b>81,854</b>	<b>(264,451)</b>	<b>(182,597)</b>	<b>(5,226)</b>	<b>(9)</b>	<b>(187,832)</b>
<b>Fund Balances, Beginning of Year</b>	<b>345,991</b>	<b>(1,055,953)</b>	<b>(709,962)</b>	<b>630,866</b>	<b>9</b>	<b>(79,087)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 427,845</b>	<b>\$ (1,320,404)</b>	<b>\$ (892,559)</b>	<b>\$ 625,640</b>	<b>\$ -</b>	<b>\$ (266,919)</b>

**COUNTY OF SAN JOAQUIN  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES –  
GOVERNMENTAL ACTIVITIES  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Net change in fund balances - total governmental funds \$ (187,832)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ -	
Less current year depreciation	<u>(311,679)</u>	(311,679)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

141,064

Change in accrued interest payable		<u>2,749</u>
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Change in net position of governmental activities		<u><u>\$ (355,698)</u></u>
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**STATISTICAL SECTION –  
FINANCIAL ONLY**

**COUNTY OF SAN JOAQUIN  
CHANGES IN NET POSITION  
LAST EIGHT FISCAL YEARS  
FOR THE YEAR ENDED JUNE 30, 2013**

	2012-13	2011-12	2010-11
<b>Expenses:</b>			
Governmental activities:			
General government	\$ 38,900,374	\$ 30,511,256	\$ 27,299,881
Public protection	284,684,621	282,264,243	279,598,113
Public ways and facilities	46,045,758	45,940,486	43,102,885
Health and sanitation	131,895,213	124,500,788	120,331,660
Public assistance	328,782,573	331,193,491	351,331,147
Education	5,466,702	6,026,990	6,055,394
Culture and recreation	6,068,176	7,145,530	9,054,852
Interest on long-term debt	7,262,275	7,076,149	7,506,293
Total governmental activities expenses	<u>849,105,692</u>	<u>834,658,933</u>	<u>844,280,225</u>
Business-type activities:			
Solid Waste	19,261,618	20,149,471	16,373,498
Hospital	218,810,095	220,561,110	206,416,196
Airport	3,958,205	3,827,559	4,304,072
Total business-type activities expenses	<u>242,029,918</u>	<u>244,538,140</u>	<u>227,093,766</u>
Total primary governmental expenses	<u>1,091,135,610</u>	<u>1,079,197,073</u>	<u>1,071,373,991</u>
<b>Program Revenues:</b>			
Governmental activities:			
Charges for services:			
General government	18,713,432	14,987,471	17,166,522
Public protection	36,530,250	33,921,623	42,841,343
Public ways and facilities	12,355,712	12,070,414	11,088,079
Community infrastructure program	2,327,150	2,880,231	1,194,635
Health and sanitation	44,996,442	40,191,296	36,338,946
Children and families act program	-	1,220	975
Public assistance	1,556,354	1,756,149	1,152,025
Education	125,154	165,905	250,865
Recreation	2,232,119	2,459,005	2,219,648
Operating grants and contribution	553,220,285	504,564,328	531,236,543
Capital grants and contribution (3)	5,917,695	6,029,847	11,548,756
Total governmental activities revenues	<u>677,974,593</u>	<u>619,027,489</u>	<u>655,038,337</u>
Business-type activities:			
Charges for services:			
Solid Waste	18,938,096	18,211,174	18,459,508
Hospital	211,715,269	199,321,051	219,637,752
Airport	1,659,160	1,717,973	1,853,720
Operating grants and contribution	278,645	1,454,441	5,475,622
Capital grants and contribution (3)	276,796	-	-
Total business-type activities revenues	<u>232,867,966</u>	<u>220,704,639</u>	<u>245,426,602</u>
Total primary government revenues	<u>910,842,559</u>	<u>839,732,128</u>	<u>900,464,939</u>
<b>Net (Expense)/Revenue</b>			
Governmental activities	(171,131,099)	(215,631,444)	(189,241,888)
Business-type activities	(9,161,952)	(23,833,501)	18,332,836
Total primary government net expense	<u>\$ (180,293,051)</u>	<u>\$ (239,464,945)</u>	<u>\$ (170,909,052)</u>

2009-10	2008-09	2007-08	2006-07	2005-06
\$ 26,098,049	\$ 38,743,985	\$ 31,655,441	\$ 20,374,318	\$ 25,732,859
297,597,268	303,010,545	277,183,027	248,844,996	230,090,340
46,579,136	41,407,882	49,711,444	37,531,443	37,605,714
127,103,901	135,808,377	133,879,694	124,328,143	119,566,506
355,777,105	344,216,452	332,367,831	324,549,286	307,459,822
5,921,627	6,724,552	7,010,323	6,266,998	5,865,222
9,956,704	9,069,181	7,377,767	6,108,149	5,580,859
7,311,782	8,424,991	11,684,229	5,188,180	4,040,221
<u>876,345,572</u>	<u>887,405,965</u>	<u>850,869,756</u>	<u>773,191,513</u>	<u>735,941,543</u>
19,748,649	20,980,240	19,682,725	21,022,270	17,685,787
204,730,696	203,675,658	204,207,568	194,540,564	189,776,046
4,024,516	3,813,218	3,915,507	4,592,686	3,663,416
<u>228,503,861</u>	<u>228,469,116</u>	<u>227,805,800</u>	<u>220,155,520</u>	<u>211,125,249</u>
<u>1,104,849,433</u>	<u>1,115,875,081</u>	<u>1,078,675,556</u>	<u>993,347,033</u>	<u>947,066,792</u>
16,002,101	20,891,343	20,878,702	25,644,079	20,161,576
44,575,946	46,309,079	46,128,760	43,895,054	50,135,663
10,876,151	10,333,240	10,970,609	10,750,679	9,713,552
933,701	1,344,892	3,564,809	5,424,835	3,922,438
38,321,000	34,934,714	33,600,035	32,909,784	29,049,369
750	574	1,000	3,507	-
2,775,286	2,166,674	1,329,035	1,004,460	1,162,124
297,122	274,717	157,664	137,306	146,925
2,293,085	1,885,727	1,588,227	1,504,986	1,580,398
524,926,700	481,756,701	517,574,981	506,957,550	476,195,426
17,920,366	21,311,899	15,098,553	6,167,215	14,389,355
<u>658,922,208</u>	<u>621,209,560</u>	<u>650,892,375</u>	<u>634,399,455</u>	<u>606,456,826</u>
17,316,220	16,274,245	17,678,924	19,171,854	19,699,066
171,131,971	169,748,603	166,670,823	151,052,423	158,935,264
1,715,024	1,576,065	1,664,750	1,364,367	1,456,000
791,175	974,955	1,715,573	1,357,945	219,750
-	-	-	-	57,372,734
<u>190,954,390</u>	<u>188,573,868</u>	<u>187,730,070</u>	<u>172,946,589</u>	<u>237,682,814</u>
<u>849,876,598</u>	<u>809,783,428</u>	<u>838,622,445</u>	<u>807,346,044</u>	<u>844,139,640</u>
(217,423,364)	(266,196,405)	(199,977,381)	(138,792,058)	(129,484,717)
(37,549,471)	(39,895,248)	(40,075,730)	(47,208,931)	26,557,565
<u>\$ (254,972,835)</u>	<u>\$ (306,091,653)</u>	<u>\$ (240,053,111)</u>	<u>\$ (186,000,989)</u>	<u>\$ (102,927,152)</u>

**COUNTY OF SAN JOAQUIN  
CHANGES IN NET POSITION (Continued)  
LAST EIGHT FISCAL YEARS  
FOR THE YEAR ENDED JUNE 30, 2013**

	2012-13	2011-12	2010-11
<b>General Revenues and Other Changes in Net Position</b>			
Governmental activities:			
Property taxes	\$ 194,307,507	\$ 181,691,758	\$ 197,588,751
Sales taxes	25,582,091	25,234,396	22,201,894
Motor vehicle and other in-lieu taxes	3,315,816	3,085,571	4,209,020
Tobacco settlement proceeds	9,179,197	6,090,538	5,972,551
Other	5,461,138	4,921,777	2,477,535
Investment earnings	3,330,203	3,404,414	3,240,049
Miscellaneous	2,748,878	179,010	854,293
Transfers	(16,484,352)	(21,219,699)	(18,439,088)
Extraordinary item	-	-	-
Prior period adjustment (2)	26,165,848	-	-
Total governmental activities	<u>253,606,326</u>	<u>203,387,765</u>	<u>218,105,005</u>
Business-type activities			
Property taxes	404,271	440,546	412,356
Investment earnings	208,241	543,366	576,172
Other	-	-	-
Transfers	16,484,352	21,219,699	18,439,088
Prior period adjustment (3)	-	-	-
Total business-type activities	<u>17,096,864</u>	<u>22,203,611</u>	<u>19,427,616</u>
Total primary government	<u>\$ 270,703,190</u>	<u>\$ 225,591,376</u>	<u>\$ 237,532,621</u>
<b>Changes in Net Position</b>			
Governmental activities	\$ 82,475,227	\$ (12,243,679)	\$ 28,863,117
Business-type activities	7,935,512	(1,629,890)	37,760,452
Total primary government	<u>\$ 90,410,739</u>	<u>\$ (13,873,569)</u>	<u>\$ 66,623,569</u>

(2) & (3) = 2006-07 - Reflect deduction of the infrastructure transferred by the developers to the Mountain House Service District in prior years as a result of the Final Deduction accepted in August 2007. It also reflects the reduction of the revenue liability as the development fees were collected by the developers without being recorded in the pledged utility funds.

(2) & (3) = 2008-09 - Reflect the removal of Mountain House Services District as an independent district from the County.

2009-10	2008-09	2007-08	2006-07	2005-06
\$ 194,019,051	\$ 228,875,556	\$ 234,895,057	\$ 219,157,813	\$ 185,372,303
21,314,504	22,034,677	26,759,854	28,596,414	32,125,346
2,742,578	4,383,463	4,804,452	4,952,713	5,159,327
5,708,772	6,849,537	6,230,445	5,936,350	5,591,287
4,950,211	5,440,246	6,258,720	6,948,456	8,938,958
4,632,198	15,167,101	27,198,618	27,259,242	17,501,863
78,437	(116,862)	83,414	-	-
(31,215,630)	(26,006,773)	(47,806,151)	(21,743,326)	(39,971,492)
-	-	-	-	-
3,615,017	(78,007,878)	-	25,881,120	-
<u>205,845,138</u>	<u>178,619,067</u>	<u>258,424,409</u>	<u>296,988,782</u>	<u>214,717,592</u>
495,249	624,866	486,589	497,427	447,221
590,015	1,407,937	1,701,493	1,922,346	1,474,136
-	-	2,444,975	3,214,888	-
31,215,630	26,006,773	47,806,151	21,743,326	39,971,492
(575,937)	23,575,078	-	(57,749,160)	-
<u>31,724,957</u>	<u>51,614,654</u>	<u>52,439,208</u>	<u>(30,371,173)</u>	<u>41,892,849</u>
<u>\$ 237,570,095</u>	<u>\$ 230,233,721</u>	<u>\$ 310,863,617</u>	<u>\$ 266,617,609</u>	<u>\$ 256,610,441</u>
\$ (15,193,243)	\$ (87,577,338)	\$ 58,447,028	\$ 158,196,724	\$ 85,232,875
(5,248,577)	11,719,406	12,363,478	(77,580,104)	68,450,414
<u>\$ (20,441,820)</u>	<u>\$ (75,857,932)</u>	<u>\$ 70,810,506</u>	<u>\$ 80,616,620</u>	<u>\$ 153,683,289</u>

**COUNTY OF SAN JOAQUIN  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS  
AS OF JUNE 30, 2013**

General Fund:  
    Reserved  
    Unreserved  
Total General Fund

All Other Governmental Funds  
    Reserved  
    Unreserved, reported in:  
        Special Revenue Funds  
        Capital Projects Funds  
Total all other governmental funds

Total - all governmental funds

	2012-13	2011-12	2010-11 (1)
General Fund:			
Nonspendable	\$ 7,698,730	\$ 7,898,238	\$ 8,094,729
Restricted	37,762,674	35,416,191	35,245,339
Committed	10,004,635	10,003,085	10,006,276
Assigned	18,841,794	14,497,524	29,889,700
Unassigned	85,118,632	38,438,402	44,315,708
Total General Fund	159,426,465	106,253,440	127,551,752
All Other Governmental Funds			
Nonspendable	1,575,224	1,498,955	1,491,076
Restricted	201,337,911	185,975,884	177,632,988
Committed	-	-	-
Assigned	57,691,719	58,718,682	69,136,987
Unassigned	(4,053,482)	(4,193,090)	(3,092,040)
Total all other governmental funds	256,551,372	242,000,431	245,169,011
Total - all governmental funds	\$ 415,977,837	\$ 348,253,871	\$ 372,720,763

(1) In fiscal year 2010-11, the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned.

<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
\$ 17,422,015	\$ 21,134,010	\$ 21,001,803	\$ 14,546,165	\$ 15,070,347
71,115,787	71,447,235	47,908,310	83,156,996	102,807,800
<u>88,537,802</u>	<u>92,581,245</u>	<u>68,910,113</u>	<u>97,703,161</u>	<u>117,878,147</u>
93,677,487	121,178,489	207,438,037	251,338,071	82,359,538
136,683,212	103,502,191	106,034,209	107,507,012	84,887,806
23,212,463	12,060,452	14,278,900	18,843,149	15,319,173
<u>253,573,162</u>	<u>236,741,132</u>	<u>327,751,146</u>	<u>377,688,232</u>	<u>182,566,517</u>
<u>\$ 342,110,964</u>	<u>\$ 329,322,377</u>	<u>\$ 396,661,259</u>	<u>\$ 475,391,393</u>	<u>\$ 300,444,664</u>

**COUNTY OF SAN JOAQUIN  
LEGAL DEBT MARGIN INFORMATION  
LAST EIGHT FISCAL YEARS  
AS OF JUNE 30, 2013**

	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Debt limit	\$ 659,393,352	\$ 659,802,311	\$ 685,383,938
Total net debt applicable to limit	-	-	-
Legal debt margin	659,393,352	659,802,311	685,383,938
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%

Government Code Section 29909 and Revenue and Tax Code Section 135 limit the County's ability to raise resources through the issuance of debt to finance acquisitions or construction of County facilities. The debt limit is 1 1/4% of the total assessed value.



<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
\$ 647,943,721	\$ 730,992,679	\$ 746,277,606	\$ 681,583,871	\$ 576,919,493
-	-	-	-	-
647,943,721	730,992,679	746,277,606	681,583,871	576,919,493
0.00%	0.00%	0.00%	0.00%	0.00%

**COUNTY OF SAN JOAQUIN  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST EIGHT FISCAL YEARS  
AS OF JUNE 30, 2013**

Fiscal Year	Governmental Activities			
	Certificates of Participation	Capital Leases	Loans	Unpaid Compensated Absence
2013	\$ 127,469,364	\$ 6,406,147	\$ 104,922,576	\$ 30,462,761
2012	129,912,106	4,669,946	102,516,886	30,628,026
2011	132,179,848	3,197,979	110,438,913	30,499,567
2010	134,282,591	3,628,394	119,862,270	31,396,212
2009	136,235,333	3,664,009	127,256,167	29,887,868
2008	141,983,075	2,776,957	106,054,901	28,292,596
2007	139,092,879	2,722,657	91,355,772	27,069,951
2006	43,029,172	1,578,874	122,005,002	28,759,456

**COUNTY OF SAN JOAQUIN  
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)  
LAST EIGHT FISCAL YEARS  
AS OF JUNE 30, 2013**

Fiscal Year	Business-Type Activities				
	Certificates of Participation	Capital Leases	Loans	Unpaid Compensated Absence	Landfill Closure and Postclosure
2013	\$ 54,567,073	\$ 939,112	\$ 13,870,258	\$ 6,812,657	\$ 11,535,186
2012	69,089,415	1,038,467	11,807,555	6,711,454	11,322,416
2011	76,504,359	1,865,864	9,822,005	6,532,674	10,997,051
2010	83,449,303	1,221,660	7,619,442	6,409,974	14,186,541
2009	90,639,277	1,735,271	5,954,580	5,985,578	12,971,673
2008	121,731,924	2,290,525	134,007,676	5,880,632	10,628,021
2007	103,679,165	2,731,896	116,921,026	5,353,769	9,949,652
2006	109,239,109	151,638	118,864,360	5,257,321	8,685,737

**COUNTY OF SAN JOAQUIN  
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)  
LAST EIGHT FISCAL YEARS  
AS OF JUNE 30, 2013**

Fiscal Year	Total Primary Government	Per Capita	Population
2013	\$ 356,985,134	507	703,919
2012	367,696,271	528	695,750
2011	382,038,260	551	693,589
2010	402,056,387	579	694,293
2009	414,329,756	601	689,480
2008	553,646,307	807	685,660
2007	498,876,767	734	679,687
2006	437,570,669	655	668,265

**COUNTY OF SAN JOAQUIN  
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
LAST EIGHT YEARS  
AS OF JUNE 30, 2013**

	2012-13	2011-12	2010-11	2009-10
<b>REVENUES</b>				
Taxes	\$ 212,056,460	\$ 203,474,641	\$ 219,624,042	\$ 233,592,658
Licenses and permits	7,065,578	5,709,247	5,283,279	4,521,601
Fines, forfeits, and penalties	14,086,309	11,425,041	10,588,072	14,505,266
Use of money and property	3,285,935	3,150,330	2,809,953	4,078,513
Aid from other governmental agencies	566,196,112	517,253,471	548,416,708	548,283,284
Charges for services	95,469,119	87,814,747	94,099,700	91,896,037
Miscellaneous	14,648,722	12,373,135	15,880,988	14,084,177
<b>Total Revenues</b>	<b>912,808,235</b>	<b>841,200,612</b>	<b>896,702,742</b>	<b>910,961,536</b>
<b>EXPENDITURES</b>				
Current:				
General government	50,085,753	51,825,030	41,693,019	41,684,459
Public safety	268,176,699	264,428,919	262,332,207	273,972,542
Public ways and facilities	31,141,322	31,345,220	29,815,450	32,346,727
Health and sanitation	128,532,481	119,911,230	115,529,363	122,569,723
Public assistance	324,020,734	326,366,640	345,721,093	349,552,643
Education	5,266,189	5,641,949	5,663,467	5,848,898
Recreation	5,404,618	6,018,841	5,917,793	6,222,469
Capital outlay	32,288,100	29,264,625	30,061,521	27,521,442
Debt service:				
Principal	2,883,548	2,658,191	3,150,239	2,593,667
Interest	6,711,246	6,543,010	6,933,924	7,152,094
Refunding escrow	-	-	-	-
<b>Total expenditures</b>	<b>854,510,690</b>	<b>844,003,655</b>	<b>846,818,076</b>	<b>869,464,664</b>
Excess (deficiency) of revenues over (under) expenditures	<b>58,297,545</b>	<b>(2,803,043)</b>	<b>49,884,666</b>	<b>41,496,872</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	61,359,996	51,814,780	38,890,956	27,517,174
Transfers out	(78,304,473)	(73,528,418)	(58,345,849)	(59,329,240)
Interfund interest	-	-	-	-
Loan proceeds	-	49,789	180,026	317,604
Capital grants	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(16,944,477)</b>	<b>(21,663,849)</b>	<b>(19,274,867)</b>	<b>(31,494,462)</b>
<b>Net change in fund balances</b>	<b>\$ 41,353,068</b>	<b>\$ (24,466,892)</b>	<b>\$ 30,609,799</b>	<b>\$ 10,002,410</b>

2008-09	2007-08	2006-07	2005-06	2004-05
\$ 262,120,999	\$ 227,076,417	\$ 218,146,216	\$ 216,269,438	\$ 169,201,969
4,909,610	6,659,886	8,486,276	9,844,592	7,407,564
17,169,243	17,348,913	13,722,623	18,067,404	14,080,149
12,190,863	22,631,106	22,192,339	14,275,552	6,611,373
511,206,416	540,440,978	523,657,229	498,014,555	475,119,794
91,461,555	101,260,527	108,213,886	91,903,011	85,555,433
13,211,719	14,508,125	12,019,797	15,186,059	15,277,219
<u>912,270,405</u>	<u>929,925,952</u>	<u>906,438,366</u>	<u>863,560,611</u>	<u>773,253,501</u>
48,006,592	51,768,284	44,561,751	38,369,942	31,018,117
276,607,702	263,415,264	237,999,875	215,520,350	199,948,767
28,236,546	35,818,333	36,445,617	34,935,720	31,528,734
130,599,944	131,038,122	121,594,955	116,869,120	112,053,011
337,562,155	328,313,700	320,973,887	304,048,779	285,095,525
6,646,636	6,927,513	6,182,337	5,803,595	5,586,424
6,369,288	5,468,614	4,706,578	4,131,171	3,554,593
99,541,241	122,920,479	43,451,406	31,683,615	25,711,923
6,397,785	13,690,137	12,879,337	5,486,955	5,216,438
7,936,181	10,593,228	4,304,826	3,208,775	3,266,278
-	-	18,398,858	-	-
<u>947,904,070</u>	<u>969,953,674</u>	<u>851,499,427</u>	<u>760,058,022</u>	<u>702,979,810</u>
<u>(35,633,665)</u>	<u>(40,027,722)</u>	<u>54,938,939</u>	<u>103,502,589</u>	<u>70,273,691</u>
57,611,137	61,170,226	224,284,684	47,101,771	35,711,734
(84,143,865)	(109,397,997)	(247,086,701)	(82,599,029)	(52,034,944)
-	-	-	33,615	-
790,682	9,525,359	119,431,952	425,981	203,597
-	-	-	1,568,615	-
<u>(25,742,046)</u>	<u>(38,702,412)</u>	<u>96,629,935</u>	<u>(33,469,047)</u>	<u>(16,119,613)</u>
<u>\$ (61,375,711)</u>	<u>\$ (78,730,134)</u>	<u>\$ 151,568,874</u>	<u>\$ 70,033,542</u>	<u>\$ 54,154,078</u>

**COUNTY OF SAN JOAQUIN  
NET POSITION BY COMPONENT  
LAST EIGHT FISCAL YEARS  
AS OF JUNE 30, 2013**

	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 451,195,289	\$ 450,740,695	\$ 447,107,088	\$ 442,095,234
Restricted net position	360,682,027	348,192,228	354,890,877	366,388,735
Unrestricted net position	<u>157,049,194</u>	<u>87,518,360</u>	<u>96,696,997</u>	<u>61,347,876</u>
Total governmental activities net position	<u>968,926,510</u>	<u>886,451,283</u>	<u>898,694,962</u>	<u>869,831,845</u>
Business-type activities				
Invested in capital assets, net of related debt	51,507,576	39,837,451	36,708,379	40,321,738
Restricted net position	2,254,966	1,915,283	1,914,093	1,785,070
Unrestricted net position	<u>41,981,219</u>	<u>46,055,515</u>	<u>50,815,667</u>	<u>9,570,879</u>
Total business-type activities net position	<u>95,743,761</u>	<u>87,808,249</u>	<u>89,438,139</u>	<u>51,677,687</u>
Primary government				
Invested in capital assets, net of related debt	502,702,865	490,578,146	483,815,467	482,416,972
Restricted net position	362,936,993	350,107,511	356,804,970	368,173,805
Unrestricted net position	<u>199,030,413</u>	<u>133,573,875</u>	<u>147,512,664</u>	<u>70,918,755</u>
Total primary government net position	<u>\$ 1,064,670,271</u>	<u>\$ 974,259,532</u>	<u>\$ 988,133,101</u>	<u>\$ 921,509,532</u>

2008-09	2007-08	2006-07	2005-06
\$ 441,546,314	\$ 485,015,056	\$ 430,608,245	\$ 351,981,529
357,928,522	373,275,682	392,180,625	250,392,162
81,935,235	118,084,147	102,397,924	139,875,959
<u>881,410,071</u>	<u>976,374,885</u>	<u>925,186,794</u>	<u>742,249,650</u>
40,581,470	18,627,614	33,306,890	28,558,534
2,133,763	11,528,014	6,420,931	14,403,192
<u>14,786,968</u>	<u>18,372,385</u>	<u>13,385,486</u>	<u>35,221,568</u>
<u>57,502,201</u>	<u>48,528,013</u>	<u>53,113,307</u>	<u>78,183,294</u>
482,127,784	503,642,670	463,915,135	380,540,063
360,062,285	384,803,696	398,601,556	264,795,354
96,722,203	136,456,532	115,783,410	175,097,527
<u>\$ 938,912,272</u>	<u>\$ 1,024,902,898</u>	<u>\$ 978,300,101</u>	<u>\$ 820,432,944</u>